

Our stakeholders

Our stakeholders are part of our business and play a vital role in our success at every stage in our value chain. From the suppliers who provide our raw materials, to the communities where we operate and the people who make and sell our products, we seek to work together to refresh our markets and make a difference.



OUR PEOPLE

Our business depends on the great people who make, sell and distribute our products every day. We foster a diverse, inclusive and safe working environment, where everyone's individuality is valued and where everyone has the training, tools and opportunity to succeed.

We invest in our people's training and development (around €9 million in 2020) as well as compensating them and providing additional benefits.

How we engage

We make sure our people have opportunities to share their views, for example, through town hall meetings (held virtually in 2020, as a result of the COVID-19 pandemic) and engagement surveys. We share information through our intranet and other communication channels. Our management meets regularly with works councils and trade unions that represent our people. We have a number of channels through which our people can seek advice and raise concerns in line with our CoC.

What the Board did

Designated Directors

Two Non-executive Directors (NEDs), the chairmen of the Remuneration and Nomination Committees, have responsibility for ensuring the views and concerns of the workforce are taken into account by the Board and for reporting to the Board on employee related matters. During the year, the Nomination Committee requested regular feedback from management in relation to employee wellbeing and progress towards our inclusion and diversity (I&D) plan. The Remuneration Committee considered employee incentives in light of COVID-19, including the need for a fair and consistent approach across our workforce.

Consultation

2020 saw the first exceptional meetings of the CCEP European Employee Works Council, established in November 2019, to consult on CCEP's proposed Accelerate Competitiveness programme. The Chief Executive Officer (CEO) presented and took questions in a virtual environment and the conversation was translated into local languages to enable full participation.

Communication

To create an open and honest culture at CCEP, regular communications to our people from the CEO and other senior leaders is key. The CEO provides a regular cadence of updates regarding the Group's results and other developments within the business, to ensure our people are kept informed about the matters that affect them as employees. The Board endorsed management's approach to increasing senior leadership visibility and frequency of communications in response to COVID-19, noting the positive impacts of clear leadership and direction on confidence and productivity.

Employee town hall

To ensure the safety of our people, we adhered to prevailing COVID-19 public health guidance and held an employee town hall with the Board, virtually. Over 2,000 of our people were invited to attend an online session and to submit questions to be answered by a panel of Directors. They challenged the panel with tough questions covering sustainability, commercial decisions and mergers and acquisitions (M&A).

OUR INVESTORS

Our investors provide the equity capital for our business and hold management to account, not only on financial performance but also by discussing key environmental, social and governance issues. In 2020, we paid dividends totalling €386 million to shareholders.

How we engage

We have a comprehensive programme of investor engagement covering the Annual General Meeting (AGM), investor roadshows, investor conferences including key note webcast presentations, analyst meetings, proxy advisor engagement, half yearly earnings releases alongside presentations and trading updates with webcast conference calls. Much of our interaction in 2020 was virtual as a result of the COVID-19 pandemic.

What the Board did

M&A

During the year, the Board considered the opportunity to acquire Coca-Cola Amatil Limited (CCL), one of the largest bottlers of RTD beverages and coffee in the Asia Pacific region. The Board invested significant time in understanding CCL's business and markets and how the acquisition aligns with CCEP's long-term growth ambition.

Annual General Meeting

This year, the AGM was held as a closed meeting in line with prevailing COVID-19 guidelines and in accordance with CCEP's Articles of Association. Shareholders were given the opportunity to put questions to the Board ahead of the meeting via the Company's website.

OUR FRANCHISORS

We conduct our business primarily under agreements with TCCC and a limited number of other franchisors. These agreements generally give us the exclusive right to sell, distribute, and, in most cases, make beverages in approved packaging in specified territories.

We drive sales to customers so that our franchisors' brands are available where and when consumers want them.

How we engage

CCEP has long-term growth plans to create value together with our franchisors. To ensure ongoing discussion, our management regularly meets them to consider both functional, and sales and marketing matters. We invite TCCC to present at our Board meetings on a regular basis.

What the Board did

Collaboration

CCEP works closely with our franchise partners to develop and market the brands we sell and to set the tone of our engagement with consumers. The Affiliated Transaction Committee (ATC) oversaw the performance of franchisor relationships in 2020, including new product development and trends in innovation.

OUR SUPPLIERS

We work with a network of about 15,000 suppliers across our markets. They supply us with a wide range of commodities and services such as ingredients, packaging, energy, equipment, building and facilities, fleet and logistics services, sales and marketing services, information technology (IT) and telecoms and general administration.

Partnering and collaboration with our suppliers on sustainability is helping drive progress on delivering our This is Forward commitments while sustainable sourcing ensures security of supply of all the commodities and services needed to make, sell and distribute our drinks. For example, the support of our suppliers is key to achieving our 2030 GHG emissions reduction target.

Around 87% of our spend in 2020 (excluding concentrate and juices purchased from TCCC and other franchisors) was with suppliers in our countries of operation.

How we engage

Through our supplier relationship management process, our procurement teams engage regularly with suppliers so we can build long-term relationships and work together on common objectives. This includes addressing key sustainability issues in areas such as reducing packaging waste and responsible ingredient sourcing.

What the Board did

Annual supplier day

The CEO and other senior management representatives attended a virtual event attended by more than 200 unique suppliers.

Digital tools

A demonstration of the digital tools used by CCEP's procurement team was given on request to one member of the Board.

Supplier Guiding Principles

As part of operating with integrity, we have guidelines approved at Board level setting out expectations and requirements of our suppliers in relation to expected conduct, for example, in relation to human rights, health and safety and other matters.

OUR CUSTOMERS

We strive to be our customers' preferred partner and create value together by responding to changing consumer preferences and retail trends. Our operating model is customer centric and focused on the front line. We aim to deliver the strongest execution and reach a broad range of outlets in the marketplace, all while making it easier to do business with us. In 2020, the revenue we generated for our grocery customers grew by €488 million compared to 2019.^(A)

How we engage

We are focused on our customers, with thousands of our people calling on them every day (subject to local restrictions). General Managers regularly engage with customers, along with senior members of the sales teams. We also engage with customers at an international level through TCCC's Global Customer Governance Board where certain international customers request this single point of contact within the Coca-Cola system. This engagement is limited to our markets under strict legal protocols.

What the Board did

Market visits

The Directors remain committed to understanding our markets and our customers. Virtual market visits were arranged in 2020, to mitigate the health and safety risks of in person visits from COVID-19. The Directors received insights on matters including field sales activation, marketing and adding value for retailers.

Voice of the customer

Senior leadership from Carrefour France were invited to present to the Board about Carrefour's approach to its customers. The Directors asked questions and discussed the future of retail more widely from a consumer focus.

CONSUMERS

Consumers buy our great products from our customers. They drive demand for a range of drinks. We work with our customers to ensure that the drinks reaching consumers are high quality, safe and taste great.

How we engage

Generally, our franchisors own the relationship with consumers. We work closely with our franchisors and customers to understand consumer wants and needs. We receive direct feedback from consumers via the consumer care line provided on all our packaging.

What the Board did

Our portfolio

Our ATC oversees CCEP's relationships with our franchise partners, through which we are able to keep focus on development and diversification of our portfolio.

WE ENGAGE WITH OUR STAKEHOLDERS REGULARLY TO UNDERSTAND THEIR VIEWS ON THE ISSUES THAT MATTER MOST TO THEM AND HOW BEST TO WORK TOGETHER TOWARDS OUR COMMON GOALS. BY LISTENING CLOSELY TO OUR STAKEHOLDERS, WE ENSURE THEIR INSIGHTS SHAPE OUR BUSINESS STRATEGY.

OUR COMMUNITIES

We have a strong local heritage and presence. We seek to make a positive difference, helping to address the challenges our communities face by supporting local partnerships and grassroots initiatives.

We recognise the economic, social and environmental interaction between our business and our communities. Our people live in our local communities and we use local resources, such as water and transport systems, to make, sell and distribute our products.

How we engage

We invest in charitable and community causes in all of our markets and our people regularly take part in volunteering activities to support social initiatives in our communities.

What the Board did

This is Forward

The Corporate Social Responsibility (CSR) Committee oversaw development of, and progress against, our sustainability action plan, taking into consideration market guidance on sustainability and stewardship. The Board attended a session giving an external perspective on the global climate challenge, in the context of CCEP's action on climate.

Climate strategy

In December 2020, CCEP announced a new 2030 science based emissions reduction target and an ambition to reach net zero emissions by 2040. We continue to invest proactively in our sustainability ambitions to create a better future for the communities we serve.

(A) Source: NielsenIQ ScanTrack (Nielsen Strategic Planner Data) for the year 2020 to week ending 27 December 2020. Countries included are Belgium, France, Germany, GB, the Netherlands, Norway, Spain, Sweden and Portugal. CCEP is defined as TCCC and Monster Energy excluding Innocent. Grocery customers here generally includes supermarkets, hypermarkets and discounters, although there are slight variations by market.