

Modern Slavery Statement 2018

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Coca-Cola European Partners plc and Coca-Cola European Partners Great Britain Limited during the year ending 31 December 2018 to prevent modern slavery and human trafficking in our business and supply chain.

Coca-Cola European Partners is one of Europe's

LEADING CONSUMER GOODS COMPANIES.

We sell, make and distribute drinks to over

 **300m**
CONSUMERS

13

COUNTRIES IN WESTERN EUROPE

— APPROXIMATELY —

23,300
EMPLOYEES

 **14,000**
SUPPLIERS ACROSS OUR MARKETS

 **2.5bn**
UNIT CASES SOLD IN 2018

Introduction

We consider human and workplace rights – as articulated in the United Nations' Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work – to be inviolable. Respect for human rights is fundamental to the sustainability of CCEP and the communities in which we operate. We are committed to ensuring that all people are treated with dignity and respect.

We support the 10 principles of the UN Global Compact, and take a proactive approach to respecting these rights in our workplace, in our supply chain, and in the communities in which we operate. We provide a safe and healthy workplace and comply with applicable health and safety laws, regulations and internal requirements.

We have a zero-tolerance approach to Modern Slavery of any kind within our operations and supply chain. Together with The Coca-Cola Company we expressly prohibit any form of human trafficking within our system or by any company that directly supplies or provides services to our business. We prohibit the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking within our company and by any company that directly supplies or provides services to our business.



Our business

CCEP is one of Europe's leading consumer goods companies. We sell, make and distribute drinks to over 300 million consumers, across 13 countries in Western Europe. CCEP was formed in May 2016 through a merger between the bottling operations of Coca-Cola Enterprises, Inc., Coca-Cola Iberian Partners S.A.U. and Coca-Cola Erfrischungsgetränke GmbH.

CCEP has around 23,300 people servicing customers in one million outlets across 13 countries in Western Europe. We are a European business and we invest, employ, manufacture and distribute locally, maintaining a strong commitment to the wellbeing of our communities.

Our supply chain

Our suppliers are critical partners for our business. We believe collaboration and innovation throughout our supply chain are essential in advancing our sustainable growth. We source products from over 14,000 suppliers, and spent €5.5 billion with them in 2018.

Our procurement covers commodities and services such as ingredients, packaging, energy, capital equipment, building and facilities, fleet and logistics, sales and marketing, IT, telecoms, general administration and professional services. On average, 75.5% of our spend is with suppliers in our countries of origin.

We purchase the entire requirement of our concentrates and syrups for Coca-Cola trademark beverages from The Coca-Cola Company. Many of the purchases of our key agricultural ingredients, such as sugar and juices, are done together with The Coca-Cola Company, and other Coca-Cola bottlers. As a result, we address many of the issues that we face in our supply chain, including that of Modern Slavery, as a joint Coca-Cola system. In particular, in partnership with The Coca-Cola Company, we have developed Supplier Guiding Principles (SGPs) and Sustainable Agriculture Guiding Principles (SAGPs). Our SGPs and SAGPs apply to all of our suppliers, including for those non-Coca-Cola Company brands that we produce and distribute, such as Capri-Sun and our energy brands.

Supplier Guiding Principles (SGPs)

Our SGPs, which we work with suppliers to build into all new contracts, outline minimum requirements for all of our suppliers. They address the following key areas:

- Laws and regulations
- Child labour
- Forced labour
- Freedom of association and collective bargaining
- Abuse of labour
- Discrimination
- Wages and benefits
- Work hours and overtime
- Health and safety
- Environment
- Demonstration of compliance

Sustainable Agriculture Guiding Principles (SAGPs)

Developed in partnership with The Coca-Cola Company, our SAGPs cover the Coca-Cola system's key agricultural ingredients, and define the standards we expect our agricultural commodity suppliers to adhere to in terms of human and workplace rights, the environment, and management systems. Amongst others, these SAGPs cover the following areas:

- Human and workplace rights
- Freedom of association and collective bargaining
- Prohibit child labour, forced labour and abuse of labour
- Eliminate discrimination
- Work hours and wages
- Safe and healthy workplace
- Community and traditional rights



Policies

In 2017, we launched a joint sustainability strategy with The Coca-Cola Company in Western Europe, called This is Forward. As part of this strategy, we have made a commitment to ensure that 100% of our main agricultural ingredients and raw materials come from sustainable sources by 2020, and to continue to embed sustainability, ethics and human rights within our supply chain.

We uphold our sustainability standards through our Human Rights Policy, Code of Conduct (CoC), Supplier Guiding Principles, and Sustainable Agriculture Guiding Principles.

Human Rights Policy

Our human rights policy is aligned to that of The Coca-Cola Company. It expressly prohibits the use of all forms of child labour and forced labour – including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking. The policy is guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights. The policy provides a consistent approach to workplace rights worldwide and embeds it as an integral part of our culture, strategy and day-to-day operations.

Code of Conduct (CoC)

Our Ethics & Compliance Programme ensures we are conducting our operations in a lawful and ethical manner. The Programme is overseen by our Audit Committee, and is applicable to all employees, our officers and our Directors. It also supports how we work with our customers, suppliers and third parties. As of 31 December 2018, the new Code of Conduct (CoC) has been formally adopted in all the territories in which we operate, as well as our shared service centre in Bulgaria. Our CoC ensures that we act with integrity and accountability in all of our business dealings and relationships, in compliance with all applicable laws, regulations and policies. It aligns with the UN Global Compact, the US Foreign Corrupt Practices Act, the UK Bribery Act, the 2016 and 2018 UK Corporate Governance Codes, The EU General Data Protection Regulation, the Spanish and Portuguese Criminal Codes and Sapin II.

We expect everyone working at CCEP to adhere to the CoC. We also expect all third parties who work on our behalf, such as suppliers, vendors, contractors, consultants, distributors and agents, to act in an ethical manner consistent with our CoC and in compliance with our Supplier Guiding Principles.

We received no fines for CoC breaches in 2018. Breaches of the Code, by type, can be found in our [2018 Integrated Report](#).

Following the launch of the CoC in each country, employees were provided with easy access to the CoC through our internal and external websites. We also included the updated CoC in our new Code of Conduct training, and where appropriate, a hard copy of our CoC was provided.

All employees are required to complete the CoC training, including as part of the induction process for new employees. This was assigned to 16,000 employees in 2018, and in 2019 the training will be assigned to an additional 7,665 employees. Training on specific topics related to their roles is also provided where needed. All people managers have access to a



CoC Guide that addresses their responsibilities. This includes a matrix to help with decision making and guidance on situations such as bullying and harassment.

Any employee who wishes to raise concerns about wrongdoing at CCEP can do so in a number of different ways, including contacting a line manager or through our dedicated [Speak Up](#) channels. Retaliation against anyone for making a genuine report, including co-operation in an investigation, is prohibited. Potential breaches of our CoC are dealt with by business units CoC Committees overseen by the Group CoC Committee which is chaired by the Chief Compliance Officer. An overview of all reported incidents is provided to the Audit Committee. As required under the Spanish Criminal Code, the Iberia business unit has an Ethics Committee formed of members of the Iberia business unit leadership team. It is responsible for any ethics and compliance activities, including overseeing the local crime prevention model. It reports to the Iberia business unit leadership team and the Chief Compliance Officer.

Supplier Guiding Principles (SGPs)

Our SGPs are aligned with those of the Coca-Cola system. These set out the minimum requirements we expect of our suppliers in areas such as workplace policies and practices, health and safety, human rights, environmental protection and business integrity. These SGPs reflect our commitment to respect human rights across our business system and global supply chain. We work with suppliers to build SGPs into all new contracts and into multi-year contracts as they renew. In addition, we have amended our standard supplier contracts to include specific anti-slavery obligations on suppliers, including the express undertaking that neither the supplier nor any other person in its supply chain uses (or has attempted to use) trafficked, bonded, child or forced labour. Any breach of this undertaking enables CCEP to immediately terminate the supply agreement. All procurement managers working directly with suppliers are provided with training (including on our SGPs) when they begin their roles, and this information is refreshed on a regular basis.

Sustainable Agriculture Guiding Principles (SAGPs)

Developed in partnership with The Coca-Cola Company, our SAGPs cover the Coca-Cola system's key agricultural ingredients, and define the standards we expect our agricultural ingredient suppliers to adhere to in terms of human and workplace rights – including prohibitions on modern slavery and child labour, the environment, and management systems. We apply these common SAGPs to the key agricultural ingredients that we purchase – this includes beet and cane sugar, pulp and paper, orange, apple, and lemon juices, as well as tea and coffee. Procurement managers working directly with agricultural ingredient suppliers are provided with training on our SAGPs when they begin their roles, and this information is refreshed on a regular basis.

Audit processes

We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the SGPs. As part of the Coca-Cola system, we have relied on independent audits commissioned by The Coca-Cola Company to monitor supplier compliance with the SGPs. The assessments generally include confidential interviews with employees and on-site contract workers. These audits include checks that suppliers are not using child labour, forced labour, or any form of modern slavery, amongst the other covered areas of our SGPs. In 2018, 95% of our packaging and ingredients suppliers were covered by SGP audits.



The Coca-Cola Company is a member of the AIM- PROGRESS forum, a global forum promoting responsible sourcing practices and the harmonisation of supplier audits as a way of reducing duplication and costs for suppliers. The SGPs have been benchmarked against other members' protocols and are recognised by AIM-PROGRESS members through a framework called Mutual Recognition.

SGP audits are aligned with AIM-PROGRESS and are recognised by its members. Similarly, we recognise audits carried out on behalf of other signatory companies. If a supplier fails to uphold any aspect of the SGP requirements, the supplier is expected to implement corrective actions. The Coca-Cola Company reserves the right to conduct unannounced audits at their discretion and to terminate an agreement with any supplier that cannot demonstrate that it is upholding the SGP requirement, including if it is found to be engaging in modern slavery.

Risk and risk mitigation

Modern Slavery has been assessed as a part of our corporate Enterprise Risk Management process, and responsibility for managing its risk sits with a designated risk owner. Due to the human resources policies, governance and controls within our own operations – including our offices, manufacturing, distribution, and sales functions – there is a low risk of an incidence of child labour or any form of forced labour within our own operations.

We also employ contract labour within our operations – including temporary labour within our manufacturing operations and sales teams, consultancy and temporary contracts in our head offices, and third-party contractors for services such as cleaning. While these areas are not under our direct control and therefore carry a higher risk of non-compliance, we work with suppliers to build our SGP into contract labour procurement contracts.

Our standard supplier contractual agreement terms have been amended to include obligations on suppliers to comply with the Modern Slavery Act. We also require our suppliers to provide a safe work environment and to avoid using termination practices that circumvent legal obligations. We work with suppliers to build our SGPs into all new contracts and into multi-year contracts as they renew. From 2017, we have built the SGPs into our purchase order process, so that even informal suppliers need to comply with these requirements. 91% of our spending with tier 1 suppliers was covered by our SGPs in 2018.

Our Human Rights Policy and SGPs outline our commitments and expectations for treatment of all workers. Any allegation of worker abuse - including abuse of contract labourers - is a very serious issue that we will fully investigate. We conduct continuous assessments of our operations and of key authorised contract labour suppliers to ensure the responsible treatment of contract labourers. We utilise The Coca-Cola Company's contract labour risk-mitigation checklists and other tools to help us manage contract labour appropriately.

Our biggest potential exposure to Modern Slavery is within our key agricultural ingredient supply chains, and within the supply chains for some of our packaging materials. We are currently reviewing the risk for modern slavery, forced labour and child labour through an EcoVadis commodity assessment, and will be developing supplier-specific action plans based upon the assessment outcomes. As we source these ingredients and materials primarily together with The Coca-Cola Company, we are working with them to source 100% of our key agricultural ingredients sustainably by 2020.

We track whether our key agricultural ingredients and raw materials are sourced sustainably through compliance with our SAGPs, which includes prohibitions on modern slavery, forced



labour, and child labour. We work together with third-party partners, such as The Rainforest Alliance/UTZ, the Sustainable Agricultural Initiative Platform (SAI), Bonsucro, and FSC amongst others, to develop pathways to compliance for our main agricultural suppliers; and to track progress.

Modern slavery training

All procurement managers who interact with suppliers are given training on SGPs and SAGPs as part of their induction. Following the launch of our new Code of Conduct, employees in all countries where CCEP operates, have received the CoC mandatory training on the new CoC. Our awareness-raising campaign on the new CoC included short introductory animations on key business principles and focused on the ways to make a report or share a concern.

Steps taken in 2018 to prevent modern slavery in our supply chain

CCEP reviews risks annually through its risk assessment process. During 2017, we expanded this process to also include the risk of modern slavery within our supply chain. In October 2018, we hosted an internal human rights workshop with cross-functional participation from senior managers across our business, including support and engagement from our Executive Leadership Team. We also benefitted from input and advice from key external stakeholders including UN OHCHR, Institute of Employers, Know The Chain and industry peers. Our aim was to understand what human rights means for our own operations and our supply chain.

As a result, we committed to conduct a Human Rights Risk Assessment for CCEP in 2019 based on the salient issues identified during the workshop. The risk assessment process in Q1 2019 included interviews with senior leaders across the business, followed by a risk assessment workshop to develop more detailed action plans on key issues. We identified what human rights means for CCEP, namely protecting people's inherent and indivisible rights and freedoms both in our own operations and in our value chain; fair and equal treatment of people (no discrimination) and treating people with dignity and doing no harm to others. Throughout this process, there has been clear acknowledgment that human rights issues can and do present themselves in our own day-to-day operations in Western Europe and not just in the extended global value chain. During 2019, we will also deliver human rights training for our procurement function.

We also track our suppliers' compliance with our SAGPs which includes prohibitions on modern slavery, forced labour, and child labour, through third party certification processes. With The Coca-Cola Company, we are working to help the suppliers of our key agricultural ingredients comply with all aspects of our SAGPs – including those covering human and workplace rights, including modern slavery.

In 2018, in partnership with The Coca-Cola Company, we conducted a risk assessment for our main ingredients. Whilst it is proving challenging to ensure that we source 100% of our key agricultural ingredients sustainably by 2020, we have nevertheless seen progress in relation to ingredients such as sugar and tea (see below). Together with The Coca-Cola Company, we are also developing sourcing guidelines to provide transparent criteria for our ingredient suppliers to outline the sustainability standards they should meet.

- **Sugar:** Most of the sugar we use at CCEP comes from sugar beet grown in North West Europe and Spain. In partnership with The Coca-Cola Company, we offer



several routes by which beet sugar suppliers can comply with the SAGPs and meet third-party standards. Our preferred method is the [SAI's Farm Sustainability Assessment \(FSA\)](#) whereby farmers can self-assess the sustainability of their agricultural practices against a range of environmental, social and economic indicators. In 2018, 88% of our sugar volumes (including the small amount of cane we use) were certified as compliant with our SAGPs.

- **Pulp, Paper and Cardboard:** Pulp and paper are used in much of our packaging and point-of-sale material. Suppliers can attain a Sustainable Forest Management accreditation such as the Forest Stewardship Council (FSC) or a certification endorsed by the Programme for the Endorsement of Forest Certification (PEFC). The FSC-certified logo, or those from the PEFC, represent a global chain of custody system, supported by a chain of custody certification process and independent inspections. Every new paper, pulp and cardboard contract now includes a requirement for third-party certification and suppliers have until 2020 to comply. Card and board used for packaging makes up the majority of our pulp and paper, and in 2018, 94% of our cardboard for secondary and tertiary packaging was certified as SAGP compliant.
- **Coffee and Tea:** We source tea and coffee for our Honest, Fuze tea and Chaqwa brands, and work with The Coca-Cola Company to ensure compliance with our SAGPs. In 2018, 100% of tea and more than 95% of the sourced coffee met The Coca-Cola Company's required sustainable sourcing standards, with the majority adhering to the Company's SAGPs. This means that Coca-Cola is purchasing these products from farm locations and suppliers that meet one of the following standards: Fairtrade, Rainforest Alliance, SAI Platform Silver or Gold, 4C, Ethical Tea Partnership, or SAGP audit or validation.
- **Juices:** For orange, lemon and apple juice, we're working with The Coca-Cola Company, our juice suppliers and other third-party frameworks to establish programmes to ensure compliance with our SAGPs. In particular, we work with partners such as the SAI to improve the sustainability of our juice supply.

Next steps

We will continue to review our approach to Modern Slavery in the year ahead, in particular through our business-wide human rights risk assessment, and will report on our progress in future Modern Slavery Statements.



This statement was approved by the Boards of Coca-Cola European Partners plc and Coca-Cola European Partners Great Britain.

Signed

A handwritten signature in black ink, appearing to be 'D. Gammell', written in a cursive style.

Damian Gammell
Chief Executive Officer, Coca-Cola European Partners plc

A handwritten signature in black ink, appearing to be 'L. den Hollander', written in a cursive style.

Leendert den Hollander
VP and General Manager, Coca-Cola European Partners Great Britain Ltd

May 2019