

# HUMAN RIGHTS RISK ASSESSMENT REPORT

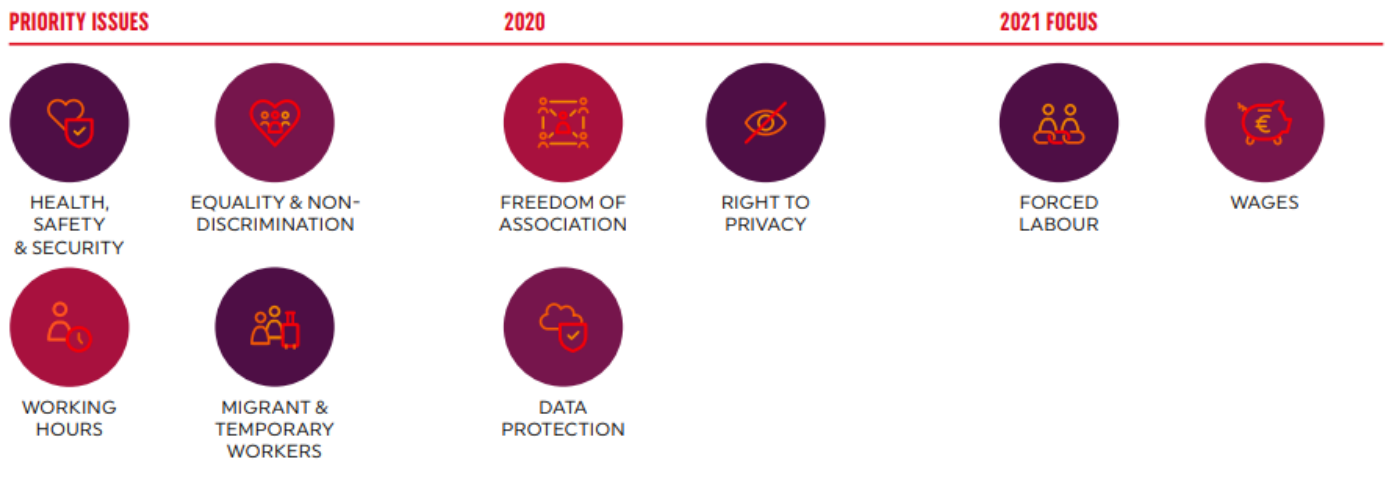
## OUR APPROACH TO HUMAN RIGHTS

We have a number of policies and practices in place to manage human rights risks in our business in Europe:

- [Human Rights Policy](#)
- [Code of Conduct \(CoC\)](#)
- [Supplier Guiding Principles](#)
- [Principles for Sustainable Agriculture](#)

## OUR PROGRESS

In 2019, we conducted a Human Rights Risk Assessment. We identified nine key areas as posing the greatest risk to people in our own operations and across our value chain:



- **Health, safety & security**  
Protecting people's rights to work in safe, healthy and secure conditions free from harassment and bullying.
- **Equality & non-discrimination**  
Protecting people's rights to be treated equally, whatever (for example but not limited to) their gender, gender identity, race, physical appearance, religion, ethnicity, cultural heritage, age, social background, mental or physical ability or disability, national origin, sexual orientation, political views or associations.
- **Working hours**  
Protecting people's rights to work fair hours that are not excessive, whilst being able to flex those hours to meet individual needs.
- **Migrant & temporary workers**  
Protecting people from work that is performed involuntarily and through violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.
- **Freedom of association**  
Protecting an individual's right to join or leave groups voluntarily, the right of the group to take collective action to pursue the interests of its members, and the right of unions to accept or decline membership based on certain criteria.

- o **Right to privacy**

Protecting an individual's right to be left alone, away from unwanted intrusion and disclosure of details of their personal life.

- o **Data protection**

Protecting an individual's right to have personal data maintained to the relevant national and international legal requirements.

- o **Forced labour**

Protecting an individual's right to undertake work or service for which they have offered themselves voluntarily and for fair compensation, free from any threat of penalty.

- o **Wages**

Protecting an individual's right to be compensated competitively relative to the industry and local labour market, and build a financially independent life for themselves and their family.

We have developed action plans for each of the salient issues. These action plans are monitored and reviewed on a regular basis. Below we provide details on the key actions we have taken.

## HEALTH, SAFETY AND SECURITY

As highlighted in our [Action on Society factsheet](#), we are working to achieve world-class safety standards across our business.

- o We're committed to achieving year-on-year reductions in workplace accidents, with a target to reduce our lost time incident level to below 0.50 by 2025.
- o Each year we upgrade and improve workplace equipment and infrastructure, including upgrading machinery safeguarding, improving loading bay safety, and segregating people from vehicles.
- o We also invest in innovation to reduce the risk to our employees, with the use of exoskeletons, anticollision systems for Fork lift trucks/ pedestrians and the implementation of wearable technologies.
- o In order to refresh their knowledge and to avoid accidents, employees across our supply chain need to follow mandatory safety trainings on topics such as Manual handling, Safe Driving and Handling of Chemicals etc. To support our training programme we're also piloting Virtual Reality (VR) technology.
- o In 2019, we launched the [Health, safety and mental wellbeing Policy and the anti-harassment policy](#) and plan to conduct anti-harassment training in 2021.
- o Additionally, we provide an Employee Assistance Program (EAP) for all employees. The EAP is a confidential, impartial and professional external service available for all CCEP employees, 24 hours a day, 7 days a week. Employees can access face-to-face or telephone counselling, advice or specialist information. The EAP offers services from legal and financial information to counselling to help employees manage personal challenges.
- o Line managers can also contact the EAP for support with the confidence and resources to respond to the everyday challenges of people management.

## EQUALITY AND NON-DISCRIMINATION

Our success is only possible due to the passion and commitment of the talented people who work with us. Our vision is to be an organisation where everyone's welcome to be themselves, be valued and belong – including different thinking, experiences and backgrounds in all that we do.

You can read more about our people and culture strategy and Inclusion & Diversity philosophy in our [Action on Society factsheet](#).

## WORKING HOURS

In 2019, we assessed our working time landscape to understand the practices in place in our different European territories, related to policies or Collective Bargaining Agreements (CBA) and time recording systems in place. CCEP Policies or CBA on working hours are in place in all countries. Additionally, we have implemented time recording systems in all countries for certain group of employees/cases and about 65% of CCEP employees are covered by a clocking system.

To increase flexibility, all employees meeting certain criteria are eligible to request an alternative work pattern. Each request is evaluated based on the employee's role and business needs. The different types of requests include for example, but not limited to remote working, home-based, part-time, flexible working hours.

Building on our [Wellbeing and Safety Strategy](#), in 2021 we set up task forces on the [Future of Work and Wellbeing](#) to help drive continuous progress in line with our strategic objectives.

## MIGRANT AND TEMPORARY WORKERS

Our [SGPs](#) are embedded in contracts, especially in hiring agencies and temporary worker agencies (approximately 91% of all contracts, 5% will be checked after alignment of the internal systems). The SGPs also form part of the standard conditions attached to our purchase order process.

CCEP Procurement uses EcoVadis to assess and track the sustainability performance of CCEP suppliers in tier 1, including human rights. Additionally, we complete checks to ensure all migrant and temporary workers are legally entitled to work.

## FREEDOM OF ASSOCIATION

Building on our [Human Rights Policy](#), we hold regular meetings with unions and works councils / employee forums in all European countries (except for Bulgaria) and engage with them to negotiate Collective Bargaining Agreements, where appropriate.

On a European level we have an established European Works Council (EWC) which meets biannually with senior members of the management team.

We have additionally developed [Human Rights Restructuring Guidelines](#) which are followed during any organisational restructuring process.

To ensure employee representatives know about their rights and duties, we have regular training for employee representatives at European and local levels according to the legal requirements. In addition, we conduct internal up-skilling on Labour Relations and Freedom of Association internally for different functions.

## RIGHT TO PRIVACY AND DATA PROTECTION

CCEP's Right to Privacy and Data Protection is managed internally by the same team, so the actions we are taking against these risks are in one workstream.

CCEP's Data Privacy function provides the governance and framework of controls for CCEP to protect the right to privacy and ensure data protection in relation to all personal data entrusted to CCEP.

We have recently set up a comprehensive Data Privacy Governance structure including a Data Privacy Community consisting of representatives from all countries. Our [Privacy Policy](#) also establishes a reporting and escalation mechanism up to the Audit Committee (Committee of the Board of Directors).

To protect data, including personal data, we have strong information security measures in place. These security monitoring systems are used in a proportional and respectful way with regards to the privacy rights of individuals.

A mandatory internal training curriculum on Data Privacy, "Make Privacy Personal", has been put in place for all employees to drive a strong culture of privacy across CCEP. In addition, dedicated mandatory trainings for certain functions, like People & Culture, are also available.

We also undertake self-assessments and internal audits of our Data Privacy programme to continuously identify any further areas of improvement.

## FORCED LABOUR

We are dedicated to protecting an individual's right to undertake work or service for which they have offered themselves voluntarily and for fair compensation, free from any threat of penalty. In spite of CCEP operating until May 2021 within European countries with strong legislation on forced labour, we cannot underestimate this risk.

To mitigate against this, we have assessed the root causes of forced labour and the circumstances that enable it. These practices can include granting an employee a loan, ownership of an employee's bank account, payment to employees in cash or retention of passports. We can confirm that these are not approved practices applied within CCEP. In Iberia, loans can be granted on basis of collective agreements, with capped amounts and only under agreement with employees' representatives.

Despite the assessment above, we have prioritised the risk of forced labour to ensure the actions taken in our value chain reduce the risk of forced labour:

- We uphold human rights through our [Human Rights Policy](#), [Code of Conduct](#), [Supplier Guiding Principles](#), and [Principles for Sustainable Agriculture](#).
- Annual publication of [Modern Slavery Statement](#) since 2017.
- Our standard supplier contract also includes 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.
- As part of the Coca-Cola system, we rely on independent audits commissioned by The Coca-Cola Company to monitor supplier compliance with the SGPs.

## WAGES

CCEP continuously monitors compliance with minimum-wage requirements, and payment above minimum wage across our markets. Across Europe, 84.9% of our employees are covered by Collective Bargaining agreements (CBA) (as of December 2020).

To ensure fair payment, we review on our pay scales on an annual basis. This is based on third-party market data and periodic bespoke benchmarking of roles e.g. new hires, promotions or other role changes, and support organisational design.

We run annual training on the pay cycle for line managers and business partners to ensure a fair and transparent process for pay.

We support pay transparency with annual communication of reward statements through an online tool, enabling our employees to understand their pay and benefits.

Our annual reporting covers:

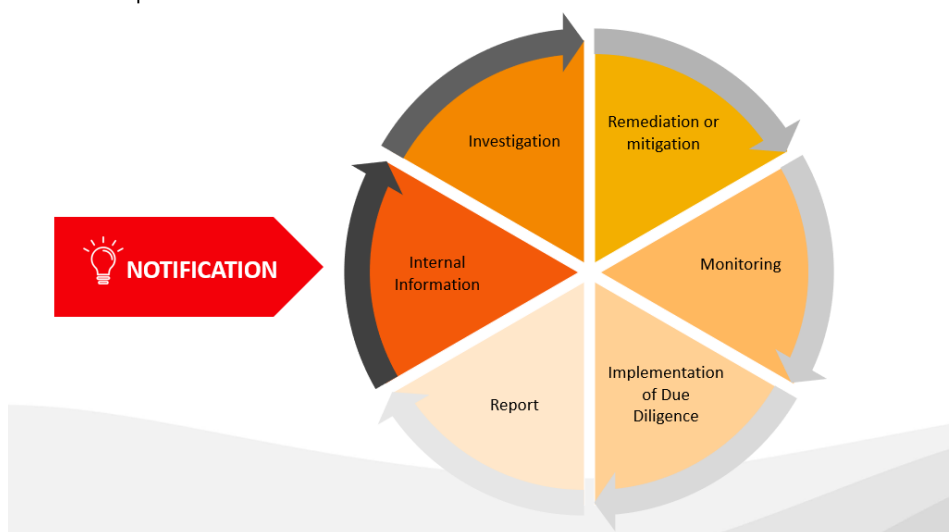
- Gender pay gap / wage increases where required by legislation (e.g. UK, France, Iberia)
- Management / non-management gender pay gaps across all CCEP markets in our Global Reporting Index report
- CEO pay ratio (vs. UK roles only) in the remuneration report

CCEP has developed equal pay plans where required by legislation (e.g. France, Iberia) and we conduct periodic internal equal pay audits. In 2018, we carried out our most recent CCEP-wide audit, supported by a third party. This showed no overall gender pay gap issues, and any outliers - which were not biased by gender - were corrected with salary increases. A further CCEP-wide audit is planned for 2021.

As we are operating on an international level, we do ad-hoc reviews of compliance with the applicable legislation, including the Posted Workers Directive, for business travellers and mobility cases.

## OUR PROCESS FOR RESPONDING TO A BREACH OF HUMAN RIGHTS

The following procedure is in place, for implementation in the event that a breach of human rights is found in our own operations or in our value chain.



Human rights Case Management

### 1. Notification

A potential breach of human rights can be raised through different channels:

- Speak up Channels set out in our Code of Conduct, enabling individuals to raise concerns anonymously. These Speak Up channels are available to employees, former employees, customers, contractors, suppliers, joint ventures, friend/relative of employee, others.
- Assessment reports from desktop supplier audits provided by our external provider Ecovadis,
- Results of audits of CCEP's sites and plants carried out by The Coca-Cola Company (TCCC) against Supplier Guiding Principles,
- Media or any other source.

All of these notifications will be treated with the same seriousness.

## **2. Internal Information**

Once a human rights breach has been identified, internal stakeholders within the following functions will be informed: Employment Practices, Ethics & Compliance, Enterprise Risk Management, Legal and Public Affairs, Communications & Sustainability. Additional relevant internal or external stakeholders will be informed and involved in the further process as appropriate.

## **3. Investigation**

The Employment Practices team will start an investigation immediately with the relevant internal and external stakeholders to understand the nature and location of the case; the circumstances which led to the case; the number of impacted people; whether the case can be substantiated and the potential impact of the case.

## **4. Remediation or mitigation**

In cooperation with the involved persons, suppliers or communities, a remediation or mitigation plan will be established and implemented.

## **5. Monitoring**

Depending on the nature of the case, the agreed remediation or mitigation can take some time. The remediation or mitigation plan is monitored on an ongoing basis to ensure it is implemented correctly.

## **6. Due Diligence**

Single events can be an indication of a risk of further human rights violations. The due diligence process will be adjusted to prevent similar cases in the future when appropriate.

## **7. Report**

Human rights cases will be included in CCEP's internal and external reporting where appropriate.