

Taking action on sustainability

Task Force on Climate-related Financial Disclosures (TCFD)



We acknowledge CCEP's role in addressing climate change, and are committed to decarbonising our business in line with climate science, and being transparent about the impacts, risks and opportunities that climate change poses to our business.

Our climate disclosures are based upon the four pillars and 11 recommendations of the TCFD's guidance. We consider our disclosure to be consistent with the TCFD recommendations and recommended disclosures.

In 2023, we evolved our scenario modelling as follows:

- Risks and opportunities were modelled across three potential emission pathways: > 4°C, +2.5°C and +1.5°C.
- Scenarios have been modelled on a gross-risk basis, assuming no mitigating actions, or progress on our This is Forward targets, such as our GHG emissions reduction targets^(A). Mitigation actions and related investments for physical and transition risks are listed on pages 57-58.
- Analysis has been completed over the short (five years), medium (2030) and long term (2040).
- Physical and transition risks have been disclosed quantitatively over the short term, and qualitatively over the medium and long term term.
- This work should not be viewed as a forecast, and will evolve in the coming years as we refine these scenarios.

TCFD alignment overview

Recommendation	Recommended disclosures and disclosure level	References and notes
Governance	a. Describe the Board's oversight of climate-related risks and opportunities	<p>➤ TCFD, Governance: pages 49-50 Corporate governance report: pages 103-112 Audit Committee report: pages 117-124 ESG Committee report: pages 125-126 We consider our disclosure to be consistent with the TCFD Recommendations and Recommended Disclosures.</p>
	b. Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	<p>➤ TCFD, Strategy and Metrics and targets: pages 51, 60 Our strategy: page 14 ERM framework and Principal risks: pages 68-78 Note 1, 6 and 7 to the Consolidated financial statements: pages 167-169; pages 173-177; and pages 177-179 Viability statement: page 79 Climate transition plan: page 38 We consider our disclosure to be consistent with the TCFD Recommendations and Recommended Disclosures. We will continue to work to develop our climate transition plan in 2024.</p>
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks	<p>➤ TCFD, Risk management: pages 54-59 ERM framework and Principal risks: pages 68-78 Audit Committee report: pages 117-124 We consider our disclosure to be consistent with the TCFD Recommendations and Recommended Disclosures.</p>
	b. Describe the organisation's processes for managing climate-related risks	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management framework	
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>➤ TCFD, Metrics and targets: page 60 Forward on climate: pages 36-40 Long-term incentives within Annual report on remuneration: pages 133-135 We consider our disclosure to be consistent with the TCFD Recommendations and Recommended Disclosures.</p>
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	

(A) Our GHG emissions reduction and Net Zero targets have been validated by the SBTi as being in line with climate science.

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Governance

Board-level governance

In alignment with the TCFD recommendations, our Board oversees climate risk and opportunities. The Board is supported in its oversight by its Committees, notably the ESG and Audit Committees, as outlined in our TCFD governance framework.

There is close collaboration across these Committees due to the role that both have in our ESG reporting, disclosure and assurance processes. A joint meeting of these Committees was held to discuss these matters, including this TCFD disclosure.

The Board oversees and assesses CCEP's Group wide strategy, including climate-related considerations, ensuring alignment with emerging regulatory mandates and market trends. It also approves significant financial commitments and plans to reduce GHG emissions.

Climate-related issues are considered as part of Board decision making. In 2023, we aligned our carbon reduction roadmaps with our business planning and Capex investment routines (see page 38), sustainability metrics were presented with asset management requests to the Audit Committee. The Remuneration Committee reviewed performance against CCEP's GHG emissions reduction targets to inform vesting outcomes for the Long-Term Incentive Plan (LTIP).

The Board also receives training and deep dives on climate-related issues. In 2023, this included a session on

sustainable packaging and the circular economy. An annual Board session focused solely on risk is held each December, and includes a review of climate-related risks, as well as other ESG-related risks.

Management supports the Board Committees throughout the year. For example, in 2023, the ESG Committee, following guidance from CCEP's leadership, recommended to the Board that we update our water strategy to include a Group water use efficiency target.

Management-level governance

Ownership and governance for sustainability-related risks and opportunities, and driving progress against our commitments, is embedded throughout our business. Risk management is a key responsibility for all senior leadership, who are assigned ownership of specific risks, including climate-related risks. Risks are evaluated regularly as part of our enterprise risk management process (see pages 68-69).

Key leadership and management with responsibility for climate-related issues, are outlined in the TCFD governance framework. The main discussion forum for the Executive Leadership Team (ELT) on climate matters is the Sustainability Steering Committee (SSC). Multiple cross functional working groups are focused on developing the strategy and delivering against our This is Forward targets. Working groups, led by key management, meet regularly, and will bring items for information, review and decision making to the SSC,

and to the Board Committees as required. In 2023, the SSC reviewed CCEP's carbon reduction roadmap, including progress against our 2030 trajectory, and agreed actions to address gaps. This work, combined with scenario risk modelling of our physical and transition risks, will support the development of CCEP's climate transition plan as it is developed in 2024. The SSC will continue to review development of our climate transition plan against relevant guidance like the UK's Transition Plan Taskforce (TPT).

[See our TCFD governance framework on page 50](#)

Stakeholder engagement

We engage regularly with a wide range of stakeholders on ESG matters. Our stakeholders have high expectations of us to address many environmental and social issues. Our stakeholders are integral to every phase of our value chain, from the suppliers which provide raw materials to the communities where we operate, and the people involved in producing and selling our products. Their insights into our most material issues and impacts are crucial, and were integral to the development of our This is Forward sustainability action plan.

We advocate for climate-related issues, supporting governmental policies and private sector initiatives that support rapid and sustained decreases in GHG emissions. In 2023, we joined over 200 companies in signing the We Mean Business Coalition's Fossil to Clean letter advocating for a phase out of fossil fuels.

[Read more about our stakeholders on pages 61-64](#)

Case study Engaging with local stakeholders



We are committed to ongoing engagement with our stakeholders.

In 2023, we hosted 6 Real Talk sessions in Europe and API, engaging with industry, NGOs, and government, in partnership with TCCC.

These dialogues, which are focused on building understanding between CCEP and key stakeholders on critical topics, including packaging or GHG emissions reduction, are crucial for building shared understanding.

Image: Panel discussions in Dongen, the Netherlands, on packaging of the future

Real talk sessions

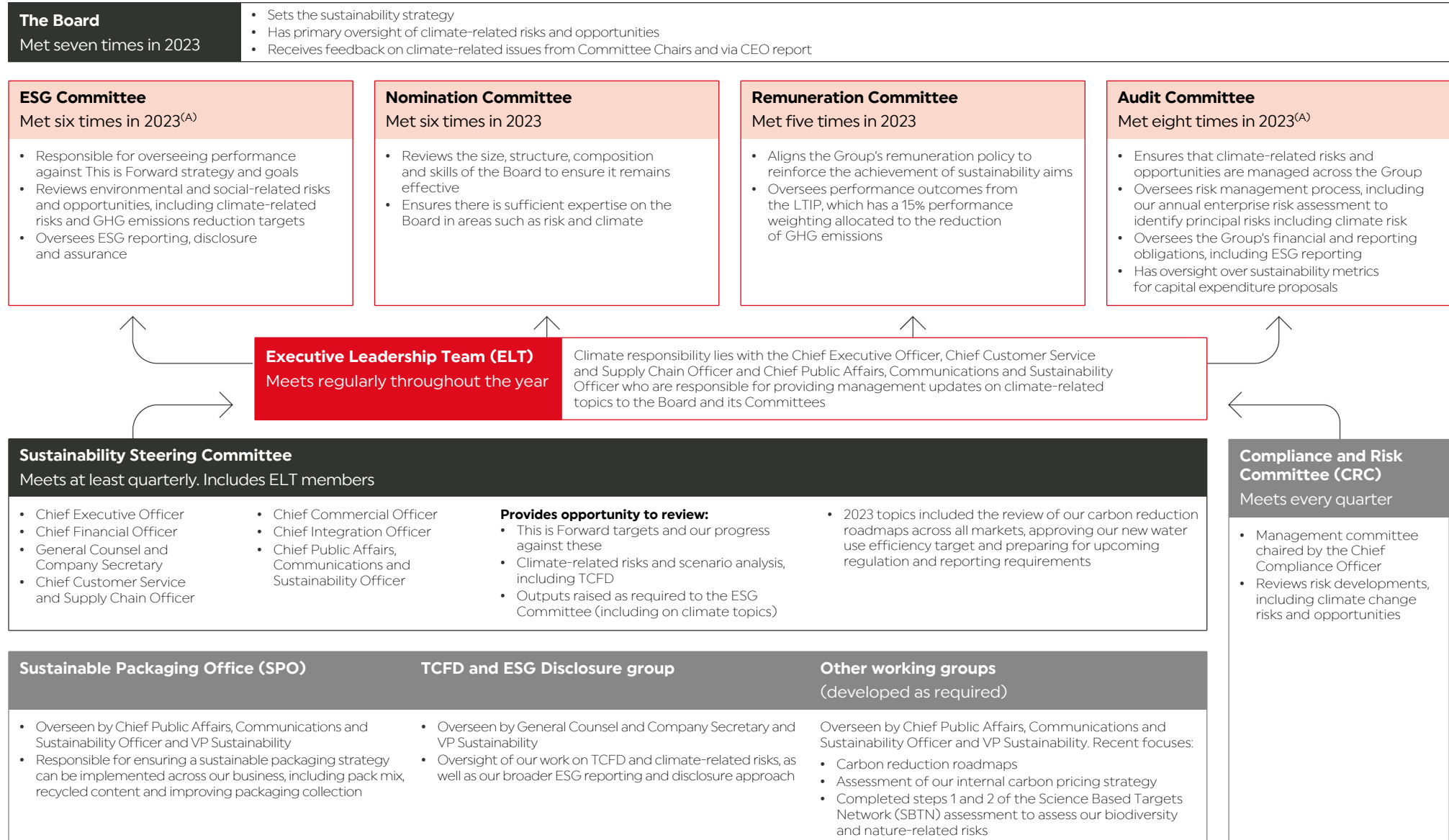
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TCFD governance framework



(A) One meeting was a joint meeting of the Audit Committee and ESG Committee held in February 2023.

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Strategy

Climate change poses short-, medium- and long-term risks to our business. This includes physical risks that could disrupt our operations and supply chain through extreme weather events, such as floods and droughts. Transition risks, such as shifts in consumer preferences and increased regulations to address climate change, could be faced by our business.

In accordance with the TCFD recommendations, we have integrated science based climate scenario modelling with internal and insurance data to build a comprehensive regional climate analysis. This methodology enhances our decision making capabilities and understanding of potential climate vulnerabilities within our operations and value chain, fostering climate resilience across the organisation.

Our business and financial planning do not depend on a single emission pathway. Instead, our scenario analysis informs management's understanding of potential risks and opportunities, serving as a tool for informed deliberation rather than as definitive predictions of future events or outcomes.

Since 2022, we have partnered with Risilience, a specialised climate analytics company which uses technology pioneered by the Centre for Risk Studies at the University of Cambridge Judge Business School, to co-develop a digital twin platform, enabling the modelling of both physical and transition risks across our value

chain over a 20-30 year horizon, aligned with five global warming scenarios (including >4°C, +2.5°C and +1.5°C), using shared socioeconomic pathways (SSPs).

We also worked with external physical climate specialists Marsh Advisory to establish how climate change could impact the frequency and severity of climate-related weather events on our manufacturing and operations, under RCP 2.6 and 8.5 scenarios (~1.6°C and ~4.3°C respectively). This covers all major climate-induced threats (coastal inundation, river flooding, surface water flooding, extreme heat, extreme wind, wildfire and others) through 2100. In 2023, we worked with Marsh, using the Risilience platform, to complete a pilot assessment of the risk of reduced production yields from sugar beet for our supply in Great Britain, due to chronic climate change impacts, such as drought and changing weather patterns. We are reviewing the potential to scale this assessment across our business in the future.

Our work with Risilience and Marsh quantifies our exposure and potential financial impacts from climate change events across various emission pathways. We are also enhancing our risk management framework, incorporating AI-powered risk sensing techniques to identify and address emerging risks, including those associated with climate change.

We work in close collaboration with TCCC to assess climate-related risks and opportunities, driving innovation as a system to meet consumer demands for sustainable products and address climate change. The knowledge gained from these initiatives helps to inform our strategic business planning and investment decisions, and supports the delivery of our climate targets.

Business planning

We integrate climate-related considerations into our business strategy, planning, and risk management processes. The knowledge gained from our climate risk analysis helps inform our strategic business planning and investment decisions and supports the delivery of our climate targets. We have assessed the impact of climate change on multiple aspects of our business and financial planning, including on our supply chain and value chain, our products, operations, investment in research and development, for example through CCEP Ventures, and investment within our operations. As we continue to evolve our climate scenario analysis, we aim to expand climate risk assessments across all areas recommended within the TCFD Annex.

We are committed to mitigating climate-related risks through the delivery of our This is Forward sustainability targets. This includes our short-term target to reduce our absolute GHG emissions by 30% by 2030 (versus 2019), and our long-term target to reach Net Zero by 2040.

Both targets were approved in 2023 by the SBTi as being in line with climate science. We use a range of sustainability performance indicators to monitor our progress against our This is Forward targets, including KPIs tracking our GHG emissions, water use ratio and packaging data. Tracking progress against these KPIs also allows us to identify gaps and opportunities for improvement.

Climate Transition Plan Development

We have begun to develop a climate transition plan, to support the delivery of our short- and long-term climate targets and to address identified risks and opportunities. This includes the development of a carbon reduction roadmap, which outlines a potential reduction trajectory through 2030 and 2040, aligned with our long-term commercial plans and growth trajectories, and includes key decarbonisation initiatives by country, value chain area and reduction initiative.

Modelling has been outlined on an annual basis through 2030, with longer-term initiatives (2030-2040) also included. Estimated funding for Capex and Opex initiatives has been included, and we have aligned how we prioritise energy, water and GHG emissions saving projects with our Capex planning processes. In 2023, we also continued to pilot the use of an internal carbon price of €100/tCO₂e to inform and influence our strategic business decisions, such as Capex investment in sustainability initiatives.

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We also used our carbon roadmap to embed a carbon projection into our 2023-2025 long-range planning and 2023 business plan. This has helped us improve the connection between our commercial and carbon forecasts at Group and country levels.

In 2024, we will build upon the work completed so far, to develop a full climate transition plan. We are reviewing frameworks as they are introduced, e.g. UK TPT Disclosure Framework, and will aim to align our climate transition plan disclosures as relevant.

Investment

Through this work, we allocated over €300 million between 2020-2022 to support the ongoing decarbonisation of our operations and value chain, and have an investment plan of approximately €450 million for emissions reduction initiatives between 2023-2025. This includes continued investment in rPET which has a significant carbon reduction impact, as well as other carbon, energy and logistics saving initiatives.

Through these investments, we are working to mitigate the physical and transition risks we face, and realise opportunities coming from cost, energy and carbon savings. In 2023, we invested approximately €28 million in energy, logistics and carbon saving technologies, and expect that this could result in an annual energy and GHG emissions saving of approximately 9,000 MWh and 21,000 tCO₂e, potentially helping us reduce our

annual electricity and natural gas costs by around €2 million per year. Investment in energy and water savings projects also helps mitigate physical risks, such as drought, on a production site level. In 2023, we continued to invest in water saving projects at our sites in areas of high baseline water stress. For example, we updated our water treatment systems in Grigny, France, invested in the recovery of rinse water in La Coruña, Spain, and optimised the water treatment process in Barcelona, Spain. Our 2023 investment of approximately €5 million in water initiatives could save approximately 145,000m³ per year.

Identifying our transition risks through scenario analysis strengthens our resilience and helps to identify potential opportunities from the global transition to a low-carbon economy. This scenario analysis identified our greatest policy, market and reputation risks and opportunities as coming from packaging. Through our SPO, we continue to monitor risks and opportunities linked to various packaging models and regulations, including strategies to maximise return on investments and improve our strategy's resilience through a diverse packaging portfolio.

Our continued investment in recycled materials such as rPET provides CCEP with a significant opportunity to increase our use of recycled material and reduce our use of virgin PET. Our investment in rPET enabled us to reach our >50% rPET target four years early in Europe, and reduced GHG emissions in

2023 by approximately 115,000 tCO₂e^(A). rPET also provides CCEP with a significant opportunity to increase our recycled content level in specific countries, to mitigate potential taxes, and could help protect us against potential new taxation, marketing restrictions and bans on single use plastic bottles which do not contain recycled plastic.

Our investment in rPET and our target to eliminate the use of oil-based virgin plastic in our bottles by 2030, could also support an opportunity to provide lower carbon and lower waste options to consumers, a transition scenario outlined within our analysis. In 2023, we took a significant step forward by launching 100% rPET bottles,^(B) across Indonesia. In 2023, 47.6% of the PET bottles we sold were manufactured from 100% rPET,^(B) with Europe contributing 50.9% and API 39.2%.

Rapid decarbonisation will also require continued engagement on policy and regulatory shifts across our markets. In particular, regulatory shifts that support an expansion of renewable electricity capacity, shifts to a circular economy and rapid phase out of fossil fuels have been identified as opportunities, and we have supported these shifts as part of our public policy work in 2023.


Business resilience

We have reviewed the potential impacts of warming scenarios (>4°C, +2.5°C and +1.5°C) and are confident that we have an agile and resilient business strategy. Through this analysis, and careful planning in our supply chain,

commercial and procurement functions, we believe we have a considerable measure of resilience to climate change. We have assessed climate risk within our financial statements and have come to the conclusion that climate risk does not materially impact the valuation of our assets or liabilities.

Impairment testing of our intangible assets was completed over a five year time horizon, and we assessed that there was no material change from climate risk over this time horizon. We have also assessed the impact of climate change on the useful economic life of our property, plant and equipment, and no change was required based upon this analysis. See pages 56-57 for more information. Based upon these assessments, we anticipate that the impacts of climate change will not materially affect our going concern basis of preparation or the Group's viability over the ensuing three years, as reflected in our viability statement on page 79.

We will build upon this work in 2024, combined with continuing climate scenario modelling of physical and transition risks, to assess the resilience of our carbon reduction strategy and identify key opportunities to mitigate identified risks to our business.

 See our Viability statement on page 79

(A) Comparing 0% rPET rate versus actual 2023 54.6% rPET rate.
(B) Excluding caps and labels.

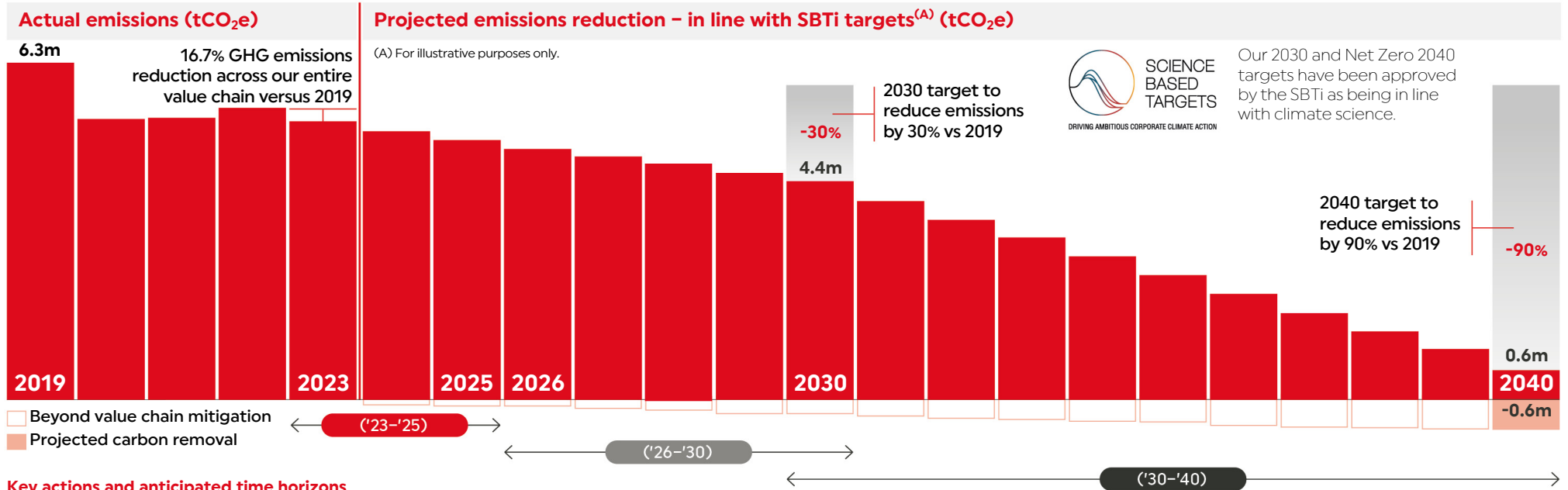
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Carbon reduction roadmap

We are working to build a climate transition plan to support the delivery of our short- and long-term GHG emissions reduction targets. In 2023, we built a carbon roadmap aligned to our business planning processes, to support our decarbonisation through 2030. In 2024, we will build upon this work, using continued climate scenario modelling of physical and transition risks, to assess the resilience of our strategy, identify opportunities to mitigate climate-related risks and ensure we have allocated the finance and resources to deliver our objectives.



Key actions and anticipated time horizons

Ingredients	● SKU rationalisation ● Reducing sugar across portfolio ● Sustainable agriculture
Packaging	● Accelerate rPET and rAluminium ● Lightweighting ● Increasing recycled content ● Increasing packaging collection ● Packaging mix shifts ● Future packaging solutions
Manufacturing	● Fugitive CO ₂ reduction ● Electric forklifts ● Increasing renewable electricity ● Reduction of fossil fuels ● Increasing renewable energy
Transport	● Alternative fuel use ● Network and route optimisation ● Electric vehicles ● Increased use of trains ● Increased vehicle efficiency ● Fleet / Third party logistics efficiency
CDE	● HFC free ● Replace OFUs ● Replace old equipment with energy efficient equipment ● Grid decarbonisation
Suppliers and partners	<p>Supplier engagement including:</p> <ul style="list-style-type: none"> – 100% of our carbon strategic suppliers to set science based targets by 2023 (Europe) and 2025 (API) – 100% renewable electricity by 2025 (Europe) and 2030 (API) <p>Through CCEP Ventures, we are committed to seeking out and funding solutions designed to drive innovation and sustainability progress in line with CCEP's Net Zero 2040 ambition.</p>
Advocacy and memberships	<p>We are committed to fostering collaborative efforts within our industry, actively engaging with peer companies, industry associations and government bodies. To facilitate a rapid, fair transition to a low-carbon economy, we are engaging with key stakeholders to accelerate the following:</p> <ul style="list-style-type: none"> – Fossil fuel phase out – Rapid shift to a circular economy – Renewable electricity across all markets

Notes. CDE = Cold drink equipment, also referred to as "coolers"; Fugitive CO₂ reduction refers to the loss of CO₂ as an ingredient that occurs when we cap our products. HFC = Hydrofluorocarbon. OFUs = Open fronted units (most have been retrofitted with doors), to be replaced with more energy efficient equipment.

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Risk management

Climate-related risks have been identified as a principal risk category for CCEP for many years, with a growing probability of affecting our existing business model, necessitating proactive mitigation strategies. Our risk management framework includes climate risks, as detailed on page 73. The Principal risks section of this report on pages 68-78 further outlines the various types of loss impacts and the potential influence of climate risks on our strategic objectives.

Climate risk is a principal strategic priority, linked to our This is Forward sustainability action plan. We assess and identify climate risks across business, functional and project levels, following our enterprise risk management process with local compliance reviews and annual enterprise risk assessments. We also review opportunities as part of our risk framework, and as part of our normal management routines.

Our approach drives progress towards meeting our GHG emission reduction targets and helps manage impacts from physical, transition and regulatory climate risks. Our commitment to this comprehensive risk management strategy underscores our dedication to long-term resilience and sustainability.

Our approach to climate scenario analysis

Partnering with Risilience, we developed a digital twin model for scenario analysis, blending CCEP's financial, operational, supply chain, product and environmental data. We modelled scenarios under different climate emission pathways. These pathways were defined by assumptions about policy change, energy outlooks, technological innovation and global temperature change, underpinned by Shared Socioeconomic Pathways (SSPs) widely used by the IPCC.

This physical climate materiality assessment is an important step to inform CCEP's climate resilience planning. Higher risk sites could be provided with operational adaptation plans and risk engineering improvements to mitigate against damage and business interruption.

 **See the emissions pathways and risks assessed** on page 55

Assessing physical and transition risks and opportunities

We evaluated physical and transition risks and opportunities over the short- (five years), medium- (2030) and long-term (2040 and beyond). This is in line with a slight extension of our business planning timeframes, and our short-(2030) and long-term (2040) GHG emissions reduction targets.

We analysed short-term financial impact over five years, during which we can influence outcomes through strategic, capital allocation, commercial and operational decisions. Given the uncertainty around the financial impacts of our climate scenario analysis beyond five years, we have confined our financial impact assessment to this period. We have also conducted a high level review of CCEP's long-term climate vulnerability, on a non-financial basis, to help us identify risks and opportunities, spot trends and support our strategic planning.

We assessed all of the physical and transition risks outlined by the TCFD. Out of the risks and opportunities assessed, seven (three physical, four transition) were determined to be significant based upon the quantitative and qualitative impact to our business. Some risks (for example, exposure to litigation or investor market risk) were assessed, but were not deemed critical. We will continue to update and refine our modelling of our climate-related risks and opportunities over the coming years.

 **See the physical and transition risks assessed** on pages 56-59

The financial and non-financial assessment of our climate scenario analysis was completed on a gross risk basis. Planned mitigating actions or opportunities linked to these risks, such as our actions to achieve our GHG emissions reduction targets through our climate transition plan, have not been taken into consideration when evaluating the risk.

We have grouped the potential five year discounted cash flow at risk estimations into low, medium and high bands, with each risk and opportunity assessed independently. Bands are based on a 5% profit before tax estimate on a five year cumulative basis.

In 2024, we will continue to refine our climate scenario modelling, as we continue to develop and refine our carbon reduction strategy, and identify opportunities to mitigate climate-related risks to our business. This will help us to better assess the resilience of our climate transition plan, and our business strategy, to ensure we are able to mitigate risks and take advantage of opportunities of shifting to a low-carbon economy over the medium to long term.

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Emissions pathway	>4°C emissions pathway	+2.5°C emissions pathway	+1.5°C emissions pathway
SSP	No Policy SSP 5-8.5	Stated Policy SSP 2-4.5	Paris Ambition SSP 1-1.9
Temperature rise by 2100	>4°C	+2.5°C	+1.5°C
Global CO₂ emissions	200% by 2100	-75% by 2100	Net Zero by 2050
Global action against climate change	Few or no steps taken to limit emissions. Current GHG emissions levels roughly double by 2050. The global economy is fuelled by exploiting fossil fuels and energy-intensive lifestyles.	Reliance on existing/ planned policies (not commitments). GHG emissions plateau around current levels before starting to fall mid-century, but do not reach Net Zero by 2100.	Coordinated action leads to reduced emissions and societal shifts towards sustainability. While extreme weather increases, the most severe climate impacts are avoided.
Likelihood	Low	High	Low

Scope and methodology to assess key climate-related risks and opportunities	
	Physical
What are physical and transition risks and opportunities?	<p>Physical</p> <p>Includes risk of both acute weather events (e.g. floods) and chronic long-term climate shifts (e.g. rising sea levels). Acute physical risks are already occurring – however, the frequency and severity of these is expected to increase.</p> <p>Transition</p> <p>Transitioning to a low-carbon economy presents risks and opportunities, with impacts varying by transition speed and nature. Opportunities arise as consumers increasingly prefer products with lower emissions and reduced use of water and resources.</p>
CCEP scope	<ul style="list-style-type: none"> • CCEP sites and operations • Key areas of our supply chain • Downstream products
Quantification	<p>Estimation of the five-year cumulative discounted cash flow at risk (without mitigation measures). This was completed independently per risk type, including operational disruption and asset damage (physical); and loss of revenue, increased cost implications (transition). Risks have been prioritised in line with our ERM process. (see pages 68-69).</p>

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Physical risk

We modelled how extreme weather events and chronic changes to weather patterns could pose a physical risk to our operations and supply chain. Our climate scenario modelling identified potential risks from extreme weather, such as drought or flooding at production sites or key suppliers. Chronic changes in temperature and precipitation patterns could have an impact on agricultural yields for key ingredients. Mitigating actions against these risks are reviewed as part of our business planning processes.

Short-term (five years) cumulative gross risk financial impact estimates (assuming no mitigation)

Potential cumulative discounted cash flow at risk

Low <€350m		Medium €350m–€700m		High >€700m
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Short-term (five years) cumulative gross risk (assuming no mitigation)				
Physical risks	What could be expected	>4°C emissions pathway	+2.5°C emissions pathway	+1.5°C emissions pathway
Extreme weather events could cause disruption to facilities and logistics routes	Increased risks of site damage due to more frequent and severe extreme weather, including riverine and surface water flooding. Impacts could result in business interruption and asset damage at our production sites.	Low	Low	Low
		<ul style="list-style-type: none"> Acute weather events such as extreme heat or flooding could limit our ability to produce or distribute our products. Insurance premiums could increase to cover such events. 		
Increasing water stress or water scarcity	Droughts can lead to water scarcity and reduced quality in our territories, potentially raising production costs or limiting capacity, adversely impacting our production and sales.	Low	Low	Low
		<ul style="list-style-type: none"> Of our 66 NARTD production sites, 24 are in regions with baseline water stress per WRI Aqueduct 3.0 analysis. Previous droughts have impacted operations. We modelled the risk as a potential production restriction over a two month period occurring at our high risk sites. The risk escalates slightly in the >4°C and +2.5°C warming scenarios. 		
Changes to weather and precipitation patterns could cause disruption to supply of ingredients	Decreased agricultural productivity in some regions of the world as a result of changing weather patterns may impact the yield and/or quality of key raw ingredients (e.g. sugar beet, sugar cane, coffee or orange juice) that we use to produce our products.	Low	Low	Low
		<ul style="list-style-type: none"> Sugar yields could be negatively impacted across all emissions pathways. Sugar beet, as our modelling suggests, is the ingredient most vulnerable to short-term climate shifts. France is projected to have the most significant yield reduction due to expected increased rainfall. Our modelling indicated that orange and coffee yields are unlikely to be significantly impacted. 		
Scenarios are modelled assuming no mitigating actions or progress on our stated sustainability action plan. It assumes that CCEP's operational footprint, product portfolio and GHG emissions remain static. Our mitigation strategy and our This is Forward sustainability commitments are designed to mitigate climate-related risks.				

Medium- (2030) and long-term (2040 and beyond) non-financial assessment

In the >4°C warming scenario, physical risks at CCEP facilities, including operational and supply chain disruptions, increase significantly. A review of 27 critical facilities under this scenario revealed long-term flooding risks, especially in Belgium, Spain, and Indonesia. These risks, mainly coastal inundation, are expected to surge post-2050. Additionally, climate change may intensify water scarcity, affecting water quality in certain regions. Analysis using WRI Aqueduct 3.0 baseline water stress mapping identified 21 European facilities and three NARTD facilities in API as high risk for water stress.

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Our strategic response to physical risks

Physical risk	Value chain	How could this impact our business (assuming no mitigation)?	How are we addressing these risks? (Our mitigation strategy)
Extreme weather events could cause disruption to facilities and logistics routes	Manufacturing and operations	<ul style="list-style-type: none"> • Damage to property at production and warehouse facilities, as well as our logistics and distribution networks. • Compromised infrastructure and logistical channels due to facility and equipment damage could hinder our product manufacturing and delivery capabilities. • Notably, severe flooding in 2021 affected our Chaudfontaine, Belgium, and Bad Neuenahr, Germany production sites. In 2022, floods in Australia disrupted our distribution network. We anticipate flooding as a persistent physical risk across all emission scenarios. 	<ul style="list-style-type: none"> • Our proactive measures against climate-related risks, especially from extreme weather, include significant investments in: <ul style="list-style-type: none"> – Enhancing flood defences and climate adaptation measures at our facilities – Developing and refining our business continuity plans
Increasing water stress or water scarcity	Manufacturing and operations	<ul style="list-style-type: none"> • Water scarcity poses a risk to our production processes, potentially leading to regulatory constraints on water usage, which may affect our production capabilities. • Temporary water shortages could result in increased production expenses or limitations in production capacity, impacting our beverage production and sales, and elevating costs. • Of our 66 NARTD production facilities, 24 are situated in regions with baseline water stress, as identified by the WRI Aqueduct 3.0 water risk analysis. • In 2023, due to drought, local authorities in some of our markets in Europe (Spain and France) escalated water risk levels, which could have resulted in limits on industrial water usage. These restrictions did not directly affect our sites, and in some cases our water targets and demonstrated progress on improving water efficiency helped to mitigate water restrictions being imposed on our facilities. 	<ul style="list-style-type: none"> • We conduct continuous water risk assessments at our NARTD production facilities using tools like the WRI Aqueduct 3.0 baseline water risk assessment, Facility Water Vulnerability Assessments (FAWVAs), and Source Water Vulnerability Assessments (SVAs). • These risk assessments directly inform the context based water targets set at each of our NARTD facilities, and our aggregated target to reduce our WUR^(A) by 10% by 2030 (versus 2019). • At sites located in areas of higher water stress, we work with NGOs, local authorities and the local community to help protect the watersheds we use. • We aim to achieve 100% regenerative water use in our leadership locations^(B) by 2030. This includes reducing our water use ratio, finding a beneficial use for the sites' wastewater and funding replenishment projects near these leadership locations. • In 2023, we invested approximately €5 million in water efficiency technology, processes and wastewater treatment in our sites. We estimate that these could help us save annual water and waste treatment expenses of about €300,000 per year.
Changes to weather and precipitation patterns could cause disruption to supply of ingredients	Supply chain	<ul style="list-style-type: none"> • Changing weather patterns and/or extreme weather events could impact the yield and/or quality of our key ingredients and raw materials, such as sugar beet, sugar cane, orange juice or coffee. This could reduce the availability and quality, or increase the cost of ingredients. • Our primary sugar beet sourcing regions, including France, Great Britain, the Netherlands and Spain, are all potentially vulnerable to climate-related water scarcity issues, based upon WRI Aqueduct 3.0 water risk analysis. 	<ul style="list-style-type: none"> • We have asked our carbon strategic suppliers^(C) to set their own science based GHG emissions reduction targets, including our ingredients suppliers. • We aim for 100% of our key agricultural ingredients and raw materials to be sourced in compliance with our PSA. • We invest in water replenishment programmes in our key sourcing regions, which focus on supporting advance water management practices. • We aid our suppliers in measuring and setting emission reduction targets and enhancing their emission reduction capabilities through educational initiatives like the S-LOCT programme.

(A) Water use ratio: litres of water per litre of finished product produced.

(B) NARTD production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.

(C) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (~200 suppliers in total).

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Transition risk

Our scenario analysis focused on the transition risks across our value chain, under three emissions pathways. Our analysis highlighted a greater potential impact from transition risks in the near term, compared to physical risks. The level of exposure to transition risks is driven by the warming scenario, with a +1.5°C scenario showing the highest potential transition risk. Mitigating actions against these risks are determined as part of our business planning processes.

Short-term (five years) cumulative gross risk financial impact estimates (assuming no mitigation)

Potential cumulative discounted cash flow at risk

Low <€350m

Medium €350m-€700m

High >€700m

		Short-term (five years) cumulative gross risk (assuming no mitigation)					
Transition risk	What could be expected?	>4°C emissions pathway		+2.5°C emissions pathway		+1.5°C emissions pathway	
Policy	Carbon pricing is used as a shadow mechanism through which governments can incentivise GHG emissions reductions. The scenarios assume the use of higher carbon prices across CCEP markets to price and penalise GHG emissions, including those linked to packaging materials, to drive decarbonisation.	Low		Low		Medium	
		Assumes negligible carbon taxes		Assumes an average €40/tCO ₂ e of carbon taxes in year five		Assumes an average €80/tCO ₂ e of carbon taxes in year five	
Market	Consumer awareness of environmental impact drives a shift towards more sustainable, lower-emission alternative products and services. The scenarios assume that consumer preferences will shift towards packaging options that are perceived to be more sustainable, transforming market demand.	Low		Low		Low	
		Assumes low consumer demand for packaging types that are perceived to be more sustainable		Assumes moderate demand for packaging types that are perceived to be more sustainable		Assumes rapid growing demand for packaging types that are perceived to be more sustainable	
Technology	Regulatory or market shifts may phase out fossil fuels and related equipment, leading to a devaluation of carbon-intensive assets and potential impairment or write-offs. CCEP's exposure is limited, primarily due to our fleet assets relying on fossil fuels.	Low		Low		Low	
		Assumes that development is fossil-fuel driven with little innovation		Assumes moderate investment and innovation in renewable energy		Assumes rapid decarbonisation, including a rapid shift to renewable energy	
Reputation	Levels of consumer activism could be influenced by how much climate action is taken by the beverage sector and by CCEP. This assumes a potential gross risk if CCEP falls behind the beverage sector, causing increased consumer activism relative to our competitors. This assessment does not include packaging changes likely to be required by legislation across the sector.	Low		Low		Low	
		Low level of consumer activism		Moderate climate activism. Assumes CCEP is perceived to be in line with the beverage sector		Assumes CCEP does not keep pace with the beverage sector, causing increased consumer activism	

Scenarios are modelled assuming no mitigating actions or progress on our stated sustainability action plan. It assumes that CCEP's operational footprint, product portfolio and GHG emissions remain static. Our mitigation strategy and our This is Forward sustainability commitments are designed to mitigate climate-related risks.

Medium- (2030) and long-term (2040 and beyond) non-financial assessment

Beyond a five-year time horizon, the level of uncertainty of transition risks increases. Transition risks are anticipated to have the greatest impact in the near to mid term. In the next five years, in light of the challenge of coordinating global climate action, modest political, economic and social changes will drive financial impact. More significant action from policymakers to stimulate the low-carbon transition would accelerate the rate and transition, and increase the magnitude of impacts to the business.

In the medium term, new regulations designed to decrease the use of packaging materials that contribute to GHG emissions, or that introduce quotas for refillable packaging could require additional investment in our packaging portfolio, manufacturing capabilities and distribution network. This could be accelerated by an increasing demand from consumers for more sustainable products. Our SPO monitors risks and opportunities linked to packaging and packaging regulation, and reviews ways to maximise return on investments through pricing, increasing our value share and the avoidance of potential packaging-related taxes.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Our strategic response to transition risks

Transition risks	Value chain	How could this impact our business (assuming no mitigation)?	How are we addressing these risks? (Our mitigation strategy)
Policy	Packaging	<p>Introduction of carbon and/or packaging taxes or levies, aimed at reducing GHG emissions from packaging and waste, that could result in:</p> <ul style="list-style-type: none"> increased costs for packaging materials 	<ul style="list-style-type: none"> A target to collect and recycle a bottle or can for each one we sell by 2030. Enabled by collaboration across industries to increase collection and recycling rates and drive a circular economy. Targets to reach 50% rPET in our PET bottles, and a target to stop using oil-based virgin plastic in our bottles by 2030. Innovating in refillable and dispensed solutions to eliminate packaging waste and reduce our GHG emissions. We allocated over €300 million between 2020 and 2022 to support the ongoing decarbonisation of our operations and value chain, and have an investment plan of approximately €450 million for emissions reduction initiatives between 2023 and 2025. This includes continued investment in rPET, as well as other carbon, energy and logistics savings initiatives. Continued investment in rPET provides CCEP with a significant opportunity to increase recycled content levels in specific markets, mitigating potential taxes, marketing constraints or bans on single use plastic bottles which do not contain recycled plastic.
	Operations and raw materials	<p>Increase in carbon taxes, aimed at reducing GHG emissions within industry groups that could result in:</p> <ul style="list-style-type: none"> increased energy costs increased raw materials costs 	<ul style="list-style-type: none"> Short- and long-term GHG emissions reduction targets to reduce our absolute GHG emissions by 30% by 2030 (versus 2019) and to reach Net Zero by 2040. Use renewable electricity across all of our markets by 2030. Engaging and working with our carbon strategic suppliers to: <ul style="list-style-type: none"> set their own science based GHG emissions reduction targets by 2023 (Europe) and 2025 (API) use 100% renewable electricity in their operations by 2025 (Europe) and 2030 (API) share their carbon footprint data with us Aiming to source all our agricultural ingredients and raw materials sustainably by ensuring our ingredient suppliers meet our PSA requirements. During 2023, we invested approximately €28 million in energy and carbon saving technologies, saving approximately 9,000MWh and 21,000 tonnes of CO₂e annually. We estimate these investments could help us avoid annual operating costs of approximately €2 million.
Market (consumer)	Brands and portfolio	<ul style="list-style-type: none"> Loss of revenue and/or missed growth opportunities 	<ul style="list-style-type: none"> Regular review of products and business models, based upon their carbon emissions, packaging and water usage. Removing packaging materials where we can, and setting targets to collect all of the packaging we use, increase our use of recycled content and help to implement systems to drive circularity of packaging materials.
Technology	Operations	<ul style="list-style-type: none"> Asset write downs, investments in low-emission technology to meet market regulation 	<ul style="list-style-type: none"> Investing in manufacturing equipment and transportation systems that rely on low-emission or renewable energy sources. As part of our EV100 commitment, we aim to transition all of our own car and van fleet to electric or ultra-low emissions vehicles by 2030. Investing in the decarbonisation of our production facilities. In 2023, we invested approximately €28 million in energy and carbon saving technologies, saving approximately 9,000 MWh and 21,000 tonnes of CO₂e annually. Exploring and investing in new technologies through CCEP Ventures.
Reputation	Brands and portfolio	<ul style="list-style-type: none"> Loss of revenue and/or missed growth opportunities due to consumer activism against our sector and/or our products 	<ul style="list-style-type: none"> Short- and long-term GHG emissions reduction targets to reduce our absolute GHG emissions by 30% by 2030 (versus 2019) and to reach Net Zero by 2040. Increasing recycled content in packaging and increasing collection rates. Developing refillable and reusable product offerings for consumers. Collaborating with TCCC and other franchise partners, as part of a system approach driving the sustainability agenda of our brands.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Metrics and targets

Through our sustainability reporting and disclosure, we track, measure and manage our sustainability targets and related metrics.

Our This is Forward sustainability action plan targets were developed from stakeholder insights, and our targets are focused on our most material issues. A full list of our sustainability metrics, our reporting approach and GHG emissions calculation methodology can be found in the Key performance data summary on pages 234-241. Stress scenarios regarding the ongoing viability of our business can be found on page 79. We are piloting the use of a carbon price of €100/tCO₂e, see page 51.

For our disclosure, we have considered the TCFD cross industry climate-related metrics and agriculture, food, and forest products group metrics.

Climate targets

In 2023, our short- and long-term GHG emissions targets were validated by the SBTi as being in line with climate science.

Our climate targets are as follows:

- Net Zero GHG emissions (Scope 1, 2 and 3) by 2040
- Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030 (versus 2019)
- Use 100% renewable electricity across all markets by 2030
- 100% of carbon strategic suppliers to set science based targets by 2023 (Europe) and 2025 (API)

- 100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and 2030 (API)

Our GHG emissions targets are tied to executive remuneration through our LTIP, see pages 133-135.

Water metrics and targets


We focus on water efficiency in our operations and helping to protect water sources for our business, communities and suppliers. Our key water targets are as follows:

- 10% reduction in our manufacturing water use ratio^(A) by 2030 (versus 2019)
- Replenish 100% of the water we use in our beverages
- 100% regenerative water use in leadership locations^(B) by 2030

In 2023, we improved our water use ratio by 4.9% versus 2019 by setting context based targets and improving our water efficiency.

Packaging metrics and targets

Packaging accounts for 37% of our total value chain carbon footprint, making it a key area where we can reduce emissions. Reducing unnecessary packaging and improving packaging circularity will help reduce our carbon emissions and support us in reaching our climate targets.

 **Read more about our actions on climate, packaging and water** on pages 36-47

Cross industry climate-related and agriculture, food and forest products group metrics

Tonnes of CO ₂ e	Group		UK and UK offshore ^(E)		
	2019 ^(C)	2022	2023 ^{(D)(α)}	2022	2023 ^{(D)(α)}
Scope 1 Direct emissions (e.g. fuel used by own vehicles)	344,616	299,090	283,745	29,439	31,431
Scope 2 (market based) Indirect emissions (e.g. electricity)	223,114	192,053	151,795	3,084	2
Scope 2 (location based) Indirect emissions (e.g. electricity)	384,382	308,050	292,243	17,673	17,891
Scope 3 Biological processes, third party emissions (e.g. ingredients, packaging, CDE, third party transportation)	5,754,177	5,095,008	4,827,581	740,511	716,943
GHG emissions Scope 1, 2 and 3 (full value chain)^(F)	6,321,907	5,586,151	5,263,122	773,034	748,376
Emissions from biologically sequestered carbon		71,151	87,273		
Intensity ratio					
Full value chain GHG emissions per litre (g CO ₂ e/litre)	350.1	298.9	283.3	228.7	225.8
GHG emissions (Scope 1 and 2) per euro of revenue (tCO ₂ e/€)	36.9	28.4	23.8	10.5	9.7
Energy use					
Direct energy consumption (Scope 1) (MWh)	1,279,302	1,141,932	1,087,216	132,144	128,873
Direct energy consumption (Scope 2) (MWh)	944,117	910,444	881,571	91,904	89,995
Direct energy consumption (Scope 1 and Scope 2) (MWh)	2,223,419	2,052,376	1,968,788	224,048	218,869
Agriculture, food and forest products group metrics					
Total water withdrawn (1,000m ³)		26,578	26,142		
Total water consumed (1,000m ³)		17,015	17,003		
Total production volumes from areas of baseline water stress (1,000m ³)		8,126	8,067		

Note: For details on our approach to reporting and methodology see our 2023 Sustainability reporting methodology document on cocaolaep.com/sustainability/download-centre.

(A) Measured as litres of water per litre of finished product produced. All beverage production facilities. (B) NARTD production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API. (C) The acquisition of API completed on 10 May 2021; however, the baseline metrics above are presented on a full year basis for 2019 to allow for better period over period comparability. 2019 baseline has been restated – as described in our Key performance data summary on pages 234-241. (D)(α) Subject to external independent limited assurance. See page 241 for details. (E) Equates to Great Britain for CCEP. (F) Scope 2 is market based approach only.