Who we are

Coca-Cola Europacific Partners is one of the world's leading consumer goods companies – making, moving and selling some of the world's most loved drinks.

We make, move and sell the world's most loved drinks to millions of consumers, customers and communities every day.

Everything we do is built on three strategic pillars: great brands, great people and great execution. Done sustainably.

And our success is defined by the passion, hard work and commitment of the 32,000[(A)] people who work here at Coca-Cola Europacific Partners (CCEP).

(A) As at 31 December 2023.

Performance indicators

Financial

Reported revenue

€18.3bn

Eur		
	2023	€14,553m
	2022	€13,529m

API		
	2023	€3,749m
	2022	€3,791m

Comparable and FX neutral revenue

€18.7bn

Eur		
	2023	€14,700m
	2022	€13,529m

API		
	2023	€3,998m
	2022	€3,791m

Reported revenue increased by 5.5%, or 8.0% on a comparable and FX neutral basis. Volumes were down 0.5%(A) and revenue per unit case increased by 8.5%(B). Volume remained resilient despite macroeconomic impacts on consumer spend and strategic SKU rationalisation, with strong underlying volume performance. Revenue per case growth reflected positive headline price and continued focus on promotional optimisation and revenue growth management initiatives.

Reported operating profit

€2.3bn

Eur		
	2023	€1,842m
	2022	€1,529m

API		
	2023	€497m
	2022	€557m

Comparable operating profit

€2.4bn

Eur		
	2023	€1,888m
	2022	€1,670m

API		
	2023	€485m
	2022	€468m

Reported operating profit increased by 12.0%, or 13.5% on a comparable and fx neutral basis, reflecting strong revenue growth, as well as the benefit of ongoing efficiency programmes and continuous efforts on discretionary spend optimisation.

Reported diluted earnings per share (EPS)

€3.63

Comparable diluted earnings per share

€3.71

Net cash flows from operating activities

€2.8bn

Comparable free cash flow

€1.7bn

Return on invested capital (ROIC)

9.5%

Comparable return on invested capital

10.3%

(A) On a comparable basis, No selling day shift in FY23.
(B) On a comparable and foreign exchange (FX) neutral basis.

Comparable volume, comparable and FX neutral revenue and revenue per unit case, comparable operating profit, comparable diluted EPS, comparable free cash flow, ROIC and comparable ROIC are non-IFRS performance measures. Refer to "Note regarding the presentation of alternative performance measures" on pages 81-82 for the definition of our non-IFRS performance measures and pages 83-90 for a reconciliation of reported to comparable results. Comparable free cash flow excludes net of tax cash proceeds of €89 million in connection with the royalty income arising from the ownership of certain mineral rights in Australia.

Performance indicators continued

Sustainability

Safety

Group: total incident rate
Number per 100 full time equivalent employees

0.84

Our target

Reduce our total incident rate (TIR) to below 1 by 2025
We are working towards world class safety standards and our Health, Safety and Mental Wellbeing policy is helping to ensure that we are adopting best practices.

Climate

Group: percentage greenhouse gas (GHG) emissions reduction across our entire value chain versus 2019

16.7%

Our targets

Reduce emissions across our entire value chain by 30% by 2030 (versus 2019)
Our short- and long-term targets to reduce emissions by 30% by 2030, and to reach Net Zero by 2040, were approved by the Science Based Targets initiative (SBTi) as being in line with climate science.

Water

Group: water replenished as a percentage of total sales volume

98.7%

Our target

Replenish 100% of water we use in our beverages
Together with The Coca-Cola Company (TCCC) and The Coca-Cola Foundation (TCCF), we continue to support replenishment programmes across our territories. In 2023, we supported 27 water replenishment projects in Europe and 9 in API.

Drinks

Percentage sugar per litre reduction

Europe[A] (Eur) — Target 10% reduction by 2025 (versus 2019)

2023	**4.9%**
2022	**5.0%**

Australia[B] (API) — Target 25% reduction by 2025 (versus 2015)

2023	**14.9%**
2022	**16.8%**

New Zealand[B] (API) — Target 20% reduction by 2025 (versus 2015)

2023	**15.9%**
2022	**15.9%**

Indonesia[B] (API) — Target 35% reduction by 2025 (versus 2015)

2023	**36.2%**
2022	**31.6%**

Our target

Reduce sugar in our drinks

Packaging

Group: percentage of rPET used

54.6%

Our target

50% recycled plastic in our PET bottles by 2023 (Europe) and 2025 (API)
We continued to exceed our target to use >50% recycled PET (rPET), reaching 54.6% across the Group in 2023. We also increased our use of rPET in Europe again, reaching 59.2%[C]. In API 41.5% of the plastic we used in our PET bottles was rPET.

Note: Our 2023 data was subject to independent limited assurance. A copy of our 2023 assurance statement, and assurance statements for prior years can be found on cocacolaep.com/sustainability/download-centre. See detail regarding restatement of our baseline GHG figures in our methodology statement on page 237.

(A) Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice.
(B) Non-alcoholic ready to drink (NARTD) portfolio, including dairy. Does not include coffee, alcohol, beer or Freestyle.
(C) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

For more about our sustainability commitments and progress see pages 14-47

Our portfolio
Great brands, innovation and value for customers

We work with our partners to offer consumers a wide range of quality drinks for every taste and occasion.

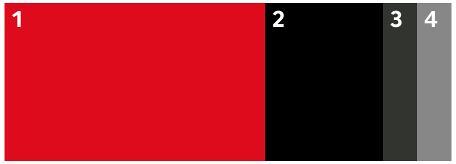
We continue to expand our portfolio by growing our core brands, while launching and scaling new products in categories like alcohol and coffee.

Our frontline sales force delivers execution and activation of our brands to support and create value for our customers throughout the year, particularly during key selling moments like Halloween, Christmas and the summer.

We are reducing the environmental impact of our manufacturing, distribution and packaging, as well as delivering on our commitment to reduce sugar across our portfolio and offering more low or no calorie drinks.

This is Forward

2023 volume by brand category



1 Coca-Cola	59.0%
2 Flavours, mixers and energy	26.0%
3 RTD tea, coffee, juices and other	7.5%
4 Hydration	7.5%

Coca-Cola®

Our Coca-Cola brands come in a range of flavours and a great choice of packs, with or without sugar.

More flavours and innovation

In 2023, we provided even more flavour extensions and innovation with a number of limited editions including Coca-Cola® Y3000 Zero Sugar, co-created with human and artificial intelligence (AI), and Coca-Cola Movement.

Supermodel Gigi Hadid fronted a new global brand campaign, A Recipe for Magic, pairing Coca-Cola with special meal moments.

We also marked the FIFA Women's World Cup 2023 with promotions, limited edition pack designs and in store displays across our channels. This activity focused on attracting consumers and engaging fans across our markets.

We ended the year with engaging Christmas campaigns and promotions to mark the holiday season, which is an important selling moment for CCEP.

Key product 2023

Coca-Cola Zero Sugar continued to perform in 2023 and saw volume growth of

+4.0%

2023 volume performance by category

Coca-Cola Trademark	Flavours, mixers and energy	RTD tea, coffee, juices and other	Hydration
—%	+1.0%	-3.0%	-7.0%

All references to volumes are on a comparable basis. All changes are versus 2022 equivalent period unless stated otherwise. Non-IFRS performance measure. Refer to "Note regarding the presentation of alternative performance measures" on pages 81-82 for the definition of our non-IFRS performance measures and to pages 83-90 for a reconciliation of reported to comparable results.

Read more in Great brands
on pages 16-19

Our portfolio continued
Great brands, innovation and value for customers

Flavours, mixers and energy

Our flavours, mixers and energy category is driving growth for our business and providing a range of great tasting drinks for consumers.

2023 energy volume
Strong volume growth supported by continued distribution gains and exciting innovation such as Monster Zero Sugar.

New flavours, more low or no calorie options, and engaging activation
In partnership with Monster Energy, we launched new products including Monster Zero Sugar, Monster Juiced Aussie Lemonade, Monster Ultra Rosa and Monster Ultra Peachy Keen.

Fanta continued to grow. What The Fanta Zero Sugar returned with a new colour and mystery flavour, supported by on and off shelf execution. The brand celebrated Halloween, supported by marketing, promotions and in store and online execution.

Royal Bliss launched new flavours including Aromatic Berry in several markets.

RTD tea, coffee, juices and other

Ready to drink (RTD) remains an important category for our business, with ongoing innovation and quality brands introduced to new markets.

Growing our portfolio with alcohol ready to drink (ARTD)
We further grew our portfolio in the ARTD category in several European markets. We also announced the creation of Absolut Vodka and Sprite in 2024.

2023 key product
Jack Daniel's & Coca-Cola is the number 1 ARTD value brand in Great Britain.(A)

#1

Hydration

Our hydration category provides consumers with a range of beverage choices for any occasion. It includes waters, flavoured waters, functional waters and isotonic drinks.

Category performance
Sports drinks volumes were up 11.3% and continue to be popular in both Europe and API, with growth in Powerade across all markets. To mark the FIFA Women's World Cup, we launched a new Powerade flavour, Powerade Fever Pitch.

(A) Combined portfolio of Jack Daniel's & Coca-Cola and Jack Daniels & Coca-Cola Zero Sugar, external data source NielsenIQ last 12 weeks ending 27 January 2024.
All references to volumes are on a comparable basis. All changes are versus 2022 equivalent period unless stated otherwise. Non-IFRS performance measure. Refer to 'Note regarding the presentation of alternative performance measures' on page 82 for the definition of our non-IFRS performance measures and to pages 83-90 for a reconciliation of reported to comparable results.

Image: the Philippines business is supported by colleagues known as the "Coca-Cola Tigers" pictured here

Acquisition of CCBPI

Faster growth

We were excited to announce a joint venture with Aboitiz Equity Ventures Inc. (AEV) during the year. Together, we acquired Coca-Cola Beverages Philippines, Inc. (CCBPI), a successful business with attractive profitability and growth prospects.

The acquisition continues to position us as the world's largest Coca-Cola bottler by revenue.

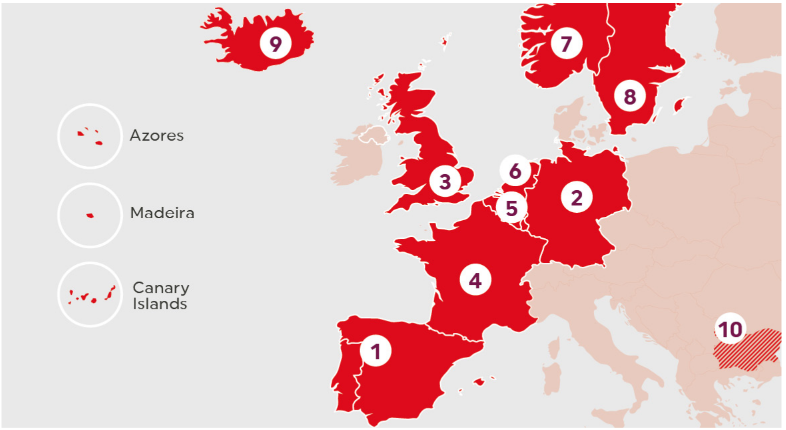
Read more at cocacolaep.com/media/news/2024/ccbpi-acquisition

Our operations

Remaining close to our customers, communities and stakeholders gives us unique knowledge of our markets, enabling us to deliver great brands and great execution, done sustainably.

Our markets

Location of our shared service centres



Region	Revenue by geography(A)	Total employees(B)	Production facilities
Europe			
1 Iberia (Spain, Portugal and Andorra)	18.5%	3,964	11
2 Germany	16.5%	6,473	16
3 Great Britain	17.5%	3,487	5
4 France and Monaco	12.5%	2,623	5
5 Belgium and Luxembourg	6.0%	2,165	3
6 Netherlands	4.0%	803	1
7 Norway	2.0%	568	1
8 Sweden	2.0%	725	1
9 Iceland	0.5%	166	2
10 Bulgaria(C)	—	1,196	—

Region	Revenue by geography(A)	Total employees(B)	Production facilities
Australia, Pacific and Indonesia (API)			
11 Australia	13.0%	3,652	14
12 New Zealand and Pacific Islands	3.5%	1,787	13
13 Indonesia and Papua New Guinea	4.0%	4,706	11

(A) Revenue shown is percentage of total reported revenue as at 31 December 2023.
(B) Number of employees as at 31 December 2023.
(C) Shared service centres.

Our business model
How we do what we do

From developing close relationships with TCCC and other franchisors to sourcing raw materials, our great people make, move and sell great tasting drinks with great execution, all done sustainably.

Read more about our risks and mitigations on pages 68-78

1 Business disruption
2 Packaging
3 Legal, regulatory and tax
4 Cyber and IT resilience
5 Economic and political conditions
6 Market
7 Climate change and water
8 Customer and consumer buying trends and category perception
9 Business transformation, integration etc
10 People and wellbeing
11 Relationships with TCCC and other franchisors
12 Product quality

Great brands

Great people

Great execution

Done sustainably

Forward on climate
Forward on packaging
Forward on water
Forward on supply chain
Forward on drinks
Forward on society

For a better shared future
Creating value and driving sustainable returns for our:

People
Shareholders
Franchisors
Consumers
Customers
Suppliers
Communities

Read more in our s172(1) statement from the Directors on pages 65-67 and **Our strategy** on pages 14-47

We partner

We operate under bottler agreements with TCCC and other franchisors, and purchase the concentrates, beverage bases and syrups to make, sell and distribute packaged beverages to our customers and vending partners.

Associated risks: 2 8 9 11

We source

We use ingredients such as water, sugar, coffee, juices and syrup to make our drinks. We also rely on materials like glass, aluminium, PET, pulp and paper to produce packaging. On average in 2023, 84% of our spend was with suppliers based in our countries of operation.

Associated risks: 1 3 4 7 12

We make

Our production facilities make and bottle our wide range of drinks. Over 90% of the drinks we sell are produced in the country in which they are consumed.

Associated risks: 3 4 7 9 10 12

We distribute

We distribute our products to customers and vending partners directly, by working closely with logistics partners.

Associated risks: 1 3 6 10

We sell

Our nearly 11,600 strong commercial team works with a wide range of customers, from small local shops, supermarkets and wholesalers to restaurants, bars and sports stadiums, so consumers can enjoy our great beverages. We also provide cold drink equipment (CDE) and supply vending machines.

Associated risks: 2 3 4 5 6 8 10

We recycle

Although 99.1% of our bottles and cans are recyclable, they don't always end up being recycled. That needs to change. We're determined to lead the way towards a circular economy for our packaging where, working with partners, we encourage packaging collection so that materials are recycled and reused.

Associated risks: 1 2 7

Chairman and CEO
In conversation

Left:
Sol Daurella,
Chairman

Right:
Damian Gammell,
CEO

Growing faster together

2023 was another great year for CCEP. We have the momentum and platform, now including the Philippines, to go even further together."

— Damian Gammell, CEO

How would you reflect on CCEP's overall business performance in 2023?

Damian: I am delighted with our progress across the business in 2023. We continued to invest in our portfolio, people, technology, supply chain and sustainability, creating a solid growth platform for all our stakeholders. Financially we performed well, achieving strong top and bottom line growth, with value share gains and impressive comparable free cash flow generation. Furthermore, despite the macroeconomic and inflationary backdrop, our volume remained resilient.

Sol: We continued to sharpen our focus on driving profitable revenue growth and delivering best in class customer service. We are building on the strength of our brands, the great partnership we have with TCCC and our leading capabilities, all of which has reaffirmed CCEP as the number one value growth creator in fast moving consumer goods (FMCG) across Europe and NARTD in API, as well as being ranked as the number 1 supplier in 2023 across our large international retail customers.

Damian: Of course, none of this is possible without great people, and I would like to take this opportunity to say a very big thank you to everyone at CCEP for their tremendous commitment and hard work that has contributed so much to our success in 2023.

What were your personal highlights during the year?

Sol: I am really proud of the progress we've made against our sustainability targets, and in particular the practical measures we continue to take to both reduce and measure our impacts. We were delighted that the SBTi approved our GHG emissions reduction targets during the year, supporting our ambition to reach Net Zero by 2040.

Damian: Our performance reinforces the ongoing resilience and strength of our business. That aside, I am especially pleased with the progress we are making with our long-term transformation journey in Indonesia, a truly exciting market. Also, a call out to our joint acquisition of CCBPI with AEV, which aims to further expand our geographic footprint in the region and which continues to position us as the world's largest Coca-Cola bottler by revenue. Both of these markets are aligned with our long-term strategy of driving sustainable and stronger growth through diversification and scale.

Chairman and CEO continued
In conversation

You mentioned CCEP's financial performance in 2023: what stood out for you?

Damian: All key financial metrics have been delivered in 2023. A strong top line, led by price and mix. We successfully executed pricing across all markets and continued to create value for our category. Our focus on revenue and margin growth management, along with our price and promotion strategy, drove solid gains in revenue per unit case during the year. Our volumes also remained resilient despite inflationary pressures. This was driven by great in market execution, leveraging our broad pack price architecture, and good underlying demand in developed markets, offset by the right strategic portfolio decisions for the long term.

Strong top line performance, alongside our continued focus on cost control and productivity efficiencies, drove strong operating profit growth and impressive comparable free cash flow generation. We also returned to the top end of our target leverage range. So, a great year all round.

What progress have you made on CCEP's strategy?

Damian: We have continued to grow our business and reach more households, from expanding our portfolio through the launch of Jack Daniel's & Coca-Cola in the exciting and fast growing ARTD category, and targeted innovation of our existing brands such as the launch of Monster Zero Sugar, to diversifying geographically through the acquisition of CCBPI.

We continued to invest for long-term growth as well as developing capabilities and driving efficiencies to support our mid-term objectives for the years ahead.

We also remained focused on driving shareholder value. This is made evident through the combination of driving solid top and bottom line growth, paying a record dividend, up almost 10% year on year, alongside delivering impressive total shareholder return (TSR) and entering the Nasdaq-100 at the end of the year.

Sol: The acquisition of CCBPI creates a more diverse footprint for CCEP geographically, which has prompted the renaming of API to APS[(A)]. It will provide the opportunity to leverage best practice and talent, including supporting Indonesia's transformation journey. It reinforces CCEP's aim of driving sustainable and stronger growth through diversification and scale, and underpins the Company's mid-term strategic objectives.

(A) APS refers to Australia, Pacific and South East Asia.

Image: Amandina PET recycling plant in Bekasi, West Java, Indonesia

How are you progressing with your sustainability commitments, and how do these support CCEP's strategic objectives?

Sol: Sustainability is integral to the success of our business. As a Board, we will continue to make decisions, which help us to make progress against our long-term commitments. More than ever, we are aware of the social and environmental challenges we face as a business, particularly around delivering our short- and long-term GHG emissions reduction targets, increasing recycled content in our packaging and improving our water use efficiency. Our progress continues to be recognised externally and we are proud to have retained our MSCI AAA rating and our inclusion on CDP's A List for Climate.

Damian: We have made strong progress against our This is Forward commitments in 2023 and are taking action where it matters most. On packaging, we have introduced 100% recycled PET bottles in Indonesia supported by our investment in PET recycling facilities in 2022, further boosting our use of recycled content in Indonesia.

We continued to invest in sustainability focused technology through CCEP Ventures and partnered with TCCC to create a sustainability focused venture capital fund.

Chairman and CEO continued
In conversation

The acquisition of CCBPI creates a more diverse footprint for CCEP geographically while providing the opportunity to leverage best practice and talent."

— Sol Daurella, Chairman

How have acquisitions contributed to the Group in 2023?

Damian: As mentioned earlier, geographic diversification is aligned to our long-term growth strategy, creating an even stronger platform for the future. Our acquisitions have also enabled us to leverage best practice and talent in a much bigger way than before. For example, we have taken 16+ years of experience of the ARTD market in Australia back to Europe as we accelerate into this exciting and fast growing category. This has already delivered great results.

Sol: From a Board perspective, we have been delighted with the progress made this year. We believe that bringing businesses together has created growth operationally and culturally, and will continue to do so. And, as Damian has already referred to, there has been a strong focus on sharing capabilities, as our people have embraced best practice and standardisation, which has in turn improved the service we provide to our customers.

How has your relationship with TCCC developed this year?

Sol: It's so important that we are fully aligned on strategy, with both companies sharing a common vision. Our strong relationship is also the foundation of our This is Forward sustainability strategy, which is fully aligned with TCCC's own global World Without Waste strategy.

Damian: We have always been closely aligned with TCCC strategically and that won't change. We continue to align our joint long-term growth plans and to pursue solid ways of working together with a joint investment mindset and aligned portfolio management across all territories.

A great example would be the joint acquisition of CCBPI from TCCC, in line with its stated intent to divest bottling operations.

What is the outlook for CCEP in 2024 and beyond?

Damian: We will continue to invest in the business to ensure we have the right capabilities to meet the needs of our customers, consumers and people, and to continue to provide world class execution and excellent service.

Consumer sentiment continues to be impacted by the economic environment, so, together with our brand partners, we will remain focused on staying affordable and relevant while creating value for our category and customers.

Sol: We continue to be the largest Coca-Cola bottler by revenue, and the CCBPI acquisition creates value for even more customers and reaches even more consumers.

What is consistent in our progress is the passion, dedication and diversity of our people, as demonstrated through our inclusion on the Bloomberg Gender Equality Index for the third year in a row. As we integrate CCBPI into the wider business, we expect to continue to focus on inclusion and the wellbeing of our people, as well as continuing to advance on our sustainability commitments.

What will determine CCEP's success?

Damian: It all comes back to great brands, great people, great execution, done sustainably. We have a strong business and have the tremendous privilege of making, moving and selling the world's most loved drinks to refresh consumers, now across 31 markets.

Together with our franchise partners, we're building on our deep consumer understanding to help us bring our great tasting drinks to even more households.

Sol: We will continue to invest, and have committed to almost €1 billion this year across technology, coolers, capacity and sustainability. This will include further investment through CCEP Ventures, which will help us to deliver our science based sustainability targets and harness new technology. We will also invest in the capabilities and tools to ensure our people can grow with our business.

We have delivered around €6 billion of shareholder returns since 2016, demonstrating our ability to deliver consistent shareholder value. Delivering continued shareholder value remains a key focus for 2024 and beyond.

FIFA Women's World Cup

Faster connections

Taking up Coca-Cola's campaign theme "Believing is Magic", CCEP is proud to have been involved with the FIFA Women's World Cup 2023, hydrating over 1.5 million players, coaches, officials, media and spectators during the tournament. Our commercial teams built engagement with consumers by helping customers create football themed activations in store, as well as online promotions.

Watch: Peter West, General Manager, Australia, Pacific and Indonesia, analyses the data behind the FIFA Women's World Cup.

cocacolaep.com/annual-report/case-study/fasterconnections

Image: Licensed venue, New South Wales, Australia during the FIFA Women's World Cup

Our market drivers

Our business is affected by a range of macroeconomic and market trends – from consumer and sustainability factors to the impact of new technology.

Our collaborative business model and culture means we can adapt and thrive in a changing environment, while our strategy enables us to respond to both current and future dynamics.

Consumer trends

Today's consumers are demanding more choice, and our evolving portfolio offers drinks for a wide variety of occasions. Demand for healthier alternatives continues to grow, which is reflected in the low and no calorie choices across our brands.

We believe strong brands supported by innovation are the key to meeting changing consumer needs. The ongoing drive for value and convenience is coupled with the move to shopping more online and the desire for more drink choices. We address these consumer trends alongside the macroeconomic factors we face, the impact of technology and our focus on sustainability.

Read more in Our strategy on page 14

Macroeconomic factors

Geopolitical volatility and high inflation continued to impact our business and our markets in 2023. We executed dynamic pricing strategies across our markets to offset the inflationary pressures we faced, while maintaining focus on productivity.

The economic environment continues to impact consumer sentiment, making affordability increasingly important for some consumers.

We actively manage our pricing and promotional spend to remain affordable and relevant to our consumers, and our broad price pack architecture helps us create the right balance between affordability and premiumisation.

While some markets are seeing trends towards more shopping in discounters, with a shift to some private label brands, we remain well placed within resilient categories and continued to grow volume and value share, maintaining our position as the number one FMCG value creator in Europe and NARTD in API.

Sustainability focus

There is an increasing interest in sustainability across our markets, particularly among younger consumers. Government commitments to new climate change and packaging-related regulations also continue to impact our business.

To ensure we meet the expectations on us, we are further expanding and creating new sustainability partnerships. For example, we have partnered with TCCC, other bottlers and Greycroft, a seed-to-growth venture capital firm, to create a venture capital fund focused on sustainability.

Through CCEP Ventures, we have also entered into a partnership with Swansea University to explore CO_2 upcycling technology to create ethylene, a key component of plastic bottle caps.

We continue to set our own ambitious sustainability targets and have received SBTi approval of our 2030 GHG emissions reduction and 2040 Net Zero targets.

Read more about This is Forward on pages 14-47

Impact of technology

With the adoption of new digital channels now a firmly established trend, both consumers and customers are seeking to do more online and through these channels. We continue to win through online channels, building on our value share growth, and are accelerating our system capabilities to engage the digital shopper.

As consumer and channel trends are changing, the technology we use, and specifically the unique data insights we gain through our in house and partner digital platforms, are crucial. We continue to invest in our broader digital capabilities such as key account and revenue growth management tools alongside adopting AI across our organisation, from back office to supply chain.

These investments will collectively support our journey towards becoming the world's most digitised bottler.

Our strategy

CCEP is a market leader in a profitable and growing drinks market. Our aim is to always outperform the market, creating value for our customers and shareholders, while ensuring we limit our impacts on the world around us and support our people and communities.

Our strategy – **great brands, great people, great execution, done sustainably** – is core to delivering on our aim. **This is Forward,** our sustainability action plan, sits at the heart of our long-term business strategy.

This is Forward sets out the actions we are taking on six key social and environmental topics, where we know we can make a significant difference in the areas our stakeholders want us to prioritise.

CDP A LIST 2023 CLIMATE

MSCI ESG RATINGS AAA

FTSE4Good

PLATINUM Top 1% 2023 ecovadis Sustainability Rating

Great brands p16

Forward on **drinks**
pages 16-19

Our diverse portfolio is built on our core brands like Coca-Cola, Fanta, Sprite and Monster, as well as targeted expansion into categories like coffee and alcohol.

At CCEP, we're bringing new products to a new generation of consumers based on clear insights, while developing the classic brands our consumers know and love.

We are committed to reducing the sugar in our drinks and offering low or no sugar options – giving consumers even more choice.

Great people p20

Forward on **society**
pages 20-27

We take care of our talented, passionate and committed people who make our business successful, and support our suppliers, customers and communities.

We want CCEP to be a great, engaging place to work, where everyone is welcome, has the opportunity to grow and can make a difference.

Great execution p28

Forward on **supply chain**
pages 28-35

We support the growth of our two million customers through the quality of the service we provide, our understanding of their businesses, the strength of our sales force and the value our products create.

We believe that the quality and integrity of our products and services depend on sustainable global supply chains with successful and thriving farming communities, where human rights are respected and protected.

Done sustainably p36

Our ambition to create a better future, for people and the planet, sits at the heart of how we do business, and the decisions we take.

Central to this are our targets to reduce GHG emissions by 30% by 2030 (versus 2019), and to reach Net Zero by 2040. Both targets have been validated by the SBTi as being in line with climate science.

We want every bottle or can we sell to be recycled or reused and we are working on improving collection and driving circularity.

We have adopted a value chain approach to water stewardship, focusing on water efficiency within our own operations and working to protect the sustainability of the water sources that our business, our communities and our suppliers rely upon.

Forward on **climate**
pages 37-40

Forward on **packaging**
pages 41-44

Forward on **water**
pages 45-47

This is Forward – our sustainability action plan
Our headline commitments

Pillar	Strategy	Commitment	Target
Forward on drinks	Great brands	**Sugar reduction**	Reduce sugar by 2025: by 10% in Europe[(A)], by 20% in New Zealand[(B)], by 25% in Australia[(B)], by 35% in Indonesia[(B)]
		Low or no calorie	Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025)[(C)]
Forward on society	Great people	**Gender diversity management**	45% of management positions to be held by women by 2030
		Gender diversity	A third of our workforce to be women by 2030
		Disabilities	10% of our workforce represented by people with disabilities by 2030[(D)]
		Supporting skills development	Support the skills development of 500,000 people facing barriers in the labour market by 2030
Forward on supply chain	Great execution	**Sustainable sourcing**	100% of main agricultural ingredients and raw materials sourced sustainably
		Human rights	100% of suppliers to be covered by our Supplier Guiding Principles – including sustainability, ethics and human rights
Forward on climate	Done sustainably	**Net Zero**	Net Zero GHG emissions (Scope 1, 2 and 3) by 2040[(E)]
		GHG emissions reduction	Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030[(E)(F)]
		Renewable electricity	Use 100% renewable electricity across all markets by 2030
		Supplier engagement – GHG emissions	100% of carbon strategic suppliers[(G)] to set science based targets by 2023 (Europe) and 2025 (API)
		Supplier engagement – Renewable electricity	100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and 2030 (API)
Forward on packaging		**Design**	100% of our primary packaging to be recyclable by 2025
		Recycled plastic	50% recycled plastic in our PET bottles by 2023 (Europe) and 2025 (API)
		Virgin plastic	Stop using oil-based virgin plastic in our bottles by 2030
		Collection	Collect and recycle a bottle or a can for each one we sell by 2030
Forward on water		**Water efficiency**	10% water use ratio reduction[(H)] by 2030[(F)]
		Replenish	Replenish 100% of the water we use in our beverages
		Regenerative water use	100% regenerative water use in leadership locations[(I)] by 2030

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

(A) Reduction in average sugar per litre in soft drinks portfolio versus 2019. Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice.

(B) Reduction in average sugar per litre in NARTD portfolio versus 2015. Including dairy. Does not include coffee, alcohol, beer or Freestyle.

(C) Does not include coffee, alcohol, beer or Freestyle. Low calorie beverages ≤20kcal/100ml. Zero calorie beverages <4kcal/100ml.

(D) Calculated based on the total number of employees responding to our 2023 voluntary inclusion survey and the number of employees self-declaring as having a disability.

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

(F) Versus 2019.

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

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

(I) 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.

Great brands

Forward on drinks

We are extremely privileged to make, move and sell the best brands in the world.

Key focus area for CCEP

We're focused on our great brands. In close collaboration with TCCC and other franchisors, we are committed to addressing evolving consumer needs through our diversified portfolio of products and packaging sizes.

We endorse the recommendations made by several leading health authorities, including the World Health Organization (WHO), advising people to limit their added sugar consumption to 10% of their total calorie intake.

We continue to reduce sugar across our portfolio, by reformulating our recipes and introducing new products, including new low and no calorie options.

We support transparency by providing customers with straightforward and easy to understand product information, and promote responsible marketing with no advertising of our products to children under 13, or an older age limit in specific regions aligned with local regulations.

Producing safe and high quality products that our consumers can trust is essential to what we do. We adhere to The Coca-Cola Operating Requirements (KORE), which define operational controls and prioritise the sustainable sourcing of ingredients.

Our ambitions

To have brands that people love and to be category leaders with great tasting drinks for every occasion.

To achieve that, we are investing in:

- strong and aligned partnerships with brand partners
- producing and delivering high quality and great tasting drinks
- a broad price pack architecture
- channel diversification

Our This is Forward commitments

Reduce average sugar per litre across our portfolio by 2025

- by 10% in Europe[A]
- by 20% in New Zealand[B]
- by 25% in Australia[B]
- by 35% in Indonesia[B]

Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025).[C]

Achievements in 2023

Strengthened our guidelines for the marketing of all the brands and products manufactured or sold by CCEP to drive further transparency in everything we do. Rolled out specific training on our drinks containing alcohol to all our frontline sales force across our markets.

Our sales volume within the energy category increased by 14% versus previous year supported by solid distribution and exciting innovation. For example, we launched Monster Zero Sugar in France, Great Britain, the Netherlands and Sweden to promote choice and meet the growing consumer demand for a no calorie and no sugar variant of Monster Original with the same full-flavoured taste.

(A) Reduction in average sugar per litre in soft drinks portfolio versus 2019. Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice.
(B) Reduction in average sugar per litre in NARTD portfolio versus 2015. Includes dairy. Does not include coffee, alcohol, beer or Freestyle.
(C) Does not include coffee, alcohol, beer or Freestyle. Low calorie beverages ≤20kcal/100ml. Zero calorie beverages <4kcal/100ml.

Related Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

Find out more about our **portfolio** on pages 4-5

Great brands continued
Performance and progress against our This is Forward commitments

Forward on drinks

Volume by category

	2023 % of total	2022 % of total	% change[E]
Sparkling	**85.0%**	**84.5%**	**—%**
Coca-Cola	59.0%	58.5%	—%
Flavours, mixers and energy	26.0%	26.0%	1.0%
Stills	**15.0%**	**15.5%**	**(5.0)%**
RTD tea, coffee, juices and others	7.5%	7.5%	(3.0)%
Hydration	7.5%	8.0%	(7.0)%
Total	**100.0%**	**100.0%**	**(0.5)%**

This is Forward

Reduction in average sugar per litre[A]

Region	Target	2023	2022
Eur – Europe[B]	10% reduction by 2025 (versus 2019)	4.9%	5.0%
API – Australia[C]	25% reduction by 2025 (versus 2015)	14.9%	16.8%
API – New Zealand[C]	20% reduction by 2025 (versus 2015)	15.9%	15.9%
API – Indonesia[C]	35% reduction by 2025 (versus 2015)	36.2%	31.6%

This is Forward

Products sold that are low or no calorie

Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025)

	Target	2023	2022
Group	50%	48.3%	
Eur	50% by 2025	48.4%	48.8%
API	50% by 2030[D]	47.8%	

The plan for the year ahead

We remain confident in the resilience of our categories and will continue to actively manage our pricing and promotional spend to remain affordable and relevant to our consumers.

We will continue to monitor consumer trends and react to their changing needs for a greater variety of drinks for every occasion, including healthier alternatives. We'll do this by providing even more choice through innovation, the introduction of new low and no calorie drinks and the reformulation of our recipes. For example, in 2024, we will continue to reformulate Fanta Orange in some of our markets, to offer a broader range of beverage options, including zero calorie options.

We will drive engagement with our customers and consumers through our Coca-Cola trademark, Powerade, Fuze Tea and Costa brands at major sport events in 2024, including the Olympic Games in Paris and UEFA EURO in Germany.

(A) For details on the methodology used to calculate this KPI, see methodology statement on page 236.
(B) Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice.
(C) NARTD portfolio, including dairy. Does not include coffee, alcohol, beer or Freestyle.
(D) Australia, Indonesia and New Zealand only.
(E) % change is related to comparable volume performance versus 2022.

Great brands continued
Our progress explained

Our product mix and consumer choice

We offer consumers drinks for every taste and occasion, including drinks with or without sugar, and drinks with ingredients which are Fairtrade or Rainforest Alliance certified.

Our portfolio ranges from carbonated and still soft drinks, energy drinks, and RTD teas, to flavoured dairy, organic soft drinks, beverages with nutritious benefits, coffee and alcohol.

We continue to expand our portfolio across our core brands, while also seeking to launch and scale new products in categories like alcohol and coffee, and engage with consumers through collected insights, dedicated research and consumer labelling.

We are further enhancing our product mix by providing a greater range of smaller packs, which are often more convenient for consumers and can help them to control their sugar intake. In 2023, 4.6% of our drinks were enjoyed in packages of 250ml or less.

Reducing sugar in our drinks

We are a long-standing member of the Union of European Soft Drinks Associations (UNESDA) and we are committed to reducing average added sugars in our soft drinks by a further 10% by 2025 (from 2019) across Europe, representing an overall reduction of 33% in the past two decades.

In 2023, in Spain, we reformulated Sprite, giving it a more intense taste, and introduced Sprite Zero. The brand has taken an important step towards greater circularity by replacing the iconic, hard to recycle green PET bottle, with a transparent and 100% recyclable PET bottle.

In our key API markets we also have ambitious 2025 sugar reduction targets as we aim to reduce the average sugar per litre in our NARTD portfolio by 20% in New Zealand, by 25% in Australia and by 35% in Indonesia (versus 2015).

Focus on low or no calorie drinks

Over the past year, we continued to encourage people to reduce their daily sugar intake, raising awareness of our low calorie drinks via our point of sale communications and by promoting low and no sugar options.

In API, we continue to introduce and promote more low and no sugar drinks with a focus on zero sugar sparkling drinks and water. For example, we are promoting Coca-Cola Zero Sugar in remote Indigenous communities in Australia in collaboration with our retail partners and their communities.

Following an assessment of the health impacts of aspartame, global health organisations, including the WHO, reaffirmed the safety of the ingredient. In 2023, we continued to use low and no calorie sweeteners in our products.

Find out more information on our approach to food safety and food additives on page 251

Clear, straightforward packaging information

We help people make informed choices by providing clear and transparent nutritional information, in particular on sugar and calorie content.

Our approach aligns with all global and local legislation. We pioneered Guideline Daily Amount (GDA) labelling and this has been on our drinks in Europe since 2009. In 2021, we adopted the voluntary front of pack Health Star Rating on all our non-alcoholic drinks in Australia and adopted the same approach in New Zealand in 2022.

We also make nutritional information for all of our drinks available on our websites in all our territories.

Responsible marketing

We are committed to the responsible marketing of our products.

Our responsible sales and marketing principles cover all media formats, point of sale materials and packaging types. They provide clear guidance for our commercial teams on how our products should be marketed, ensuring consumers are not mislead, and helping them to make informed choices.

Through these principles we also encourage responsible drinking of all our products, and ensure we comply with all relevant laws, regulations and industry codes on the marketing and sale of our products, including drinks that contain alcohol.

Together with TCCC, we have a clear policy not to advertise or market any of our products to children under 13, or an older age limit in specific regions aligned with local regulations. We play a proactive role in leading local industry coalitions to strengthen our actions, with a particular focus on the rapidly evolving digital and social media environment and school policies.

Case study

Coca-Cola Zero launch in Indonesia

In 2023, we launched Coca-Cola Zero Sugar in Indonesia. The new drink in this market is part of our commitment to providing Indonesian consumers with a wider range of low and no calorie options.

The launch of Coca-Cola Zero Sugar introduced a new design bringing all variants of the Coca-Cola trademark under one brand identity.

The new packaging design is easily distinguishable and provides transparent nutrition information of each product.

Image: Coca-Cola Zero Sugar 390ml PET bottle and 250ml aluminium can

Jack & Coke

Faster on brands

Inspired by Jack & Coke, the classic bar cocktail known and enjoyed around the world, we were delighted to launch Jack Daniel's & Coca-Cola ARTD in Great Britain, the Netherlands and Spain in 2023. It is perfectly suited to meet consumer demand for ARTD mixers and create value for our customers.

Watch: Stephen Lusk, Chief Commercial Officer, on how we brought two iconic brands together.
cocacolaep.com/annual-report/case-study/fasteronbrands

Image: Jack Daniel's & Coca-Cola ARTD cans

Great people

Forward on society

We want CCEP to be a great place to work, where everyone is welcome, has the opportunity to grow and can make a difference.

Key focus area for CCEP

At CCEP, we have an engaging workplace, enabling our great people to do great business for our customers today and tomorrow.

We promote wellbeing, inclusion, diversity, development, innovation and respect, helping to ensure that our people at every level can be heard, grow and have a great experience.

We're committed to having a positive impact on our people and their communities by supporting economic mobility, and building resilience.

Some people in our local communities face significant socioeconomic barriers, including inequality, social exclusion and unemployment, while environmental challenges affect their daily lives. Across CCEP, we're tackling these issues and helping to remove people's barriers to the workplace.

Through our volunteering policy we empower our employees to engage with their communities.

Our ambitions

People

Wellbeing and safety of our people.

Talented, passionate and committed people who can deliver success for CCEP with winning capabilities, agility and a performance mindset.

Open, inclusive and respectful workplace.

Communities

Expand our contribution to society through employee volunteering and supporting local community partnerships.

Related Sustainable Development Goals

Our This is Forward commitments

People

45% of management positions to be held by women by 2030.

A third of our workforce to be women by 2030.

10% of our workforce to be represented by people with disabilities by 2030.(A)

Communities

Support the skills development of 500,000 people facing barriers in the labour market by 2030.

(A) Calculated based on the total number of employees responding to our voluntary 2023 inclusion survey (representing 38.4% of our workforce) and the number of employees self-declaring as having a disability.

Achievements in 2023

People

We developed critical leadership, commercial, customer service and supply chain capabilities through our respective academies.

We achieved strong employee engagement and delivered a second inclusion survey.

We expanded and made progress against our diversity commitments for gender balance, disability and social mobility.

Communities

Together with Coca-Cola Hellenic Bottling Company, TCCC and TCCF, we rolled out a Social Impact Framework and Toolkit to help measure the impact and progress of our community partnerships supporting people facing barriers in the labour market.

We also made financial donations to disaster relief organisations to support first responders during environmental disasters in Turkey, Syria and New Zealand.

Great people continued
Performance and progress against our This is Forward commitments

32,500

Number of hours volunteered by our employees

2024 employer recognition

This is Forward
Gender diversity – Management

45% of management positions to be held by women by 2030[A]

Group	Target 45% by 2030
2023	38.4%
2022	37.2%

This is Forward
Gender diversity – Workforce

A third of our workforce to be women by 2030

Group	Target 33% by 2030
2023	25.1%
2022	23.8%

This is Forward
Supporting skills development[B](C)

Support the skills development of 500,000 people facing barriers in the labour market by 2030

Group	Target 500,000 by 2030
2023	16,400

This is Forward
Safety

Reduce our total incident rate (TIR) to below 1 by 2025

Group	Target <1 by 2025
2023	0.84
2022	0.87

Eur	
2023	0.93
2022	1.04

API	
2023	0.69
2022	0.62

This is Forward
Disabilities

10% of our workforce represented by people with disabilities by 2030

Group	Target 10% by 2030
2023	12.6%

Calculated based on the total number of employees responding to our voluntary 2023 inclusion survey (representing 38.4% of our workforce) and the number of employees self-declaring as having a disability.

This is Forward
Community contribution[C]

Total community investment contribution (€ millions)

Group	
2023	14.8
2022	12.2

Eur	
2023	13.4
2022	10.7

API	
2023	1.5
2022	1.5

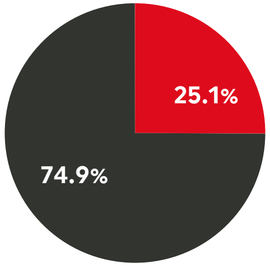
(A) Excludes Fiji and Samoa, as aligned role grades are not available for 2023 reporting. We aim to include these markets for 2024.
(B) New commitment launched in 2023. Data not available for 2022.
(C) We aim to be accurate in our reporting and continue to enhance the way we capture and report the total value of our community contribution. Figures quoted have been rounded to the nearest 100k.

Great people continued
Highlights from 2023

Workforce diversity

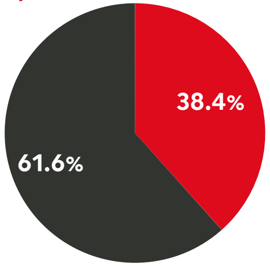
■ Women
■ Men

Total employees
32,315[A]



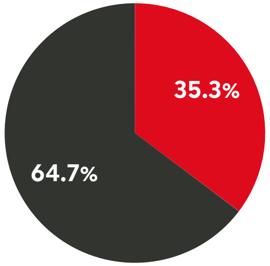
Women	8,104
Men	24,208

Leadership
(senior management grade including ELT)[B][C]
3,662



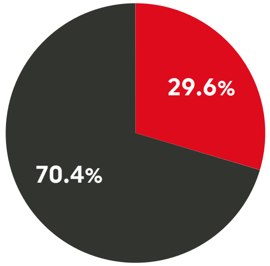
Women	1,406
Men	2,256

Board of Directors
17



Women	6
Men	11

Directors of subsidiary companies
98



Women	29
Men	69

The plan for the year ahead

People

In 2024, we will continue to prioritise our people's physical and mental wellbeing, and provide an inclusive, safe and healthy work environment.

We will continue to invest in developing our people, strengthening our leadership, commercial, customer service and supply chain capabilities in particular.

Finally, we will invest further in creating a consistent experience for our people across our digital people platforms.

Communities

In 2024, we will celebrate the fifth anniversary of our Support My Cause initiative, which supports local charitable organisations nominated by our employees.

We will also continue to enhance our employee volunteering programme, ensuring that we continue to create positive social impact that genuinely improves the lives of millions of people in our communities.

We will be working with local markets to create roadmaps to help us reach our commitment to support the skills development of 500,000 people facing barriers in the labour market by 2030.

Case study
Measuring inclusion across CCEP

During the year, we ran our second inclusion survey with over 13,000 employees taking part across CCEP.

This provided employees with the opportunity to give feedback on their inclusion experience at CCEP and declare personal diversity information. We saw improvements particularly in our people's sense of belonging, of being treated with dignity and respect, and in their belief that our leaders are committed to diversity. We expect the outcomes to enable us to better understand the diversity of our workforce, further improve inclusivity and embed equity in our infrastructure and people practices.

Image: Norwegian colleagues pictured in conversation

79

is our overall inclusion score, which considers how welcome, safe, included and respected our employees feel at CCEP

(A) CCEP full time, part time and temporary corporate employees. Full time equivalent employees as at 31 December 2023. Includes three employees who did not declare their gender.
(B) The members of the ELT and their direct reports consist of 56 women and 72 men.
(C) Directors of subsidiary companies comprising 27 women and 55 men are also included in the workforce diversity statistic under leadership.

Great people continued
Our progress explained

Forward on society

Our people

Safety

At CCEP the safety and wellbeing of our employees always come first. Our employees receive health and safety training, aligned with the Coca-Cola system health and safety procedures and local regulations.

We expect and encourage our people to follow our policies and procedures and take action if they become aware of any situation or behaviour affecting the physical or mental wellbeing of others. Managers are responsible for ensuring that our workplaces, processes and equipment are kept safe for our people.

Any potential hazard or work incident is investigated to identify and prioritise the short-, mid- and long-term action plans. In case of injuries or health issues, we make reasonable adjustments to our employees' duties and working environment to support their recovery and continued employment.

We measure our safety performance using total incident rate (TIR) and lost time incident rate (LTIR). This covers everyone working for us, including contractors and temporary workers. We aim to reduce our TIR to below 1 by 2025.

A contractor management system is in place across all our territories, requiring contractors to pass a risk-based assessment before they are permitted to work at our sites. Tragically, in 2023, there was one contractor fatality in Indonesia. The incident was investigated with the local authorities and we continue to improve our safety procedures to prevent a reoccurrence.

Wellbeing

By the end of 2023, we had trained more than 1,250 Wellbeing First Aiders across CCEP. This has created an internal network for mental health support, with people trained to spot the signs of mental health conditions, listen free of judgement and direct colleagues to professional services when they need support.

Approximately 1,400 people benefited from our Employee Assistance Programme, an independent service in our workplace offering 24/7 free professional support for our people and their family. We also launched our new Wellbeing Hub in Europe, an online platform which offers our employees information and support to take care of their wellbeing. We aim to expand to API soon.

Through our Wellbeing Leadership training programme launched in 2023, we helped around 1,475 leaders across CCEP to understand their own wellbeing needs, and to develop the skills and confidence needed to keep their team safe and well.

For World Health Day 2023, we ran an internal campaign to support a proactive approach to health, with almost 5,000 people taking part.

Inclusion, diversity and equity

We believe that building a workforce that better represents the communities we serve will support our sustainable business growth. We prioritise inclusivity across five pillars: culture and heritage; disability; gender; LGBTQ+; and generations. Inclusion, Diversity and Equity (ID&E) at CCEP is supported by dedicated groups of employees and leadership sponsors centrally and locally who guide our initiatives.

We provide mandatory anti-harassment training for all people managers and members of the People and Culture team. This is also recommended for all employees. We also provide training on broader ID&E topics, for example inclusive leadership and allyship.

We are committed to being an equal opportunities employer. We have a policy of no discrimination and make decisions about recruitment, promotion, training and other employment issues solely on the grounds of individual ability, achievement, expertise and conduct. To ensure that line managers make appropriate pay decisions, we provide training and support. We monitor pay equity within our territories.

Promoting diversity in recruitment

To ensure we have a pipeline of diverse talent, we promote inclusion and diversity from recruitment and apprenticeships, to training, development and progression. This is supported by our clear anti-harassment and ID&E policy, as well as our Inclusive Recruitment Principles and Candidate Charter.

We use targeted attraction strategies and specialist jobs boards, aimed at under represented audiences, to promote content on our inclusive culture. We also share information and stories from our people on their inclusion experiences on social media and our careers website to showcase our philosophy that everyone is welcome, can be themselves and belong at CCEP.

In addition, we have introduced our new Disability Pledge, including our Company-wide commitment to support employees with disabilities, providing guidance and goals for local initiatives to help us achieve this commitment. The Disability Pledge includes embedding inclusivity into our processes and practices. We also work with external partners to reach under represented communities.

Read more in our communities on page 26

Partnerships to support diversity

We partner with organisations and participate in activities that contribute to a fairer workplace and society. We are a signatory of the LEAD Network pledge and the Valuable 500 pledge to accelerate gender parity and disability inclusion. We support the UN Women's Empowerment Principles, promoting gender equality and women's empowerment. We are members of the Business Disability Forum, Stonewall's Diversity Champions programme and the Social Mobility Index.

Great people continued
Our progress explained

Supporting and engaging our people

Good communication is essential to building a motivated, engaged workforce. We are committed to communicating clearly and transparently with our people and their representatives in local languages through digital platforms, printed materials and direct dialogue.

We engage in forums to ensure we hear the voice of our employees. We meet regularly with the European Works Council, national and local works councils, and trade unions that represent our people across our territories. Across our territories, 55 unions represent our employees.

We continue to innovate and extend our digital solutions for our people to make it easier for them to access what they need, such as policies, training and key data on pay and performance. Our policies are easy to understand, and are reviewed annually to align with legal requirements.

We want our people to enjoy a great experience at CCEP and feel engaged with our business aims and strategy. In June 2023, we conducted our annual employee engagement survey. The results showed sustained strong engagement levels, with more than 24,400 colleagues (76%) participating, which is up by 557 respondents compared to last year. Our strong engagement score has stayed stable at 77.

Find out more about our Board engagement with our people on page 61

Employee training, development and leadership

We believe that when our people learn and grow, our business grows too, so we continue to invest in learning and development across CCEP through our strategy, The Way We Grow. This includes developing capabilities in leadership, commercial, customer service and supply chain through our academies: The Way We Lead, The Way We Sell and The Way We Serve.

We progressed The Way We Lead academy with around 500 leaders gaining 360 feedback, helping them to grow self-awareness of their leadership style and enabling them to contribute to a feedback culture. More than 2,500 leaders participated in a series of virtual and in-person development modules including coaching and performance.

We are equipping our frontline managers through our new global Great People Manager Programme. Approximately 500 leaders participated in 2023. The rollout will continue in 2024.

We offer further training opportunities through our digital learning platforms Juice and Academy, supporting employee development of core capabilities in leadership, commercial, customer service and supply chain.

Our people can create their own talent profile and understand their objectives, feedback and development plan using our digital MyPerformance@CCEP platform.

Our digital Career Hub, live across Europe and soon to be rolled out in API, provides users with personalised recommendations for vacancies, career paths and networking opportunities. 64% of employees so far have created their profile. We have seen our employee engagement score increase by five points compared to last year's results, with new joiners and younger employees feeling more positively about our progress on growth and value, and enthusiastic about their career opportunities at CCEP.

We value and invest in our early career talent and support initiatives that help young people gain employability, skills and confidence. This includes offering internships, apprenticeships and graduate programmes. In 2023, we continued to partner with One Young World, the global forum for young leaders. 21 CCEP delegates attended the forum in Belfast, bringing back valuable experiences and ideas.

Employee benefits

We pay fairly and in line with appropriate market rates, and provide our people with benefits according to their country and level in the organisation, including packages to cover sickness, post-natal childcare, bereavement or a long-term illness in the family. We also offer pension plans, life insurance and medical plans, as well as many other flexible benefits.

Find out more about our remuneration on pages 127-143

Case study

Investing in our people's capabilities

We continue to invest in developing our commercial, customer service and supply chain capabilities.

Around 2,450 people in our commercial function have participated in The Way We Sell academy.

Alongside skills evaluations, which enable our people to build personalised learning journeys with their managers, there has been good participation across our modules including World Class Key Account Management, Sales Execution and Commercial Fundamentals.

We introduced The Way We Serve academy in our customer service and supply chain function and have equipped around 360 people with new capabilities in support planning.

Image: Sales colleague in conversation with a customer

Great people continued
Our progress explained

Respect for human rights

We consider human and workplace rights to be inviolable and fundamental to our sustainability as a business. We support the 10 principles of the UN Global Compact.

Our principles regarding human rights are set out in our Human Rights policy, which is aligned with accepted international standards and CCEP's Code of Conduct (CoC).

Further information on our principles regarding human rights is provided in our Supplier Guiding Principles (SGPs) and Principles for Sustainable Agriculture (PSA). These set out the requirements of our suppliers related to business ethics, human and workplace rights, the environment, and providing benefits to communities.

Modern slavery

We have a zero tolerance approach to modern slavery of any kind, including forced labour, and any form of human trafficking within our operations, and by any company that directly supplies or provides services to our business.

Our Modern Slavery Statement complies with the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. It sets out the steps taken by CCEP to prevent, identify and address modern slavery risks across our business and supply chain.

See our modern slavery statements at cocacolaep.com/about-us/governance

Human rights risk assessment

We recognise that all our employees and supply partners have a role in identifying and mitigating human rights risks across our business. Employees and managers are empowered to recognise and address human rights risks and issues as they conduct their work, and this extends to the arrangements we agree with workers and trade unions.

The effective tracking and management of these risks also ensures compliance with relevant legislation.

We have mapped human rights-related laws, regulatory requirements and risks identified in human rights reports in each of our countries. Based on this, in 2024, we will refresh our human rights assessment strategy primarily focused on the countries where the highest human rights risks have been identified.

In 2023, we conducted human rights risk assessments in Germany and Norway. These assessments identified current and evolving human rights risks to ensure we develop proactive measures to manage risks before they occur. Human rights risk has been rated as low within our own operations in both Germany and Norway, however, risk in our supplier base remains.

During 2023, we also analysed the results of the human rights risk assessment conducted in Indonesia in 2022, and developed measures to improve our social dialogue and the conditions for women in our workforce.

As a result of human rights risks assessments that have been completed in Europe and API, we have identified 12 areas as priority issues for CCEP, as summarised in the human rights risk assessment table to the right.

Find out more about our approach to human rights in our supply chain on page 33

Ethics and compliance

Our ethics and compliance programme for all our employees and Directors is designed to ensure we conduct our operations in a lawful and ethical manner. It also supports how we work with our customers, suppliers and third parties.

Preventing bribery and corruption

We aim to prevent all forms of bribery and corruption in our business dealings. Our CoC sets out our principles and standards to prevent bribery and corruption, including conflicts of interest and the exchange of gifts and entertainment. Our Gifts, Entertainment and Anti-Bribery policy applies to all employees. There is a mandatory training for a targeted audience.

Find out more about our approach to human rights at cocacolaep.com/sustainability/human-rights

Human rights risk assessment: priority issues

- Migrant and temporary workers
- Data protection
- Right to privacy
- Wages
- Equality and non-discrimination
- Forced labour
- Health, safety and security
- Freedom of association
- Working hours
- Freedom from bribery and corruption
- Cultural rights of minorities
- Children and young people's protection from exploitation

Great people continued
Our progress explained

Forward on society

Our communities

Boosting skills development and social inclusion

We're determined to drive the economic empowerment of under-represented people, with a particular focus on people with disabilities, those from minority ethnic groups or lower socioeconomic backgrounds, and women, by providing employability skills and removing barriers to the workplace.

We support a wide variety of local community partnerships as part of our new Skills for Impact initiative launched in 2023.

SKILLS FOR IMPACT
A Coca-Cola Europacific Partners initiative

For example, in 2023, we organised the third BORA Jovens programme in partnership with Portuguese NGO Ajuda em Ação to support young people at risk of social exclusion, in entering the labour market. Since the start of the programme in 2021, approximately 400 young people have participated, resulting in around 160 of them entering the labour market and almost 50 going back to school.

In Indonesia, in partnership with associations, universities, governments, and local NGOs, we provide mentorship programmes to support micro, small and medium enterprises within fashion, food and beverages, waste management and other sectors. In 2023, we delivered training and mentorships to approximately 1,000 people.

Protecting the environment and community wellbeing

We support programmes, projects and initiatives that help protect local environments, address climate adaptation and improve community wellbeing, including major disaster relief efforts, water replenishment projects and local litter clean up activities.

In 2023, supporting the Sea Life Trust on World Oceans Day, over 100 CCEP employees participated in beach and river clean ups across England and Scotland.

We also help address the needs of people in the community by donating surplus products and working with food banks. For example, in 2023, in Norway, we strengthened our partnership with Too Good to Go, a platform that aims to combat food waste. Through improved forecasting and employee volunteering we have managed to avoid the disposal of around 600 tonnes of finished goods.

Supporting local communities with our employees and customers

We empower our employees to take action for the environment and engage with their local communities through employee volunteering.

Our Support My Cause initiative enables employees to nominate local charities they feel passionately about to receive a donation from the business. Since 2019, we have donated €1.2 million to 200 local charities and community groups across our territories. In addition, in 2023, we donated over €400,000 to support 125 grassroots charitable and community partnerships located close to our sites and offices.

We also partner with our customers to support initiatives that tackle societal challenges within our communities. For example, in 2023, we joined forces with the German Foundation for Integration and DEHOGA, Germany's national association for restaurateurs and hoteliers, to start a mentoring programme in the hospitality industry. The programme supports our customers in developing talented young people.

Find out more about Board engagement with communities on page 64

Case study

Volunteering for the Special Olympics

With TCCC, we are a long-standing supporter of the Special Olympics which is the world's largest sports organisation for children and adults with intellectual and physical disabilities.

Our support in Europe includes volunteering, financial support and product donations. In 2023, more than 250 CCEP and TCCC people volunteered locally or at the Special Olympics World Games Berlin.

We also established the Unified Business project in Great Britain, working with Special Olympics athletes to help develop their employability skills to break down the barriers they face when entering the workplace.

Image: Special Olympics Great Britain athlete receiving an #UnbeatableTogether Team Great Britain lanyard from CCEP volunteers

250+
employees volunteered

Apprenticeships

Faster career progress

We help people accelerate their careers with us by offering a wide range of different apprenticeship schemes, from Sales and Merchandising to Food Technology and Engineering. One of many who have joined us, Jennifer started as an Engineering Apprentice at our site in East Kilbride, Great Britain. Having now completed her qualification, she is responsible for helping to ensure our lines run as efficiently as possible.

Watch: Sharon Blyfield, Head of Early Careers at CCEP, talks about how we bring talent into the business.
cocacolaep.com/annual-report/case-study/fastercareerprogress

Image: Sales apprentices from the 2022 GB apprenticeship cohort

Great execution

Forward on supply chain

We want to win with our customers and suppliers, and maintain high customer service levels.

Key focus area for CCEP

We're working to deliver great execution for customers. We're driving growth, creating value and delivering results through close support and collaboration, while identifying new channels and implementing transformative new ways to do business.

To ensure we maintain high quality products and services for our customers we must promote reliability, consistency and sustainability throughout our supply chain.

We recognise the importance of having ethical and sustainable procurement practices that support our business and sustainability goals.

As a business, we rely upon a sustainable supply of ingredients like sugar, coffee, tea and juices as well as the raw materials we use for our packaging like glass, aluminium, plastic, pulp and paper. That's why we continue to invest in our capabilities and the long-standing and supportive relationships we have with our supply chain to provide even better service for our customers.

Our ambitions

Our customers

Strong and supportive customer service, known for our agility and flexibility.

Great digital tools enabled by high quality data and analytics, known to be easy to do business with and for our world class execution.

Our suppliers

A well invested supply chain and optimised portfolio.

Our This is Forward commitments

100% of our main agricultural ingredients and raw materials sourced sustainably.

100% of our suppliers to be covered by our Supplier Guiding Principles (SGPs) – including sustainability, ethics and human rights.

Achievements in 2023

Our customers

Our online customer portal, MyCCEP.com, received a new look and feel to make it easier to use for customers. New tools and functionalities are constantly being added to MyCCEP.com including point of sale materials and consumer insights to help customers grow their businesses.

Our suppliers

Following the launch of our Responsible Sourcing Policy (RSP) in 2022, we focused on actively engaging and communicating with our suppliers across our markets in Europe and API and aiming for 100% of our suppliers to understand and comply with our policy.

To reduce our Scope 3 GHG emissions, we continued to engage with our carbon strategic suppliers, asking them to set their own science based targets and transition to 100% renewable electricity. This will ensure more of our suppliers have strong SBTi targets in place across our territories and help to reduce their GHG emissions.

Related Sustainable Development Goals

2 ZERO HUNGER
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Great execution continued
Performance and progress against our This is Forward commitments

Our customers

#1

value creator for our customers as measured by NielsenIQ

~90%

great customer service level

~1.5m

unrivalled customer coverage

Our suppliers

~16,000

We source products from over 16,000 suppliers

~€7b

In 2023, we spent ~€7 billion with our suppliers. 84% was spent with suppliers based in our countries of operation

This is Forward

Spend covered by guiding principles

100% of suppliers to be covered by our SGPs

Target 100%

	Year	%
Group	2023	97.9%
Group	2022	97.5%
Eur	2023	98.3%
Eur	2022	97.3%
API	2023	96.3%
API	2022	98.4%

This is Forward

Sustainable sourcing (sugar)

100% of sugar sourced through suppliers in compliance with our Principles for Sustainable Agriculture (PSA)

Target 100%

	Year	%
Group	2023	99.4%
Group	2022	97.6%
Eur	2023	99.9%
Eur	2022	100%
API	2023	97.3%
API	2022	90.3%

This is Forward

Sustainable sourcing (pulp and paper)

100% of pulp and paper sourced through suppliers in compliance with our PSA

Target 100%

	Year	%
Group	2023	99.8%
Group	2022	99.2%
Eur	2023	99.8%
Eur	2022	99.8%
API	2023	99.7%
API	2022	98.3%

The plan for the year ahead

Our customers

We'll continue to regularly engage with our customers on strategy, planning and understanding key priorities around new packaging solutions and product offers to meet changing consumer trends.

Our suppliers

We'll continue to engage with all of our suppliers to reduce our Scope 3 GHG emissions, our key priority for 2024. We will implement a targeted programme for our most critical carbon strategic suppliers from which we source PET, aluminium and sugar. The programme will help them build their own carbon reduction roadmap and will support our own plans to reduce GHG emissions across our value chain by 30% by 2030 (versus 2019) and reach Net Zero by 2040.

Upcoming legislation related to deforestation and human rights across many of our markets will require compliance by both our suppliers and CCEP. We are partnering with our suppliers to ensure greater collaboration and transparency on their sourcing, in order to work towards compliance with these regulations. We will continue to implement and improve our systems to understand and anticipate potential risks associated with our suppliers and their supply chains.

Great execution continued
Our customers

Customers at the heart of our business

As the world's largest Coca-Cola bottler by revenue, we have built long-standing and supportive relationships with our customers.

We are committed to delivering great execution and creating value for them. We do this not just by focusing on growing our own portfolio of products, but by considering how we can grow the soft drinks category as a whole.

With the market continuously changing, it is more important than ever to have the right commercial strategies in place to be able to respond to this evolving landscape.

Our strong commercial team works with a wide range of customers, ranging from small local shops, supermarkets and wholesalers to restaurants, bars and sports stadiums, so consumers can enjoy our great tasting products.

We aim to be as close as possible to our customers, maintaining continuous relationships at every level and every function in order to understand their business. This enables us to identify opportunities and ensure these are aligned with the customer's ways of working.

Image: Colleague and customer in away from home (AFH) channel, the Netherlands

Our frontline field sales teams visit our customers on a daily basis providing in-store execution support, while our key accounts teams engage with customers on a national and international level on strategic product planning, addressing challenges and opportunities, supported by senior members of the leadership team.

Much of our ability to create value for our customers depends on the quality of the service we provide and how we deliver in the market.

Our focus is on ensuring our frontline sales teams are visiting and engaging with customers regularly, which we measure by tracking the number of customer visits we complete each day. In Europe, we have about 1,600 sales representatives in the AFH channel who conduct up to 13 visits per day. This represents more than 20,000 daily accounts visits and more than 390,000 interactions with our customers on a monthly basis. In addition to our field sales teams, we also interact with our AFH customers via our call agents and digital teams, as part of our omni contact (face, voice and digital) strategy.

Driving digital growth

Our ability to win with our customers has been enhanced in recent years due to ambitious and targeted investments in our priority capabilities. These investments support our customers to adopt new technologies and to focus on digitisation. It also helps us to engage with them through multi contact strategies and by investing in knowledge and analytics to better tailor our action plans to their needs.

Today, 85% of our volume is digitally captured across our markets, mainly driven by electronic data interchange with our retail customers, B2B platforms and call centre inbound.

We also continue to drive incremental revenue growth in digital commerce channels through world class execution. This is supported by establishing high level digital capabilities within our teams, and by developing and deploying the next generation of tools to support our commercial strategy, which includes a clear multi-year roadmap.

Read more in Our market drivers on page 13

Great execution continued
Our customers continued

Driving stronger capabilities across our commercial teams

To accelerate our journey to deliver a great execution for our customers, we are enhancing the capabilities of our people.

We support the skills development of our employees across all functions and foster a culture of data-driven decision making, by driving stronger capabilities across our sales force and our key account management team.

Through our online learning platform Academy, we offer a wide range of trainings for our people. We continue to update the development programmes and to introduce new relevant courses designed to grow capabilities in specific areas such as sustainability, finance skills, negotiation and digital skills. In 2023, we launched a new academy on the coffee category.

Find out more about training programmes for our people on page 24

Image: Colleague and customer in retail in Norway

Partnering with customers to drive value

At CCEP, we are committed to creating value for our customers. Considering exactly what consumers need helps us identify opportunities for category growth, which is key to a successful commercial strategy.

In 2023, highlighting the strength of our customer relationships, we created more value than any other NARTD business.

We work with NielsenIQ and IRI3 – retail and consumer data and insight providers – to measure how much value we create for our customers, and how our individual brands support this value creation.

In 2023, across all our territories in Europe and API, we created €17.1 billion in value across our NARTD categories for our customers, a year on year increase of €1.2 billion.

In Europe, Coca-Cola is the highest value brand within FMCG (€8,980m) and the brand that has added the most absolute value year on year (€497m).

Winning with customers

Our retail customers include supermarkets and hypermarkets, which sell our drinks to consumers for consumption at home. They represent a significant amount of our volume, and we measure their satisfaction through the Advantage Group Survey.

The survey covers key retail customers, asking them to rank CCEP's performance across a variety of critical partnership areas including strategy, operations, customer service, marketing, innovation, people and sustainability.

We measure ourselves against our ambition to be our customers' number one supplier within the beverage industry and FMCG. The survey covers eight of our nine markets in Europe (Belgium and Luxembourg (Belux), France, Germany, Great Britain, the Netherlands, Portugal, Spain and Sweden[(A)]) alongside Australia, New Zealand and Indonesia in API.

In 2023, CCEP secured the number one position within FMCG across six of our surveyed markets – Belux, Great Britain, the Netherlands, Portugal, Spain and Sweden[(A)].

(A) Results from Gradient CSAT report 2023, as Sweden does not feature in the Advantage Group survey.

Great execution continued
Our progress explained

Forward on **supply chain**

Collaborating with our suppliers

We work with our suppliers to procure high quality raw materials and services. At the heart of this is our integrated approach to sustainability – making improvements and launching initiatives that support responsible sourcing, climate resilience, water stewardship and biodiversity.

We engage with suppliers to identify common challenges and to decarbonise our business. The table on the right illustrates some of the requirements that we have put into place for our strategic and carbon strategic suppliers.

Our RSP is included in new contracts and sets out the mandatory guidelines that our direct and indirect suppliers must comply with in order to do business with CCEP. This includes our SGPs, which set out the minimum requirements we expect of all our suppliers in areas such as workplace policies and practices, health and safety, environmental protection, business integrity and human rights. It also includes our PSA, which apply to agricultural ingredients and raw material suppliers and cover human and workplace rights, environmental protection and sustainable farm management.

Supplier identification	Definition	Specific requirements	Requirements for all suppliers
Strategic suppliers	• Directly managed and influenced by our procurement teams • Represent about 80% of our addressable spend • Engagement on sustainability extends to approximately 450 suppliers	• Undergo an EcoVadis[(A)] assessment and have a minimum score of above 50 overall and above 35 on each criteria • Sustainability fully integrated in procurement processes and strategies	• In 2022, we launched our RSP, which sets out mandatory guidelines for all our suppliers • SGPs and PSA are incorporated into this policy • RSP is incorporated into all new contracts, and is part of our standard conditions of purchase
Carbon strategic suppliers	• Subset of strategic suppliers • Approximately 200 suppliers • Represent about 80% of our Scope 3 GHG emissions	In addition to strategic supplier requirements, carbon strategic suppliers are encouraged to: • set science based targets by 2023 in Europe and by 2025 in API • transition to 100% renewable electricity by 2025 in Europe and by 2030 in API	

(A) Provides a leading solution for monitoring sustainability in global supply chains. Suppliers that have a low score are asked to develop an action plan and improve their performance. If suppliers do not improve their performance within a set timeframe, they may not be used in the future.

Priority ingredients

As climate change leads to more extreme weather and increased water stress, more sustainable agricultural practices will be vital to building resilience across our supply chain and for the communities that produce these ingredients.

Together with TCCC, we have identified 13 priority agricultural ingredients we rely on to make and package our beverages.

Managing the purchase of these ingredients together with TCCC and other Coca-Cola bottlers, helps us manage the challenges we face in our supply chain as a joint Coca-Cola system.

For more details on our priority ingredients see page 34

Supplier risk

Understanding what we buy and taking action when we encounter a risk is a key aspect of our supplier relationships.

We assess suppliers across multiple criteria such as financial value, efficiency, innovation and risk. For our strategic suppliers we carry out detailed financial and supplier risk assessments.

We hold regular meetings with suppliers to assess key issues such as performance, innovation and sustainability.

Great execution continued
Our progress explained

We proactively manage sustainability risks in our supply chain using data gathered through EcoVadis for strategic suppliers and EcoVadis IQ for non-strategic suppliers. In addition, we continue to use Resilinc software, an AI tool which helps us to proactively identify potential risks in our supply chain. Having used the software to map our tier 1 suppliers in 2022, we started a project to map our tier 2 suppliers using Resilinc in 2023.

In 2023, we also started using FRDM, a supply chain risk management tool, to monitor and mitigate human rights and climate-related risks in our supply chain.

Human rights in our supply chain

Protecting human rights is fundamental to how we run our business. We are committed to ensuring everyone who works at CCEP and in our supply chain is treated with dignity and respect.

In 2023, we continued to provide training on human rights to our employees, with specific training to procurement managers focused on the German Supply Chain Act.

We also conducted a human rights risk assessment in Germany and Norway in 2023, and published our first annual report for Norway under the Norwegian Transparency Act. In 2024, we will expand our reporting with our first annual report for Germany under the Act on Corporate Due Diligence Obligations in Supply Chains.

In 2023, we documented our processes and responsibilities related to human rights risk assessments, due diligence and remediation or mitigation. This sets the basis for a robust governance framework across CCEP for human rights related actions.

Supporting our suppliers in reducing GHG emissions

Our suppliers are responsible for over 80% of the GHG emissions in our value chain. We can only meet our own GHG emission reduction targets by working in partnership with them. That is why we have asked approximately 200 carbon strategic suppliers to set their own science based targets.

In 2023, 31% of our carbon strategic suppliers (Europe 50%, API 16%), had SBTi validated targets.

We also track the number of suppliers who have committed to set SBTi targets, including those who may have already submitted targets to the SBTi. In 2023, a further 48% of our carbon strategic suppliers (Europe 46%, API 48%) committed to set science based targets[(A)].

We know that some of our suppliers will need support to measure their emissions accurately, so that they can develop a GHG emissions reduction roadmap, set a science based target, adopt GHG emissions abatement measures and disclose their progress.

To support them, we are working with TCCC to engage suppliers in the Supplier Leadership on Climate Transition (S-LOCT) programme, a cross industry collaboration that aims to provide suppliers with the resources, tools and knowledge they need to make progress on their own climate journeys.

In 2023, around 50 CCEP suppliers were engaged with the programme, and we continue to encourage and support more of our suppliers to join.

Sustainability supply chain finance programme with Rabobank

In 2022, we implemented a new sustainability supply chain finance programme, structured and operated by Rabobank.

The programme, one of the first of its kind in the global beverage industry, incentivises and rewards suppliers for improving their ESG performance.

In 2023, the multi-award winning programme grew significantly, more than doubling the supplier groups participating, and beating the peak financing target by 114%.

In partnership with the Rabo Foundation we invested in two local projects, focused on improving the sustainable production capabilities of smallholding farmers in Indonesia.

We also launched a similarly structured programme in Indonesia in partnership with Citibank, offering Indonesian suppliers incentives on financing interest rates.

Read about how we work with suppliers to reduce their emissions on page 38

(A) Based upon carbon strategic supplier-survey information.

Great execution continued
Our progress explained

Supplier standards audits

We expect our suppliers to develop and implement appropriate internal business processes to ensure that they fully comply with our SGPs.

As part of the Coca-Cola system, we rely on independent third party audits commissioned by TCCC to monitor supplier compliance with our SGPs for ingredients and primary packaging directly purchased by CCEP and for juices and concentrates purchased from TCCC.

To date, these audits have covered more than 94% of our ingredients and primary packaging suppliers. If a supplier fails in any aspect of the SGPs, they are expected to implement corrective actions. TCCC conducts unannounced audits at its discretion and we reserve the right to terminate an agreement with any supplier that cannot demonstrate that it is upholding the SGPs' requirements.

PSA compliance is verified through adherence to a limited set of third party sustainable agriculture standards approved by TCCC. CCEP directly purchases sugar beet and sugar cane, pulp and paper, and tracks compliance with the PSA for these commodities through TCCC.

Our priority ingredients(A)

Raw material	Procurement method	Quantity and brands	PSA aligned third party standards	Compliance and standards
Beet and cane sugar	Directly by CCEP	• Approximately 700k tonnes of beet sugar • Approximately 300k tonnes of cane sugar	• Bonsucro • FSA Gold and Silver • Redcert 2	• Europe: 99.9% third party standard and PSA compliant • API: 97.3% third party standard and PSA compliant
Pulp and paper(B)	Directly by CCEP	• Europe: approximately 70k tonnes of board for secondary and tertiary packaging, and marketing materials • API: approximately 40k tonnes of board for secondary and tertiary packaging(B)	• Forest Stewardship Council (FSC) • Certification endorsed by the Programme for the Endorsement of Forest Certification (PEFC)	• Europe: 99.8% FSC or PEFC certified and PSA compliant • API: 99.7% FSC or PEFC certified and PSA compliant
Juice(C)	TCCC	• Orange and lemon juice from concentrate, not from concentrate and puree, are key ingredients in a number of our products (e.g. Minute Maid)	• Sustainable Agriculture Initiative Platform (SAI)	• Europe: 100% PSA compliance for orange and 100% for lemon • API: 100% PSA compliance for orange and lemon
Coffee and tea	Directly by CCEP	• Grinders brand	• Rainforest Alliance • Fairtrade	• 46% compliance for this CCEP owned brand in API
	TCCC	• Costa, Chaqwa and Fuze Tea brands	• Rainforest Alliance • Fairtrade	• Europe: 100% PSA compliance for coffee and 100% for tea

(A) Our 13 priority agriculture based ingredients and bio-based packaging materials include sugar cane, sugar beet, high fructose corn syrup, stevia, orange, lemon, apple, grape, mango, coffee, tea, soy, pulp and paper.
(B) We aim to expand reporting on this category to include additional areas such as printed and point of sale material in the future.
(C) Coca-Cola trademark beverages with juice from concentrate, not from concentrate and puree as key ingredients.

Image: A colleague in her second year of professional training as a food technology specialist on the RGB line at our Mannheim production facility, Germany

Supply chain resilience

Faster on resilience

We are making our supply chain more resilient by using AI tools, such as machine learning and demand sensing. Our Customer Demand and Supply Planning (CDSP) programme provides us with a better understanding of our customers, anticipating their needs faster and responding quickly to trends in the market.

Watch: José Antonio Echeverría, Chief Customer Service and Supply Chain Officer, illustrates how systems enable us to react quicker.

cocacolaep.com/annual-report/case-study/fasteronresilience

Done sustainably

Forward on climate | Forward on packaging | Forward on water

We take our responsibility to reduce our environmental impact seriously.

Key focus areas for CCEP

We are committed to decarbonising our entire business.

The Intergovernmental Panel on Climate Change (IPCC) has highlighted the need for urgent climate action[A]. We take our responsibility seriously, and have set GHG emissions reduction targets aligned to climate science.

We are taking urgent action to reduce the impact of our packaging.

Waste and pollution, particularly from plastic packaging, are significant global challenges, and we are reinventing the way we do business to progressively move away from a linear model and the waste it creates, towards a full circular model.

We have adopted a value chain approach to water stewardship.

Water is vital to our business. It is the main ingredient in our products, essential to our manufacturing processes and crucial for the agricultural ingredients we use. We prioritise water efficiency in our own operations, while safeguarding the sustainability of the water sources our business, communities and suppliers rely upon.

This is Forward commitments

Climate

Reduce our absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030 by 30% by 2030 (Versus 2019).[B]

Net Zero GHG emissions (Scope 1, 2 and 3) by 2040.[B]

Use 100% renewable electricity across all markets by 2030.

100% of carbon strategic suppliers[C] to set science based targets in Europe by 2023 and in API by 2025.

100% of carbon strategic suppliers[C] to use 100% renewable electricity in Europe by 2025 and in API by 2030.

Packaging

100% of our primary packaging to be recyclable by 2025.

50% recycled plastic in our PET bottles in Europe by 2023 and in API by 2025.

Stop using oil-based virgin plastic in our bottles by 2030.

Collect and recycle a bottle or a can for each one we sell by 2030.

Water

10% reduction in our manufacturing water use ratio[D] by 2030 (versus 2019).

Replenish 100% of the water we use in our beverages.

100% regenerative water use in leadership locations[E] by 2030.

Related Sustainable Development Goals

Climate: 7 Affordable and clean energy; 13 Climate action

Packaging: 12 Responsible consumption and production; 14 Life below water

Water: 6 Clean water and sanitation

Achievements in 2023

In 2023, our Group wide targets to reduce GHG emissions were approved by the SBTi. To assess how GHG emissions will reduce by 2030, we started to build a climate transition plan, including carbon reduction roadmaps with targeted investment through to 2030.

We became a Member of the Ellen MacArthur Foundation's network, the world's leading circular economy network that brings together businesses, policymakers, financial institutions, innovators and thought leaders to accelerate the transition to a circular economy.

In 2023, we set a new Group wide water use ratio (WUR) reduction target, aiming to reduce our water use ratio by 10% by 2030 (versus 2019). This target is an aggregation of site level WUR targets, which are set in line with the sites' water risk categorisation.

(A) www.ipcc.ch/2023/03/20/press-release-ar6-synthesis-report.
(B) Our GHG emissions reduction and Net Zero targets have been validated by the SBTi as being in line with climate science.
(C) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (~200 suppliers in total).
(D) Water use ratio: litres of water per litre of finished product produced.
(E) 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.

Done sustainably – Our environmental impact
Performance and progress against our This is Forward commitments

Forward on climate

14

PAS 2060 carbon neutral certified production facilities across our territories

> This is Forward

Reduce emissions

Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030, versus 2019[(A)]

	2023	2022	Target
Group	16.7%	11.6%	30% reduction by 2030 (versus 2019)
Eur	15.9%	12.6%	
API	18.2%	10.0%	

> This is Forward

Renewable electricity consumption

Use 100% renewable electricity across all markets[(B)] by 2030

	2023	2022	Target
Group	78.0%	73.1%	100% by 2030
Eur	97.8%	97.9%	
API	35.8%	23.5%	

> This is Forward

Supplier engagement

100% of carbon strategic suppliers[(C)] to set science based targets by 2023 (Europe) and by 2025 (API)

	2023	2022	Target
Group	31%	17%	100%
Eur	50%	27%	100% by 2023
API	16%	5%	100% by 2025

The plan for the year ahead

We'll continue to drive the reduction of GHG emissions across our full value chain – empowering and supporting our suppliers to take climate action to reduce Scope 3 GHG emissions, while being fully transparent about our value chain GHG emissions and the climate risks we face.

We aim to evolve and continue to develop our climate transition plan, outlining how CCEP will decarbonise its full value chain by 2040, supported by long-term investment.

Through CCEP Ventures, our investment platform for sustainability initiatives, we will continue to invest in breakthrough solutions that could help us reach our Net Zero 2040 target.

We will also begin work to assess our Forest, Land and Agriculture (FLAG) emissions, and emissions from our business in the Philippines.

(A) Our 2023 data was subject to independent limited assurance. A copy of our 2023 assurance statement, and assurance statements for prior years can be found on cocacolaep.com/sustainability/download-centre. See detail regarding restatement of our baseline GHG figures in our methodology statement on page 237.

(B) See page 39 for renewable electricity purchased percentages for Group, Europe and API.

(C) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (~200 suppliers in total). A further 48% (Europe 46%; API 48%) have committed to set science based targets, including those who may have already submitted targets to the SBTi.

Done sustainably – Our environmental impact continued
Our progress explained

Developing a climate transition plan across our value chain

In 2023, we focused on building roadmaps to deliver against our short- and long-term GHG emissions reduction targets. This work included modelling reductions across the business, including plans from each market we operate in. It is the starting point for the development of our long-term climate transition plan.

Our carbon reduction roadmap has been aligned with our commercial long-term business planning, and we have worked to align decision making within our Capex planning processes.

To support our business planning, we have also embedded a carbon projection into our 2023-2025 long-term planning and 2023 business plan. This has helped us improve the connection between our commercial and carbon forecasts.

~€450m

Between 2023 and 2025, we expect to invest approximately €450m in energy, logistics and carbon reduction technologies in our operations to support our decarbonisation plan.

Read more about our climate transition plan in our TCFD disclosure on pages 51-53

Reducing supplier GHG emissions

More than 80% of the GHG emissions in our value chain come from our supply chain (Scope 3).

To reduce these emissions we have asked around 200 carbon strategic suppliers to set their own science based targets and to transition to 100% renewable electricity by 2025 in Europe and by 2030 in API.

In 2023, around 80% of our Scope 3 GHG emissions were linked to suppliers with SBTi validated targets. In 2023, 31% of our suppliers have SBTi validated targets. A further 48% have committed to set science based targets.

We are also working together with TCCC to collect and validate supplier specific emission factors directly from our suppliers, initially focusing on packaging and ingredients suppliers, which are the largest contributors to GHG emissions. This work will be critical in helping us to reflect the impact of our suppliers' actions more accurately.

Read more about our engagement on climate with suppliers on page 33

Reducing the carbon footprint of our packaging

One of the biggest drivers of carbon reduction comes from increasing the amount of recycled content in our packaging, and improving packaging collection rates across our markets.

We are committed to reducing our use of packaging where possible and ensuring that the equivalent of all the packaging we do use is collected, reused or recycled so that it does not end up as waste or litter.

Read more about our packaging activities on pages 41-43

Reducing the carbon footprint of our ingredients

Our ingredients account for approximately 25% of our total carbon footprint, mostly from farming, processing and transportation.

We are working to collect more accurate carbon data from our suppliers and aiming for 100% compliance with our RSP, which includes the SGPs and PSA, and our expectations around carbon management.

In 2024, we will work to assess and set targets on our Forest, Land and Agriculture (FLAG) emissions, and finalise and embed a no-deforestation policy, in line with SBTi guidance.

Read more about our engagement on ingredients with suppliers on pages 32-34

GHG emissions across our value chain (Group)[(A)]

Ingredients	25%
Packaging	37%
Operations and commercial sites	11%
Transport	8%
Cold drink equipment (CDE)	17%
Other[(B)]	2%

(A) Rounded to the nearest 1%. Calculated based upon the Scope 1, 2 and 3 emissions from each area. See our methodology document on cocacolaep.com/sustainability/download-centre.

(B) Other includes employee commuting, and IT and marketing spend.

Done sustainably – Our environmental impact continued
Our progress explained

Reducing the carbon footprint of our operations and commercial sites

Our operations and commercial sites account for around 11% of our total carbon footprint.

We are working to reduce GHG emissions from our production facilities by shifting to on- and off-site renewable electricity, improving energy efficiency, transitioning from fossil fuel powered equipment to electric machinery (such as boilers and manual handling equipment) and reducing our fugitive CO_2 losses.

In 2023, we invested approximately €28 million in energy, logistics and carbon reduction technologies within our operations. We estimate that this could save approximately 9,000MWh and 21,000 tonnes of CO_2e per year, potentially helping us reduce our annual electricity and natural gas costs by around €2 million per year. In Spain, we replaced an old PET bottle blower with a more energy efficient one at our production facility in Fuenmayor. In the Netherlands, we installed two new electric boilers, two heat pumps and a 4km stainless steel pipe network to help electrify our Dongen production facility.

In 2023, 14 of our production facilities were certified under the PAS 2060 standard as carbon neutral. Site certification follows significant efforts to reduce emissions, including converting forklift trucks from gas to lithium ion powered batteries, and switching lighting to lower power LEDs. Remaining site emissions were offset using Verified Carbon Standard (VCS)-certified carbon credits.

Renewable electricity

Using renewable electricity is critical to our efforts to decarbonise the business.

As a member of the Climate Group's RE100 initiative, we are committed to using 100% renewable electricity across all of our markets by 2030. Investing in renewable electricity in API could be a major carbon reduction driver for CCEP.

In 2023, 98.9% of the electricity purchased and 97.8% of the electricity we consumed in Europe came from renewable sources[A]. This difference is due to a small amount of non-renewable electricity consumed in leased facilities where we do not directly control the electricity contracts.

In API, 33.7% of the electricity purchased and 35.8% of the electricity consumed was from renewable sources.

We continue to invest in renewable and low-carbon energy projects, including on-site and power-purchase agreements for solar, wind, combined heat and power (CHP), district heating and hydropower. For example, in 2023, we signed a three year Renewable Energy Certificate (REC) sale and purchase agreement with PT PLN in Indonesia. In 2023, 13 of our facilities sourced electricity from on-site solar, wind or hydro power, generating around 16,000 MWh of electricity.

79.1%

of the electricity purchased in 2023 was renewable

Carbon offsetting

While our focus is on decarbonising our business in line with a 1.5°C reduction pathway, we support a limited amount of carbon offsetting outside of our value chain in the short term.

We follow SBTi Net Zero guidance in this area, purchasing a limited amount of high quality carbon credits to offset GHG emissions where we cannot reduce further – for example, to offset remaining emissions for our carbon neutral production facilities.

In 2023, we retired 41,090 tCO_2e of carbon credits from the VCS-certified Katingan Mentaya Project, protecting peatland in Central Kalimantan, Indonesia. These credits were used to offset remaining emissions from our 14 carbon neutral production facilities. We plan to continue to support our carbon neutral sites in 2024, retiring carbon credits we have already purchased. Over the longer term, we will be working to directly invest in nature based solutions that remove carbon from the atmosphere.

(A) See pages 238-239 for more information on the calculation of our renewable electricity and Scope 2 GHG emissions.

Case study

Solar panels installation in Australia

In Australia, as part of our RE100 commitment to use 100% renewable electricity, we installed a rooftop solar system at our Darwin facility.

This project involved the installation of 641 solar panels, connected by over 8,000 metres of wire.

We estimate these panels will generate 420 MWh per year, covering approximately 75% of the site's electricity needs.

The site joins production facilities in Eastern Creek, Kewdale, Richlands and Salisbury that already have rooftop solar.

Image: Solar panels on the rooftop of our facility in Darwin, Australia

641

solar panels installed at our Darwin facility

Find out more at cocacolaep.com/annual-report/case-study/solarpanels

Done sustainably – Our environmental impact continued
Our progress explained

Reducing emissions from our own car fleet, vans and trucks

GHG emissions from our car fleet and vans account for approximately 22% of our Scope 1 emissions.

As members of the Climate Group's EV100 initiative, we are transitioning to electric vehicles (EVs) or ultra-low emission cars and vans for our own car fleet across our territories by 2030.

We offer workplace charging and make it convenient for employees to charge EVs at home and on the go.

In Europe, we increased our use of hybrid and electric cars and vans from 20% in 2022 to nearly 30% in 2023.

Reducing third party logistics emissions

Our third party distribution and transportation emissions account for approximately 7% of our Scope 3 GHG emissions.

We are reducing emissions by improving our warehouse capacity, working with suppliers to optimise the transportation of our products, and increasing our use of alternative fuels. Warehouse capacity expansions at our production facilities have reduced road miles and enabled direct to customer deliveries instead of using external warehouses.

Alternative fuels currently make up around 15% of the total kilometres driven by our third party logistics hauliers in Europe. This includes the use of HVO11, CNG, bioCNG and LNG. In Belgium, Luxembourg, Spain and Sweden we are delivering our beverages to local customers using electric trucks.

By working with our suppliers, we have also cut the distance our ingredients and raw materials travel to reach our production facilities. Many of our own sites are located next to our can suppliers, eliminating the need to transport empty cans. Some of our production facilities, such as Grigny in France and Halle in Germany, manufacture their own PET bottle pre-forms. We also run front- and back-hauling programmes with customers and suppliers across Europe, which ensures that trucks never drive empty.

In 2023, we built a new €8 million warehouse at our production facility in Azeitão, Portugal, and opened an external warehouse in the Jordbro industrial area of Sweden. Increasing our storage capacity and improving our warehousing enables us to minimise our truck movements, lower costs and reduce our CO_2 footprint, while making our operations more flexible and efficient.

In 2023, in Spain, we joined Lean & Green, an initiative of the Association of Companies of Manufacturers and Distributors (AECOC), to reduce emissions associated with the transport and logistics sector. We are committed to implementing a comprehensive action plan to identify opportunities for improvement and implementing sustainable solutions working closely with our suppliers and logistics partners.

Reducing our emissions from cold drink equipment (CDE)

GHG emissions from our CDE account for 17% of our total carbon footprint.

In 2023, we reduced the energy use of our CDE equipment per unit across our markets by 4.2% versus 2022[(A)]. Our efforts to replace old and obsolete equipment also led to a reduction of 5.2% in the size of our CDE fleet and a 9.2% decrease in total energy consumption versus 2022. This helped drive a reduction of GHG emissions of 10.3% CO_2e from our CDE equipment in 2023.

All new coolers purchased in 2023 were hydrofluorocarbon (HFC)-free, meaning approximately 55% of our cooler fleet across our territories is now HFC-free. When we dispose of old equipment, we take full responsibility for its recycling and safe disposal.

In 2023, TCCC issued global cooler energy consumption guidance and targets for all bottlers to reduce GHG emissions related to our cooler fleet. Working with our suppliers we are further refining our portfolio to meet the guidance provided.

In API, our CDE can be one of our largest emissions sources, due to the use of fossil fuels in national electricity grids across these markets. In addition to working to improve the energy efficiency of our fleet across API, we strongly support the continued shift to renewable electricity across our markets, which will help reduce emissions across our value chain.

Working with customers

We support our customers to reduce their own GHG emissions. For example in Great Britain, we continue to drive our Net Zero Pubs, Bars and Restaurants initiative in partnership with Pernod Ricard and Net Zero Now. The Net Zero Now online platform helps businesses reach Net Zero by providing tools to calculate, reduce and compensate for their GHG emissions. Certified businesses can communicate their Net Zero status to their stakeholders.

We also support the ECODES Foundation Community's HOSTELERIA #PorElClima platform to reduce the carbon footprint of Spain's hospitality sector. The platform provides tips and tools to reduce environmental impact and promotes the sector's commitment to sustainability.

(A) Calculated based upon average energy efficiency ratings of CDE equipment installed.

Done sustainably – Our environmental impact continued
Performance and progress against our This is Forward commitments

Forward on packaging

This is Forward: Recyclability

100% of primary packaging to be recyclable by 2025[A]

			Target
Group	2023	99.1%	100% by 2025
Eur	2023	99.0%	
Eur	2022	98.7%	
API	2023	99.6%	

This is Forward: Recycled plastic (rPET)

50% recycled plastic in our PET bottles in Europe by 2023 – other API markets by 2025[B]

			Target
Group	2023	54.6%	100%
Group	2022	48.5%	
Eur	2023	59.2%	100% by 2023
Eur	2022	56.3%	
API	2023	41.5%	100% by 2025
API	2022	26.9%	

This is Forward: Collection

Collect and recycle a bottle or a can for each one we sell by 2030[C]

			Target
Group	2023	73.2%	100% by 2030
Group	2022	72.0%	
Eur	2023	75.3%	
Eur	2022	76.9%	
API	2023	64.9%	
API	2022	52.9%	

This is Forward: Virgin plastic

Percentage of PET bottles that are 100% rPET[D]

			Target
Group	2023	47.6%	100% by 2030
Group	2022	44.7%	
Eur	2023	50.9%	
Eur	2022	54.0%	
API	2023	39.2%	
API	2022	25.8%	

The plan for the year ahead
In 2024, we will continue to take action to drive down the footprint of our packaging as part of our journey to eliminate waste and reduce GHG emissions.

We'll do this through the key pillars of our packaging strategy: removing unnecessary packaging, innovating in refillable and dispensed solutions, working towards 100% collection so that packaging materials can be recycled or reused, and increasing the amount of recycled material we use in our packaging.

We'll continue to work closely with our Sustainable Packaging Office (SPO), which streamlines all the technical and exploratory sustainable packaging work across our territories, accelerates our innovation and supports progress towards our goals.

(A) Complete data for Group and API not available for 2022 reporting.
(B) Percentage based on one way PET bottle sales (tonnes). This excludes labels and caps.
(C) We have restated prior year 2022 national packaging collection rate in line with new EU methodology for calculating packaging collection rates.
(D) Percentage based on one way PET bottle sales (individual consumer units).

Done sustainably – Our environmental impact continued
Our progress explained

Packaging life cycle
Through the use of life cycle analysis, we can assess the carbon footprint of our packaging, allowing us to make informed decisions and helping us prioritise our efforts to reduce the GHG emissions of our packaging.

Many factors can help to reduce the carbon footprint of our packaging, including higher collection rates, using more recycled content in our packaging, or changing from one packaging type to another.

Read more about our climate activities on pages 37-40

Future pack mix
In 2023, we held workshops across our territories to assess the product carbon footprint of specific pack types within our current and future portfolio. This work informs a future pack mix strategy that is aligned with both our sustainability objectives to reduce GHG emissions and our long-term business strategy.

We recognise the important role that public policy has to play in developing a circular economy and we take into account upcoming legislation, which in selected markets or sub-channels will require us to reduce the use of single use plastic or introduce reusable packaging.

Refillable and reusable
Redesigning how to bring products to people in new ways will help us to become more resource efficient and is part of the solution to eliminating plastic pollution and reducing GHG emissions.

By 2030, TCCC aims to have at least 25% of its global volume sold in refillable glass or plastic bottles, or in reusable containers through Coca-Cola Freestyle or traditional fountain dispensers.

We are working to increase the share of reusable packaging in our portfolio and are conducting a deeper analysis across our business to ensure we can monitor and report our progress. For example, in France, we have developed a partnership with Carrefour which deployed a deposit system for refillable glass bottles in 150 of its Carrefour city stores across Paris.

47.6%

of the PET bottles we put on the market are 100% rPET

Dispensing delivery solutions
Dispensing systems allow consumers to enjoy our drinks more sustainably with less packaging and in reusable and recyclable cups or bottles. We continue to innovate our dispensed product offering and work with partners to develop new digitally advanced smart dispensing equipment.

We are engaging with customers and consumers to encourage more sustainable choices, such as switching from single use to reusable drinking vessels. For example, in France, Spain and Sweden we partner with Burger King to test dine-in reusable cups.

Across our markets, we are testing consumer behaviour to better understand the potential of dispensers and reusable cups to reduce waste and GHG emissions. In 2023, 6.9% of our volume was enjoyed via dispensed solutions (8.5% in Europe and 10.8% in API).

Lightweighting
Initiatives to reduce the weight of our packaging are critical to reducing packaging GHG emissions. We have a long-standing programme to reduce the weight of our packaging and optimise the materials we use. One key area of focus in 2023 was shifting from steel to aluminium cans in Europe, as aluminium is lighter than steel. By replacing around 360 million steel cans with aluminium cans we eliminated approximately 9,000 tonnes of CO_2e in 2023. In API, we only use aluminium cans.

Case study

Expanding our RGB portfolio

In Germany we are boosting the availability of at-home refillable drinks options by expanding our returnable glass bottle (RGB) portfolio, switching to a universal bottle.

In 2023, we introduced 1L RGB for our Fanta, Sprite, Mezzo Mix, Vio Bio Limo and Fuze Tea brands.

We actively promoted refillable packaging through a consumer campaign creating awareness on our PET refillable portfolio.

Over the last five years, we have significantly invested in reusable bottles, including two new refillable glass bottling lines and new reusable crates.

Image: CCEP employees at our production facility in Lüneburg, Germany, where our 1L RGB Coca-Cola bottles are being produced

Find out more at cocacolaep.com/annual-report/case-study/refillables

Done sustainably – Our environmental impact continued
Our progress explained

100% recyclable
Recyclability is the first principle of the circular economy. For packaging to retain its value and for the material to be recycled, it must first be collected and be compatible with recycling infrastructure in practice and at scale.

We want to ensure our packaging is not just technically recyclable, but easy and feasible for consumers to recycle. For example, in Australia, after nearly 60 years, we replaced Sprite's iconic green PET bottles with clear plastic, making it easier to recycle them into new bottles locally.

Although we are focusing on making our primary packaging recyclable, we ultimately want to ensure all the materials we use are recyclable, preferably in a closed loop system. To achieve this, we are taking steps to make our secondary packaging, such as labels and the shrink wrap we use for multi packs, recyclable as well.

Recycled and renewable materials
Using recycled material in our bottles and cans keeps valuable resources in the circular economy and helps us move away from the use of new materials including virgin fossil based plastic.

We aim to achieve this by using recycled aluminium in our cans and recycled PET (rPET), PET from renewable sources or PET obtained through enhanced recycling. This is a core part of our strategy to demonstrate that PET beverage bottles can be fully circular.

Case study
Infinite recycling with CuRe Technology

In support of our ambition to eliminate oil-based virgin plastic from our bottles, through CCEP Ventures, we are investing in CuRe Technology.

The technology uses polyester rejuvenation to target plastics that cannot be recycled by mechanical recycling methods and prevents them from being incinerated or downcycled, or sent to landfill.

The low energy recycling process creates high quality rPET with a carbon footprint that is around 65% lower than virgin PET[A]. We intend to start using CuRe Technology's rPET in Europe from 2025, following the development of a new production facility.

(A) Based on CuRe's life cycle assessment, carbon footprint reductions compared to virgin: 2022 figure.

Image: rPET granulate

Find out more at cocacolaep.com/annual-report/case-study/recyclingtech

In 2023, through CCEP Ventures, we announced a new partnership with universities in Spain and the Netherlands to explore how captured CO_2 can be turned into useful products like packaging materials which are recyclable and thus contribute to a circular future.

We are working with suppliers to increase the recycled content in all packaging types, including secondary and tertiary packaging.

Packaging collection and infrastructure
Packaging collection for recycling once it has been used is critical to creating a low-carbon, fully circular economy and keeping plastic out of the environment. That is why we are supporting the creation of collection solutions across our markets, working with national and local governments and stakeholders.

For example, in Australia, together with Pact Group, Cleanaway Waste Management and Asahi Beverages, we invested in two state of the art PET recycling facilities: Albury–Wodonga facility in New South Wales opened in 2022 and Altona North facility in Victoria opened in 2023. Together, the two sites will have the capacity to recycle the equivalent of two billion 600ml PET bottles per year[B].

Enhancing collection and recycling infrastructure is often complex, and collection solutions vary depending on the socioeconomic and legislative context in each market. They include extended producer responsibility and beverage packaging return schemes which are driven by legislation, and voluntary schemes which support direct investment in local collection.

In markets where collection infrastructure is well developed, like Europe, Australia and New Zealand, we support industry led, well designed, beverage packaging return schemes, unless a proven alternative exists. In less developed markets, such as Indonesia, the Pacific Islands and Papua New Guinea, we are committed to proactive voluntary action, directly funding collection solutions to promote circular economy outcomes. For example, in Fiji, we launched the Mission Pacific recycling programme, which rewards customers when they redeem their bottles at a designated collection point.

The power of our brands and our people
We continue to use the power of our brands to encourage consumers to recycle our packaging via on pack messages.

We also support a wide range of anti-litter and clean up initiatives through local community partnerships and employee volunteering. As well as removing and preventing litter, these activities influence consumer behaviour and raise awareness about littering and recycling.

(B) Excluding caps and labels.

Find out more in our communities on page 26

Image: Coca-Cola Original Taste, Coca-Cola Zero Sugar, Sprite, Fanta and Sprite Waterlymon in 100% rPET plastic packaging, excluding the cap and label in Indonesia

Launching 100% rPET in Indonesia

Faster on recycling

In a first for Indonesia, we have launched bottles made from 100% rPET plastic(A) for our Coca-Cola trademark brands, Fanta, Sprite in 390ml, and Sprite Waterlymon in 425ml. The material comes from our Amandina PET recycling plant and is collected via the Mahija Parahita Nusantara foundation's network of collection centres. This is a step towards a closed loop circular economy in the country and CCEP's goal of using 50% recycled plastic in its PET bottles by 2025 in API.

(A) This excludes the cap and label.

Watch: Joe Franses, VP Sustainability, on tackling plastic waste.

cocacolaep.com/annual-report/case-study/fasteronrecycling

Done sustainably – Our environmental impact
Performance and progress against our This is Forward commitments

Forward on water

~€5m

We invested approximately €5 million in water efficiency and wastewater treatment technology in our operations in 2023

36

In 2023, together with TCCC and TCCF, we supported 27 water replenishment projects in Europe and 9 in API

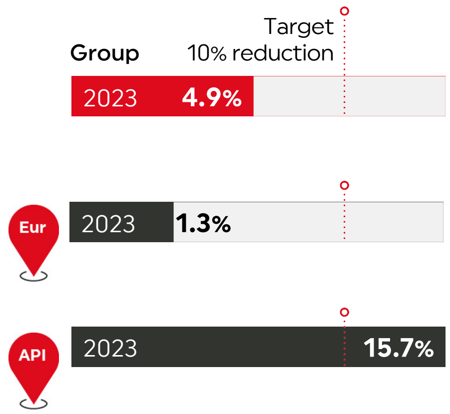
64

out of 66 of our NARTD production facilities are certified under the ISO 14001 environment management standard(F)

> This is Forw

Water efficiency

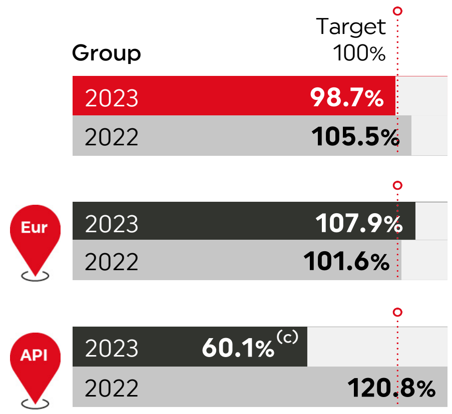
10% water use ratio(A) reduction by 2030, versus 2019



> This is Forward

Water replenishment

Replenish 100% of the water we use in our beverages(B)



> This is Forward

Regenerative water use(D)

100% regenerative water use in leadership locations(E) by 2030

The plan for the year ahead

Water is critical to nature, our communities and our business. It is the main ingredient in our products, essential to our manufacturing processes, and is critical to ensuring a sustainable supply of the agricultural ingredients we depend upon.

In 2024, we will update our Facility Water Vulnerability Assessments (FAWVAs) across our production facilities to assess our local watershed based risks and vulnerabilities.

Through CCEP Ventures, our investment platform for sustainability initiatives, we will continue to review and invest in emerging technologies that will help us to improve water efficiency at our sites.

We also plan to implement seven new water replenishment projects across our markets in 2024.

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

(B) Based on the volume of water replenished through replenishment projects versus the sales volume of our ready to drink litres of finished beverages.

(C) Reduction in replenishment volume versus prior year is due to one of our largest projects in Australia coming to an end (Project Catalyst) in 2023.

(D) New target. Complete data not available for 2022 and 2023 reporting.

(E) 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.

(F) All outstanding production facilities are located in Papua New Guinea where we are actively working towards certification.

Done sustainably – Our environmental impact
Our progress explained

Assessing water risk

Water-related risks continue to increase globally as the health of many watersheds continues to deteriorate. We map our water risks using a series of risk assessments, in line with TCCC.

All our production facilities have their baseline water risk assessed through a global Enterprise Water Risk Assessment (EWRA) using the World Resources Institute's (WRI) Aqueduct 3.0 tool. 21 of our 42 NARTD production facilities in Europe, and three out of 24 NARTD production facilities in API are located in areas of high baseline water stress.

In 2023, 8,067 million m^3 (7,405 million m^3 in Europe, and 662 million m^3 in API) of our production volumes were sourced from areas of baseline water stress. This represented 49.8% of our total production volumes, (56.5% of our production volumes in Europe and 21.5% in API).

We also complete FAWVAs every three years, assessing further physical, regulatory and social risks at a production facility level. We will be updating this assessment across all of our NARTD production facilities in 2024.

We also assess potential risks in water quality and future availability to our business, the local community and the wider ecosystem through source water vulnerability assessments (SVAs), which we aim to complete every five years. Sites address these risks through facility water management plans (WMPs). These are used to manage site targets, enhance climate resilience, and enable data sharing and reporting. In 2023, all our NARTD production facilities had SVAs and WMPs in place.

Setting context based targets

We use the insights from these risk assessments to categorise our sites, and set water efficiency and replenishment targets that are appropriate for the context of the watershed our sites operate in.

We categorise our sites as follows:

Leadership locations: Sites which rely on vulnerable water sources or have a high level of water dependency. These sites have the highest water use reduction targets, and must achieve 100% regenerative water use by 2030.

Advanced efficiency: Sites which operate in a water stressed context, and will be focused on achieving advanced water efficiency, and best in class water reduction targets.

Contributing locations: Sites which operate in the lowest water risk areas, and have water use ratio targets which meet industry benchmark standards.

Improving water efficiency

We work to improve our water efficiency across our operations, and measure progress through our WUR (the amount of water needed to produce a litre of product). We aim to reduce our total water use ratio by 10% by 2030 (versus 2019). This target is an aggregate of the context based targets set at each production facility.

In 2023, we invested approximately €1 million in water efficiency technology and processes and €4 million in wastewater treament technology in our sites. For example, in 2023, at our production facility in Barcelona, Spain, we optimised the water treatment process, saving approximately 15,000m^3 per year.

We estimate that our 2023 investment in water efficiency projects could result in savings of approximately 145,000 m^3 per year and will help us avoid annual water and wastewater treatment costs of approximately €300,000 per year.

Returning wastewater to the environment

We aim to safely return 100% of our wastewater to nature. Before wastewater is discharged from our production facilities, we apply high treatment standards which meet local regulations and TCCC's Operating Requirements (KORE).

In 2023, we discharged 9.1 million m^3 of wastewater. Most of our production facilities pre-treat wastewater on site and send it to municipal wastewater treatment plants. 26 of our 66 NARTD production sites (17 in Europe, 9 in API) have on-site wastewater treatment plants.

Case study

Alliance for Water Stewardship

In 2024, we became a member of the Alliance for Water Stewardship (AWS) to enhance our water stewardship performance across our sites and to ensure our continued contribution to the global water stewardship community.

Our joining follows several years of AWS site certification, recognising and rewarding good water stewardship performance. In 2023, our sites in Chaudfontaine, Belgium and Dongen, the Netherlands, which currently hold AWS platinum certification, began the process to re-certify their sites to the AWS standard in 2024. In addition, in 2024, our sites in Antwerp and Gent, Belgium, were also AWS platinum certified.

Image: Water replenishment project De Liskes near our production facility in Dongen, the Netherlands

Done sustainably – Our environmental impact
Our progress explained

Regenerative water use
At our leadership locations, where we face the highest water risk, we aim to not only achieve best in class water efficiency, but also reach 100% regenerative water use by 2030.

Sites achieve this through replenishment programmes within the minor river basin of the site and through beneficial use of their wastewater.

Across our 13 leadership locations, we withdrew 9.5 million m^3 of water, and discharged 3.2 million m^3 of wastewater in 2023.

Water replenishment
We aim to replenish 100% of the water we use in our beverages through a portfolio of projects in priority locations across our operations and our watersheds and within our communities.

These replenishment projects are managed in partnership with local NGOs and community groups and are funded together with TCCC and TCCF.

We focus our replenishment efforts on three priorities:

- **Operations:** Projects in our leadership locations which will contribute towards our 100% regenerative water use target.
- **Communities:** Investment in climate resilient water, sanitation and hygiene (WASH) projects in our priority communities.
- **Watersheds:** Water stewardship projects in our priority sourcing regions.

In 2023, together with TCCC and TCCF we supported 27 water replenishment projects across Europe, and 9 in API, replenishing 18.3 million m^3 of water across our territories, including 16.2 million m^3 in Europe, and 2.1 million m^3 in API. This represents 98.7% of our total sales volume (107.9% in Europe, and 60.1% in API). This drop in replenishment volumes versus prior year is due to one of our largest projects in Australia, Project Catalyst, coming to an end.

In 2023, together with TCCF, we began a major replenishment project on the Canal des Moëres located in the eastern part of Dunkirk, France, near one of our leadership locations. The project aims to restore surface water resources in a territory that suffers from recurring drought.

In the Netherlands, we are working with TCCC and Natuurmonumenten to safeguard future water supply and improve groundwater levels in the De Plateaux nature reserve. The project aims to secure the water supply to the area over the coming decade.

Collective action on water
As part of our commitment to responsible water stewardship, together with TCCC, we participated in the UN Water Conference in 2023 and joined 50 other companies in endorsing the CEO Water Mandates' Water Resilience Coalition Open Call to Accelerate Water Action. The aim of this is to achieve positive water impact in 100 vulnerable water basins globally by 2030.

We also became a member of the Alliance for Water Stewardship, and participated in World Water Week in Stockholm.

Aligning to the Science Based Targets Network
In 2023, in partnership with TCCC and Coca-Cola Hellenic Bottling Company, we assessed our nature-related impacts by completing Steps 1 and 2 of the Science Based Targets Network (SBTN) framework.

The goal of the SBTN is to foster corporate action to tackle biodiversity decline and nature loss, and ensure its full recovery by 2050.

In Steps 1 and 2, we began to identify our most significant impacts on nature, and where they occur along our value chain.

In 2024, we aim to carry out Step 3 of the methodology – measure, set and disclose targets to address our impact on nature and biodiversity.

Case study
Regenerative water for agricultural use

In 2023, at our leadership location in Tenerife, Spain, together with TCCC, we kicked off a project to regenerate urban wastewater for agricultural use.

The project is located near the Anaga Rural Park, an area of natural beauty in the northern tip of Tenerife. It focuses on reusing treated wastewater for agricultural irrigation and the irrigation of public parks and gardens from the Punta de Hidalgo wastewater treatment plant.

This project is making water available for productive use in a region that continues to suffer from water scarcity. It is estimated that over 30,000m^3 was replenished in 2023.

Image: Punta de Hidalgo wastewater treatment plant

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	**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.
	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	**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.
	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	**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.
	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	**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.
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	**TCFD, Metrics and targets:** page 60 We consider our disclosure to be consistent with the TCFD Recommendations and Recommended Disclosures.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	**Our sustainability headline commitments:** page 15 **Key performance data summary:** pages 234-236 **Notes 1, 6 and 7 to the Consolidated financial statements:** pages 167-169; pages 173-177; and pages 177-179 We consider our disclosure to be consistent with the TCFD Recommendations and Recommended Disclosures.

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

Taking action on sustainability continued

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

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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Taking action on sustainability continued

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

TCFD governance framework

The Board
Met seven times in 2023

- Sets the sustainability strategy
- Has primary oversight of climate-related risks and opportunities
- Receives feedback on climate-related issues from Committee Chairs and via CEO report

ESG Committee
Met six times in 2023[A]

- Responsible for overseeing performance against This is Forward strategy and goals
- Reviews environmental and social-related risks and opportunities, including climate-related risks and GHG emissions reduction targets
- Oversees ESG reporting, disclosure and assurance

Nomination Committee
Met six times in 2023

- Reviews the size, structure, composition and skills of the Board to ensure it remains effective
- Ensures there is sufficient expertise on the Board in areas such as risk and climate

Remuneration Committee
Met five times in 2023

- Aligns the Group's remuneration policy to reinforce the achievement of sustainability aims
- Oversees performance outcomes from the LTIP, which has a 15% performance weighting allocated to the reduction of GHG emissions

Audit Committee
Met eight times in 2023[A]

- Ensures that climate-related risks and opportunities are managed across the Group
- Oversees risk management process, including our annual enterprise risk assessment to identify principal risks including climate risk
- Oversees the Group's financial and reporting obligations, including ESG reporting
- Has oversight over sustainability metrics for capital expenditure proposals

Executive Leadership Team (ELT)
Meets regularly throughout the year

Climate responsibility lies with the Chief Executive Officer, Chief Customer Service and Supply Chain Officer and Chief Public Affairs, Communications and Sustainability Officer who are responsible for providing management updates on climate-related topics to the Board and its Committees

Sustainability Steering Committee
Meets at least quarterly. Includes ELT members

- Chief Executive Officer
- Chief Financial Officer
- General Counsel and Company Secretary
- Chief Customer Service and Supply Chain Officer
- Chief Commercial Officer
- Chief Integration Officer
- Chief Public Affairs, Communications and Sustainability Officer

Provides opportunity to review:
- This is Forward targets and our progress against these
- Climate-related risks and scenario analysis, including TCFD
- Outputs raised as required to the ESG Committee (including on climate topics)

- 2023 topics included the review of our carbon reduction roadmaps across all markets, approving our new water use efficiency target and preparing for upcoming regulation and reporting requirements

Compliance and Risk Committee (CRC)
Meets every quarter

- Management committee chaired by the Chief Compliance Officer
- Reviews risk developments, including climate change risks and opportunities

Sustainable Packaging Office (SPO)

- Overseen by Chief Public Affairs, Communications and Sustainability Officer and VP Sustainability
- Responsible for ensuring a sustainable packaging strategy can be implemented across our business, including pack mix, recycled content and improving packaging collection

TCFD and ESG Disclosure group

- Overseen by General Counsel and Company Secretary and VP Sustainability
- Oversight of our work on TCFD and climate-related risks, as well as our broader ESG reporting and disclosure approach

Other working groups
(developed as required)

Overseen by Chief Public Affairs, Communications and Sustainability Officer and VP Sustainability. Recent focuses:
- Carbon reduction roadmaps
- Assessment of our internal carbon pricing strategy
- Completed steps 1 and 2 of the Science Based Targets Network (SBTN) assessment to assess our biodiversity and nature-related risks

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

Taking action on sustainability continued

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

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/tCO_2e to inform and influence our strategic business decisions, such as Capex investment in sustainability initiatives.

Taking action on sustainability continued

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

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 tCO_2e, 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 145,000m^3 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 tCO_2e[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

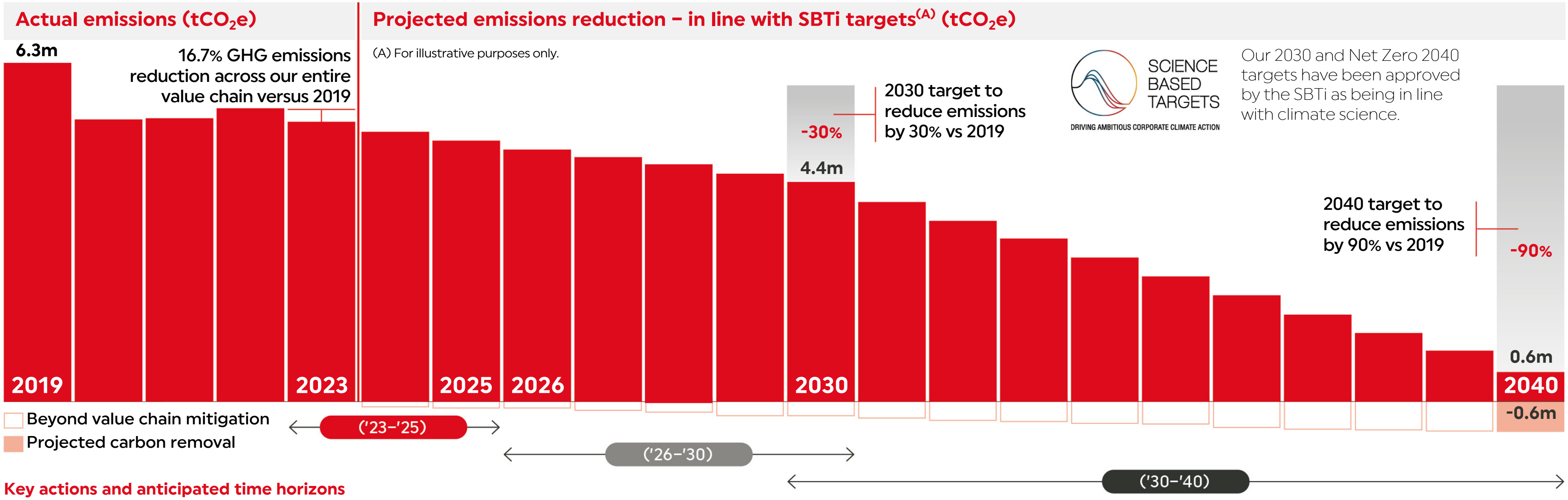
(A) Comparing 0% rPET rate versus actual 2023 54.6% rPET rate.
(B) Excluding caps and labels.

Taking action on sustainability continued

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

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

Supplier engagement including:
— 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)

VENTURES
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.

Advocacy and memberships

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:
— Fossil fuel phase out
— Rapid shift to a circular economy
— Renewable electricity across all markets

CLIMATE GROUP RE100 · WE MEAN BUSINESS COALITION

Notes. CDE = Cold drink equipment, also referred to as "coolers". Fugitive CO_2 reduction refers to the loss of CO_2 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.

Taking action on sustainability continued

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

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.

Taking action on sustainability continued

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

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 CO_2 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	**Transition**
What are physical and transition risks and opportunities?	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.	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.
CCEP scope	• CCEP sites and operations • Key areas of our supply chain • Downstream products	
Quantification	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).	

Taking action on sustainability continued

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

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

Physical risks	What could be expected	Short-term (five years) cumulative gross risk (assuming no mitigation) >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
		• 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
		• 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
		• 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.

Taking action on sustainability continued

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

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**	• 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.	• Our proactive measures against climate-related risks, especially from extreme weather, include significant investments in: – 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**	• 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.	• 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**	• 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.	• 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 Assumes negligible carbon taxes	Low Assumes an average €40/tCO_2e of carbon taxes in year five	Medium Assumes an average €80/tCO_2e 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 Assumes low consumer demand for packaging types that are perceived to be more sustainable	Low Assumes moderate demand for packaging types that are perceived to be more sustainable	Low 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 Assumes that development is fossil-fuel driven with little innovation	Low Assumes moderate investment and innovation in renewable energy	Low 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 level of consumer activism	Low Moderate climate activism. Assumes CCEP is perceived to be in line with the beverage sector	Low 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**	Introduction of carbon and/or packaging taxes or levies, aimed at reducing GHG emissions from packaging and waste, that could result in: • increased costs for packaging materials	• 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	Increase in carbon taxes, aimed at reducing GHG emissions within industry groups that could result in: • increased energy costs • increased raw materials costs	• 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: – 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 CO_2e annually. We estimate these investments could help us avoid annual operating costs of approximately €2 million.
Market (consumer)	**Brands and portfolio**	• Loss of revenue and/or missed growth opportunities	• 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**	• Asset write downs, investments in low-emission technology to meet market regulation	• 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 CO_2e annually. • Exploring and investing in new technologies through CCEP Ventures.
Reputation	**Brands and portfolio**	• Loss of revenue and/or missed growth opportunities due to consumer activism against our sector and/or our products	• 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/tCO_2e, 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_2e	Group 2019(C)	Group 2022	Group 2023(D)(α)	UK and UK offshore(E) 2022	UK and UK offshore(E) 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_2e/litre)	350.1	298.9	**283.3**	**228.7**	**225.8**
GHG emissions (Scope 1 and 2) per euro of revenue (tCO_2e/€)	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 cocacolaep.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.

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 that 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

CCEP depends on the great people who make, move and sell our products to customers every day.

Read more about our people on pages 23-25

A comprehensive annual engagement plan includes:

Townhalls, Speak Up channels, engagement surveys and the Employee Share Purchase Plan (ESPP)

Communications and campaigns, e.g. mental health, safety and inclusion, online platforms, work councils and training and development programmes

Board engagement:

The Remuneration Committee reviews the Group wide remuneration policy to ensure it remains aligned with the long-term strategic goals of the Company

The Nomination Committee's remit includes key people matters such as succession, diversity and culture

The Board engages directly with employees through Townhalls, facility tours, market visits, and presentations and deep dives at Board level

Impact/value created:

Our people create value for CCEP by making, moving and selling our great products

CCEP creates value for our people through providing a safe place to work with rewards and benefits

What matters to our people?

Being rewarded, valued and recognised

Development opportunities

Safety at work

Inclusion and diversity

Human rights

What is measured and monitored?

Total incident rate

ESPP enrolment

Percentage of women in management and total workforce

Attrition & Absenteeism

Percentage of workforce represented by people with disabilities, based on voluntary declaration

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:

Examples of different initiatives undertaken as a result of engagement can be found on pages 23-26, covering topics such as wellbeing, diversity, leadership and employee benefits.

Case study: Listening to women in our supply chain

This year, we launched the Women's Listening Circles to unite women in customer service and supply chain, providing spaces for them to listen to each other's experiences and exchange ideas.

Image: some of our participants from Indonesia.

We aim to understand what makes working at CCEP great for women and identify areas where we can improve our gender balance, seeking feedback on three critical areas: safety, inclusion and development.

Our business units and functions have created 100-day action plans to address the issues that matter most to our people.

We received an overwhelming response, hearing from over 1,000 women in our supply chain.

Watch film at cocacolaep.com/annual-report/case-study/fasteroninclusivity

Our stakeholders continued

Our shareholders

Shareholders provide the equity capital for our business and hold management to account on financial performance and key environmental, social and governance (ESG) issues.

A comprehensive annual engagement plan includes:

AGM, roadshows, analyst meetings, results presentations and webcasts

Brokers appointed to provide advice on market conditions and external communications

Shareholder-nominated Directors on the Board in accordance with Shareholders' Agreement

Board engagement:

The CEO, CFO, Chairman and IR team engage with investors and analysts throughout the year and provide updates to the Board on shareholder views, share register, share price performance and investor sentiment

The Remuneration Committee Chair engages on the remuneration policy

Impact/value created:

Shareholders create value for CCEP through voting at the AGM and continuing to invest in CCEP

CCEP creates value for shareholders by returning cash either by paying dividends or through share buybacks

What matters to our shareholders?

Financial performance, commodity costs and inflationary pressures

Sustainable long-term value

Market dynamics such as consumer behaviour and supply chain challenges

ESG challenges and regulatory changes

What is measured and monitored?

Number of meetings and % of equity investors covered by these interactions

Analyst notes and equity investor perceptions of strategy

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:

A key outcome of shareholder engagement in 2023 was the inclusion of CCEP in the Nasdaq-100 Index in December 2023, which demonstrates CCEP's commitment to continuing to create sustainable long-term value for shareholders.

Our franchisors

We conduct business primarily under agreements with franchisors that generally give us exclusive rights to make, sell and distribute beverages in approved packaging in specified territories.

Regular contact with franchisors includes:

Management contact at different functional levels, such as public affairs, communications and sustainability, supply chain, sales and marketing

Ongoing dialogue with General Managers and regular top to top meetings

Inviting franchisors to present annual business plans to customers

Board engagement:

Regular updates to the Board from the CEO and the Chief Commercial Officer via the ATC on franchisors, including on performance, relationships and any issues

Chairman engages directly with key franchisors including TCCC

Impact/value created:

CCEP gains value from the exclusive rights given by franchisors to make, sell and distribute their products

CCEP creates value for franchisors by driving sales to customers so franchisors' drinks are available where and when consumers want them

What matters to our franchisors?

Profitable growth and value share in our markets

Aligned strategy and incentives

Sustainable supply chains

Good continued engagement

What is measured and monitored?

Joint investment

Successful innovation

Category performance

Market share

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:

A key outcome of franchisor engagement in 2023 was the acquisition of CCBPI jointly with AEV from TCCC. The acquisition demonstrates TCCC's confidence in CCEP as a business and the continued strong relationship between the two companies. Further information can be found on pages 66-67.

Our stakeholders continued

Our consumers

Consumers drink the products we make, sell and distribute.

Read more about our consumers on pages 17-18

CCEP's ways of engaging with consumers include:
- Collection of consumer insights from franchisors, customers or via dedicated research
- Consumer labelling, social media, activation in store and day to day interaction via our sales teams when visiting outlets
- Feedback from consumers on social media and via the consumer hotlines
- Day to day interaction via our sales team when visiting outlets

Board engagement:
- Indirectly through customers and franchisors
- Direct engagement through market visits
- Presentations on trends and behavioural patterns

Impact/value created:
- Consumers create value when buying our products
- CCEP creates value for consumers through providing a diverse portfolio of high quality, safe and great tasting drinks and by providing transparent labelling to help consumers make informed choices

What matters to our consumers?
- Product quality and food safety
- Environmental and affordability concerns

What is measured and monitored?
- Low and no calorie drinks as a % of sales
- % packaging that is 100% recyclable

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:
Examples of different initiatives undertaken as a result of engagement can be found on pages 16-18, covering topics such as expansion of our portfolio and reducing sugar in our drinks.

Our customers

Customers sell our products to consumers.

Read more about our customers on pages 28-31

Regular engagement with customers includes:
- General Managers engaging with customers on strategy and planning and owning the customer relationship
- Account managers' contact with customers on business development
- Our sales teams calling on customers every day in the market
- Supply chain in daily contact to ensure customers receive the best customer service

Board engagement:
- Through management insights
- Direct engagement through market visits held in Australia and New Zealand
- Customer engagement session and dinner in Australia in 2023
- CEO updates to the Board on pricing, negotiations, joint value creation and customer satisfaction metrics
- Retail landscape session

Impact/value created:
- Customers create value for CCEP by selling our products to consumers
- CCEP creates value for customers through our customer centric operating model, portfolio diversity and quality of products and service

What matters to our customers?
- New packaging solutions
- Product offers to meet new shopper and consumer trends
- Economic value creation
- Customer service

What is measured and monitored?
- Volume and revenue growth
- Customer big data and advanced analytics, e.g. NielsenIQ and IRI3, measure brand/product performance and value creation
- Advantage Group and Ipsos research (EU only) to evaluate customer satisfaction

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:
Examples of different initiatives undertaken as a result of engagement can be found on pages 28-31, such as better tailoring customer action plans through targeted investment into new technologies and focus on digitisation.

Our stakeholders continued

Our suppliers

Suppliers provide a wide range of commodities and services from ingredients, packaging, utilities, equipment, to facilities management, fleet, logistics and information technology.

Read more about our suppliers on pages 32-34

Processes to engage regularly with suppliers include:

- Supplier relationship management programme through TCCC's procurement consortium
- Partnering and collaborating with suppliers, in areas such as business continuity or sustainability, to foster strategic relationships

Board engagement:

- Updates provided by the CEO and CFO on key supplier relationships
- Development of SGPs setting requirements for suppliers in relation to human rights, health and safety and environment
- Presentations to the Board on strategic topics such as carbon reduction and supply risk

Impact/value created:

- Suppliers create value for CCEP by providing high quality, safe and sustainable products and services, and optimised supply chain and innovation partnerships
- CCEP creates value for suppliers through long-term collaborative partnerships and provides support on sustainable practices and emission plans

What matters to our suppliers?

- Exposure to variability in the marketplace such as pricing and consumer behaviours
- Driving progress on sustainable supply chains
- Long-term collaborative relations and ability to grow their long-term revenue streams

What is measured and monitored?

- Quality standards and delivery times
- TCCC audits to ensure adherence to SGPs and PSA
- Commitment to set science based targets and to transition to 100% renewable electricity

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:

Examples of different initiatives undertaken as a result of engagement can be found on pages 32-34, covering topics such as achieving net zero, our RSP and sustainability-linked supply chain finance programme.

Our communities

Communities are where we operate and where our employees live and work.

Read more about community engagement on page 26

Regular engagement with our communities include:

- Boosting skills development and social inclusion, e.g. youth development programmes, BORA Jovens programme, apprenticeships and collaborating with food banks
- Protecting the local environment, e.g. water replenishment and litter clean up programmes
- Supporting local communities, e.g. grassroots initiatives and disaster relief

Board engagement:

- Board members engage with local projects and at CCEP events
- The ESG Committee is responsible for overseeing CCEP's relationship with communities under the social pillar of its remit

Impact/value created:

- Communities create value for CCEP through access to talented people, local water sources, connection with local policymakers and community groups
- CCEP creates value for communities through access to employment, improving the local environment and investing in community causes

What matters to our communities?

- Employment and social inclusion
- Environmental impact
- Corporate citizenship

What is measured and monitored?

- Community investment contribution
- Employee volunteering hours
- Direct beneficiaries from skills programme

Read more about our risks and mitigations on pages 68-78

Outcomes of engagement:

Examples of different initiatives undertaken as a result of engagement can be found on page 26, covering topics such as skills development and social inclusion and community wellbeing

Section 172(1) statement from the Directors

During 2023, we acted in good faith to promote the long-term success of CCEP in our discussions and decision making for the benefit of CCEP's shareholders as a whole, and in doing so having regard to stakeholders and the matters set out in section 172 of the Companies Act, including:

The likely consequences of any decision in the long term

The Board recognises that its decision making will affect CCEP's long-term success. When taking decisions, particularly of strategic importance, the Board considers the likely consequences of any decision on CCEP's long-term, sustainable growth while endeavouring to balance the interests of all our stakeholders.

The interests of our people, and the need to foster business relationships with our key stakeholders

Our key stakeholders remain the same as last year, namely our people, shareholders, franchisors, consumers, customers, suppliers, and communities. How CCEP has engaged with our stakeholders more generally is explained on pages 61-64.

We identify our key stakeholder groups as those with significant interactions with our business model and that we impact in the course of our business operations. We describe how our business interacts with our stakeholders, and the impacts of these interactions, throughout this Integrated Report. The Board strives to gain stakeholder perspectives to inform its decision making through direct engagement, where feasible, as well as through regular communication with senior management.

The impact of the Company's operations on the community and the environment

We recognise that to deliver our strategy in a sustainable way, we need to consider the commercial, social and environmental impacts of our business. During the year, we have monitored, assessed and challenged CCEP's progress against our annual business plan and our sustainability action plan. Information on our sustainability action plan and how we are implementing TCFD recommendations can be found on pages 48-60. Our sustainability governance framework guides the Board's decisions in this regard, as set out on page 50.

The desirability of the Company maintaining a reputation for high standards of business conduct

Ensuring our business operates responsibly is fundamental to ensuring our long-term success. The Board assesses and monitors the Group's culture to ensure it aligns with the Group's purpose, values and strategy set by the Board and oversees a corporate governance framework, as set out on page 103, that enables the right people to take the right decisions at the right time. This includes our CoC and system of delegated authorities.

Read our CoC at view.pagetiger.com/code-of-conduct-policy

The need to act fairly as between CCEP's shareholders

The Board supervises the profitable operation and development of CCEP to maximise its equity value over the long term, without regard to the individual interests of any shareholder. A minority of our Non-executive Directors (NEDs) were appointed by major shareholders of CCEP. However, each Director understands their responsibility under the Companies Act to act in a way that would promote the long-term success of the Company for all its shareholders.

During 2023, the CEO, CFO, Chairman and our IR team met with shareholders who provide updates to the Board on shareholder feedback at Board meetings.

How the Board engaged with stakeholders is set out on pages 61-64

Specific examples of how the Board considered the views of its stakeholders in its decision making is set out on pages 66-67

Section 172(1) statement from the Directors
Principal decisions

The Board made several principal decisions during 2023, where the Directors had regard to the relevant matters set out in section 172(1)(a)-(f) of the UK Companies Act 2006 (the Companies Act) when discharging their duties.

Here we outline how the Board approached the CCBPI acquisition and strategic portfolio choices as principal decisions.

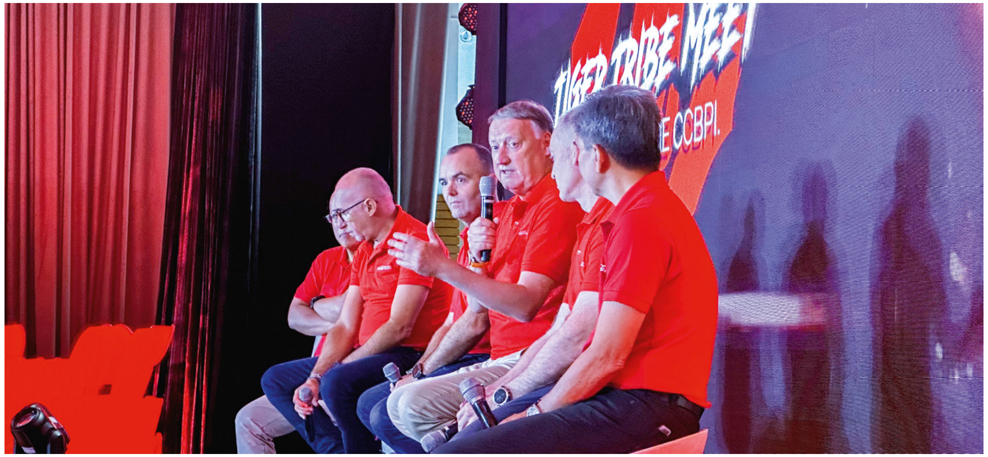


Image: Leadership from the Coca-Cola system and AEV

Acquisition of CCBPI

On 23 February 2024, CCEP completed the acquisition of CCBPI jointly with AEV, underpinning CCEP's ambitious mid-term strategic objectives and solidifying CCEP's position as the world's largest Coca-Cola bottler by revenue. The proposed acquisition was announced on 2 August 2023 with final transaction documents approved by the Board on 15 November 2023.

The Board and M&A Committee (a subset of the Board with delegated powers from the Board) was supported in its decision making by recommendations from its Committees on certain topics, including:

- the ATC, which reviewed the key transaction documents, including the share purchase agreement and the Bottler's Agreement, together with the Fairness Opinion; and
- the Audit Committee, which reviewed the proposed capital structure and financing arrangements to finance CCEP's 60% stake.

In addition, management provided key support throughout, including through the establishment of a Value Realisation Committee to support the planned integration of the transaction and certain decisions in the lead up to completion.

As part of its approval process, the Board took into account numerous factors including the impact of the acquisition on the stakeholder groups below.

Shareholders

The transaction is aligned to CCEP's strategy of pursuing inorganic expansion opportunities and also supports the transformation journey in Indonesia. Management identified that value enhancing opportunities could be achieved through the implementation of CCEP's proven track record together with the support of AEV via its local market knowledge, capabilities and relationships in the Philippines.

The ATC was also provided with a Fairness Opinion from a third party which supported the enterprise value of $1.8 billion for CCBPI. The consideration was paid in cash, and has a modest impact on CCEP's leverage.

Our strategy key Great brands | Great people | Great execution | Done sustainably

Section 172(1) statement from the Directors
Principal decisions

From completion, the transaction is EPS accretive, and by working with AEV and TCCC, there is opportunity to unlock even more potential.

To support its decision making, the Board received an opportunity overview of CCBPI including scale, profitability, market environment, recent performance, key challenges and the current business plan. This was supported by an overview of partnership considerations including the shareholders agreement with AEV. Using these insights, the Board concluded that the acquisition would result in value creation for shareholders.

Employees

Engaging and retaining our people is a key consideration, ensuring that everyone has a voice and feels valued.

The acquisition will create an even more diverse workforce and provides an opportunity to scale knowledge, best practice and talent across CCEP. We will also benefit from combining our talent pools as well as sharing learnings and best practice on digital, technology, procurement and sustainability capabilities.

Franchisors

Franchisors are a key stakeholder group, given the importance of maintaining a strong relationship and alignment with TCCC. Due to the quality of interactions between TCCC, AEV and CCEP, TCCC as seller of CCBPI is confident in CCEP's ability to hold a majority stake and work collaboratively as a joint venture partner with AEV.

Consumers

The acquisition enhances our consumer reach. It also brings new brands to CCEP's portfolio.

Communities, environment and customers

CCBPI runs local community programmes including a number of partnerships to encourage the return of plastic bottles by consumers for recycling via collection hubs. CCBPI also has a joint venture with Indorama in a PET recycling scheme, consistent with CCEP's approach in Indonesia at our Amandina PET recycling plant.

Gaining deep local insights in all our territories remains a priority, including building experience and market understanding to meet specific stakeholder needs.

Strategic portfolio choices

The Board approved a number of strategic portfolio choices during 2023, such as the new collaboration with existing franchise partner, TCCC, and new brand partner Brown-Forman, to launch Jack Daniel's & Coca-Cola ARTD as part of the Coca-Cola system's ARTD strategy.

The Board was fully supportive of the expansion of CCEP's ARTD strategy across multiple markets by increasing CCEP's presence and assortment within this emerging category.

The partnership with Brown-Forman was deemed to be in the best interests of the Company's stakeholders, namely:

- **Shareholders:** due to the proposed incremental value to be generated
- **Franchisors:** particularly CCEP's key franchise partner TCCC to demonstrate CCEP's commitment to ARTD and to strengthen the relationship with TCCC
- **Customers:** through the value creation opportunity which expanding into this category brings
- **Consumers:** by offering a perfect mix of convenience and simplicity for in-home and on-the-go occasions

To assist the Board in its decision making, the Board received a report from the ATC and sought views of stakeholders via management, including the Chief Commercial Officer. The ATC had received materials which included information on the strategic objective, notably the desire to broaden the category penetration and CCEP's ARTD portfolio. The materials included the rationale and information on the contractual framework as well as projections on the financial and business impact. The Board considered the financial implications of the partnership and the proposed supply and distribution agreements, along with the potential to repurpose for other markets.

Principal risks

CCEP identifies, assesses and manages the principal risks we face as a business through strong risk management across the organisation, mitigating risk and pursuing the benefit of the related opportunities.

To support this, CCEP has developed an Enterprise Risk Management (ERM) framework to embed risk management within our key functions, activities and decision making.

An overview of our approach to risk management is provided in the diagram to the right.

1 Governance

The Board has overall responsibility for risk management at CCEP. Oversight and monitoring is provided by the Audit Committee with regular reports from management. The topic is led at the ELT by the General Counsel and Company Secretary working with management's Compliance and Risk Committee (CRC) and the One Risk Office, which brings together all leaders involved in risk, including the ERM team. Each principal risk has a risk owner at ELT level who is responsible for considering whether the risk is properly explained and has appropriate risk mitigation plans in place.

The governance structure, including risk management, is outlined on page 50 as part of our TCFD disclosure.

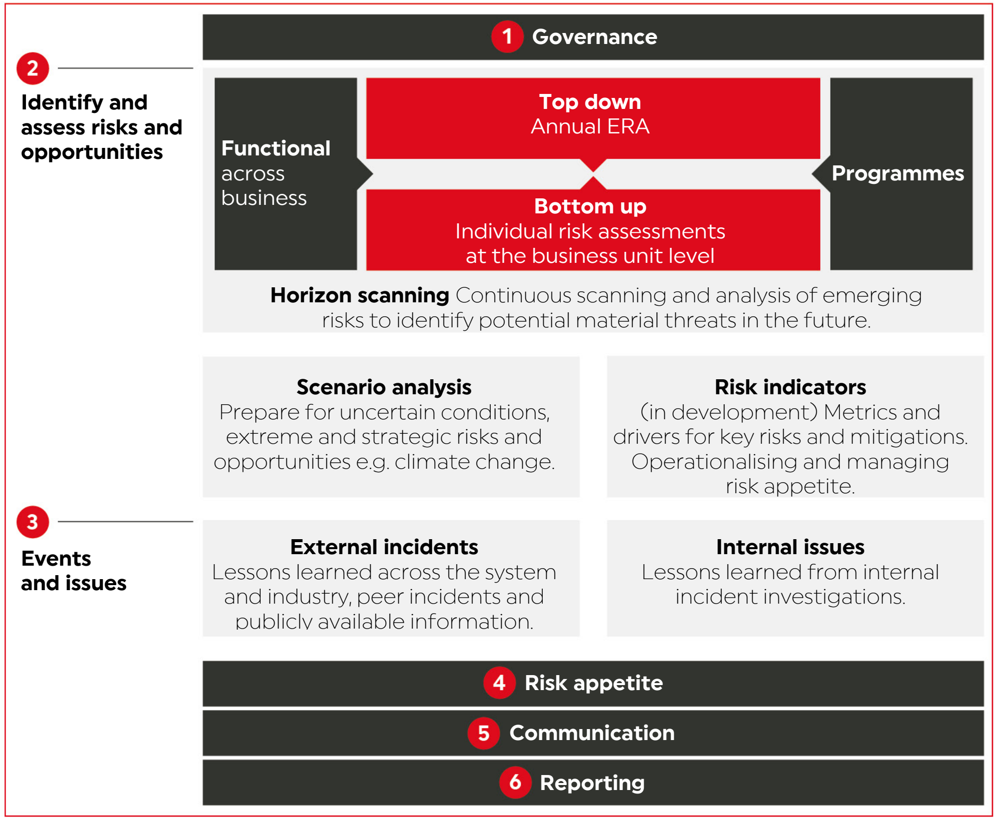
2 Identify and assess risks and opportunities

Our annual enterprise risk assessment (ERA) provides a top down strategic view of risks. The members of the Board, ELT and over 100 senior leaders carry out a risk survey and interviews to discuss current risks, opportunities and emerging risks.

One of the key focuses for 2023 was on mitigations, helping us to manage risks more effectively with better forward planning and controls.

Risk assessments are also carried out at business unit, functional and programme level. The local leadership teams review and update risk assessments, ensuring that risk management is incorporated into our business routines.

Overview of the CCEP ERM framework



Once risks are identified, we analyse them to understand the likelihood, impact and velocity. In addition, we also understand how we manage our risks by measuring the effectiveness of mitigations and actions.

Horizon scanning helps us to identify global strategic and emerging risks, the effects of which are not yet fully known, and where the evolution of the risk is highly uncertain because it is rapid, non-linear or both. We monitor the evolution of such threats to ensure we are able to anticipate and manage potential impacts to our business. Examples include geopolitical conflicts and their impacts on the supply chain, macroeconomic conditions and impact on consumer sentiments, or disruptions from AI.

Sustainability risks can impact the way we do business, so we continue to work with external partners like Risilience to develop and analyse risk scenarios, e.g. for climate change, and help with reporting requirements. More details are on pages 48-60.

3 Events and issues

We use insights and data from internal and external sources to analyse incidents to improve the way we manage risks, i.e. risk sensing technology in supplier management or learnings from a crisis such as COVID-19.

4 Risk appetite

We define our appetite for each risk through risk appetite statements to support the business with decision making and resource allocation.

Principal risks continued

The risk appetite statements are reviewed annually by the CRC and the Audit Committee. We are in the process of operationalising the statements through the implementation of risk indicators.

5 Communication

Our One Risk Office is a forum that brings together first, second and third line of defence representatives several times a year to share risk management knowledge across our functions and business units, per the diagram below.

Emerging risk themes and external factors that could impact our business are discussed. We regularly invite external risk experts (e.g. risk analysts to inform us on potential scenarios of the Middle East crisis) and risk leaders from other organisations to help us broaden our understanding of risk.

6 Reporting

An internal risk report is created and shared on a regular basis with leadership highlighting key risks, emerging trends and mitigation activities to support decision making.

The following pages set out a summary of our principal risks based on the findings of our most recent ERA. The Board has carried out a robust assessment of these principal risks.

This summary is not intended to include all risks that could impact our business and the risks are presented in no particular order. In this report, we show how each principal risk links to, and underpins the relevant aspect of our strategy.

Beyond principal risks, CCEP faces other operational risks which are managed as part of our daily routines. We are aware that due to the economic downturn the risk of fraud has increased. CCEP has embarked on an entity wide fraud risk assessment as part of its enhanced fraud management plan.

Participants

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Business Representatives	**Central Risk Functions**	**Corporate Audit Staff**

One Risk Office

Emerging risks and external risk factors	**Internal risk mitigation activities**	**External benchmarking for best practice in risk management**

Topics discussed

Case study: How we strengthened our Business Resilience Framework (BRF)

We have strengthened our business continuity capability to manage a wide spectrum of disruptions in a proactive and effective way.

In 2023, we standardised and modernised our Business Continuity Planning through site by site training, impact analysis, scenario planning and testing as set out below:

What does the programme look like?

- **Strategic alignment & planning**
- **Engagement with sites**
- **Site training to introduce the BRF and BCR templates**
- **Site function workshops to complete BCR templates**
- **Test & exercise**
- **Continuous improvement**

We also achieved ISO 22301, the industry standard for business continuity and resilience (BCR) for our shared service centres.

Furthermore, the progress and business impact of the BCR programme was recognised externally by the Business Continuity Institute (BCI).

Statement from the judges at the 2023 BCI Global Awards:

"The winning exercise programme stood out to the judges due to its originality, complexity and wide global reach. The programme's impact was substantial, improving the organisation's business continuity management and cyber resilience capabilities. The exercise programme demonstrated the company's commitment to maintaining continuity readiness for any challenge and it's a testament to their dedication towards preparedness."

Principal risks continued

The table below shows our principal risks

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Business disruption		The risk of prolonged, large scale natural and/or man made disruptive events	• Cyber attack or IT/ operational technology system failure • Pandemics • Extreme weather events (floods, fires) • Natural disasters • Civil unrest, war and terrorism	• Disruption to supply chains/ operations • Safety and wellbeing of our people • Brand and reputation damage • Financial impact	• TCCC Business Resilience Framework • CCEP BCR Governance Framework • CCEP Incident Management and Crisis Response (IMCR) process	
		Understanding the change in trend Confidence in our capabilities to deal with major disruptions, proven and enhanced during COVID-19.				
Packaging Read about Packaging on pages 41-43		The risks relating to packaging waste and plastic pollution, and single use plastic	• Stakeholder concern about the environmental impacts of single use plastic packaging, litter and packaging waste	• Brand and reputation damage from not keeping up with community/customer expectations • Financial impact from increased taxes and on the costs of doing business • Regulatory and compliance impacts • Increased potential for activism and litigation	• rPET roadmap • Advocacy to support container deposit and return schemes • Test, trial and learn approach to refillable packaging in multiple markets • Innovation on dispensed delivery solutions • Packaging design and innovation • CCEP Ventures investment in new recycling technologies • Industry collaboration	

Our strategy key Great brands · Great people · Great execution · Done sustainably

Risk change Increased · Stable · Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Legal, regulatory and tax	Great brands, Great people, Great execution, Done sustainably	The risks associated with new or changing legal, regulatory or tax, legislative environment and subsequent obligations and compliance requirements	• Increased regulation on business activities • Use of regulated ingredients • Increased packaging regulation • Commercial and marketing restrictions on sugar, sweeteners and energy ingredients • Labelling requirements • Distribution and sale regulations • Employment regulation • Sugar & low and no calorie sweetener, energy drinks ingredients, packaging and carbon taxes • Regulation of new technology including AI	• Financial impact from new or higher taxes • Stricter sales and marketing controls impacting margins and market share • Punitive action from regulators or other legislative bodies • Increase to the cost of compliance to meet stricter or new regulatory requirements • Brand and reputation damage	• Continuous monitoring, assessment and appropriate implementation of new or changing laws and regulations • Dialogue with government representatives and input to public consultations on new or changing regulations and in anticipation of potential regulatory pressures on drinks, carbon and packaging • Development of compliance processes, communication and training for employees	Stable
Cyber and IT resilience	Great brands, Great people, Great execution	The risks related to the protection of information systems and data from unauthorised access, misuse, disruption, modification, or destruction	• External attackers seeking to ransom or disrupt systems and data • Dependency on third parties • Internal misuse (malicious or accidental) • Security and maintenance of IT infrastructure and applications • Change programmes	• Financial impact from disruption to operations or fines • Safety and wellbeing of employees, customers or business partners who may have their personal information stolen • Brand and reputation damage	• Cyber strategy • Information Security Policy • Information security and data privacy training and awareness • BCP and disaster recovery programmes • Threat vulnerability management and threat intelligence • Hardware lifecycle programme • Global Security Operations Centre • Third party risk assessments • Data Privacy Programme • IT change management process	Stable

Our strategy key Great brands · Great people · Great execution · Done sustainably

Risk change Increased · Stable · Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Economic and political conditions	Great execution	The risks associated with operating in volatile and challenging macroeconomic and geopolitical conditions	• Low economic growth or recession • High currency and commodity price volatility • High inflation • Political instability/conflict • Civil unrest	• Financial impact from reduced demand from consumers and an increasing cost base • Disruption to supply chains from sanctions or impact on shipping/trade routes	• Hedging Policy • Keeping a strong level of liquidity and backup credit lines at all times for working capital purposes as well as unexpected changes in cash flow • Supply risk and contingency process • Risk sensing technology • Cross Enterprise Procurement Group (CEPG) to leverage global collaboration	Stable
Market	Great brands Great execution	The risks to maintaining the relationships with our customers and consumers to meet their changing demands, needs and expectations	• New distribution channels and platforms • Changing customer and consumer habits • Changes in the competitive landscape • Legislative and regulatory changes	• Financial impact from reduced demand from consumers • Decreasing margins and market share • Inability to meet strategic objectives • Brand and reputation damage	• Shopper insights • Pack and product innovation • International marketing service agreement guidelines • Affordability plan • Business development plans aligned with our customers • Key account development and category planning • New route to market opportunities, for example eB2B and platforms/direct to consumer	Stable

Our strategy key Great brands | Great people | Great execution | Done sustainably

Risk change Increased | Stable | Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Climate change and water	Done sustainably	The risks and opportunities associated with managing the impacts of climate change and water scarcity across our value chain	• GHG emissions across our value chain, including emissions from our production facilities, CDE, the transportation of our products, packaging and the ingredients that we use, and storage of our products • Scarcity of water and water quality issues related to water sources we and our suppliers rely upon • Regulatory and legislative initiatives aimed at reducing GHG emissions • Water usage restrictions that may be mandatory at a local level during scarcity peaks • Changing consumer and investor preferences	• Brand and reputation damage from not meeting sustainability targets • Financial impacts from future carbon taxes and the transition costs to low GHG emissions • Regulatory and compliance impacts related to TCFD disclosures • The disruption of water supply to our production sites and key suppliers	• Target and roadmap to reduce GHG emissions by 30% versus 2019 and reach Net Zero emissions by 2040 • Climate transition plan • CCEP ventures - investment platform for sustainability initiatives • Supplier GHG emissions reduction targets and engagement programme • Investment in renewable and low-carbon energy projects • Packaging GHG emission reduction initiatives • Responsible Sourcing Policy • Transport GHG emission reduction initiatives • CDE emission reduction initiatives • Customer and stakeholder engagement • Enterprise water risk assessment • FAWVAs and SVAs • Water efficiency and replenishment initiatives • Investment in wastewater treatment technology • ISO14001 certification	Increased

Understanding the change in trend
Increasing number of extreme weather events, water scarcity and droughts expanding across many of our territories.

Read about TCFD on pages 48-60

Our strategy key Great brands · Great people · Great execution · Done sustainably

Risk change Increased · Stable · Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Changes in customer and consumer buying trends and category perception	Great brands	The risks relating to our ability to effectively adapt and respond to changes in customer and consumer preferences and behaviour towards our products	• Legislative changes driven by government or lobby groups • External marketing campaigns towards alternative ingredients/ products • Publication of guidelines or recommendations related to sugar consumption, energy drinks or additives by WHO or other health authorities • Increased media scrutiny and social media coverage impacting consumer perception on ingredients and packaging • Viability of alternatives to sugar, sweeteners and other ingredients within our product portfolio • Consumer lifestyle	• Financial impacts from decline in sales volumes and market share (delisting, demand decrease) • Increased regulatory scrutiny • Commercial, marketing and labelling restrictions • Increased taxes on our products • Damage to brand and reputation	• Support TCCC, EU or national associations on strong advocacy regarding low and no calorie sweeteners and processed food as well as in innovation efforts	Increased

Understanding the change in trend

Increasing regulation, social media coverage of packaging and ingredients, and an ongoing difficult economic environment for our customers and consumers.

Our strategy key Great brands | Great people | Great execution | Done sustainably

Risk change Increased | Stable | Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Business transformation, integration and digital capability	Great people	The risks relating to the execution of our strategic and continuous improvement initiatives	• Digital transformation • Identification and execution of supply chain improvements • Relationships with our partners and franchisors • Ineffective coordination between BUs and central functions • Change management failure • Diversion of management's focus away from our core business	• Damage to brand and reputation • Financial impacts from a decline in our share price arising from not realising the value creation from these initiatives • Industrial action and disruption to our operations	• Competitiveness Steering Committee and governance model for enterprise wide transformation • CCEP project management methodology and dedicated programme management office • Analysis and review of acquisition-related activities including enterprise valuation and capital allocation, acquisition due diligence, business performance risk indicators and integration planning	Stable
People and wellbeing Read about People on pages 20-27	Great people	The risks relating to the identification, attraction, development, and retention of talent. Also risks relating to the wellbeing of our people (including human rights and modern slavery)	• Job design and working conditions • Reward and recognition • Misconduct by third parties relating to human rights	• Damage to brand and reputation • Financial impacts from a decline in employee engagement and productivity • Industrial action and disruption to our operations • Punitive action from regulators or other legislative bodies and potential for litigation	• Community investment programmes • Employee volunteering policy • Business for societal impact framework • Anti-harassment and ID&E Policy • Recruitment: Candidate Charter • Employee development • Wellbeing strategy • Safety strategy • Annual Modern Slavery Statement and country specific human rights risk assessments in Germany and Norway • CoC • ESPP	Stable

Our strategy key Great brands Great people Great execution Done sustainably

Risk change Increased Stable Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Trend
Relationships with TCCC and other franchisors	Great brands	The risk of misaligned incentives or strategy with TCCC and/or other franchisors	• Lack of effective engagement, communication and/or discussion with franchisors	• Damage to brand and reputation • Financial impacts, including as a result of TCCC or other franchisors acting adversely to our interests with respect to our business relationship	• Clear agreements govern these relationships • Long range planning and annual business planning processes • Routine meetings between CCEP and franchisors	Stable
Product quality	Great execution Great brands	The risks relating to ensuring the wide range of products we produce are safe for consumption and adhere to strict food safety and quality requirements	• A failure in food safety, food quality, food defence or food fraud processes	• Consumer health and safety concerns • Reputation damage and loss of consumer trust • Regulatory and legal consequences • Financial losses	• Franchisor standards and governance • ISO 9001 and FSSC 22000 Certification • Customer and consumer complaint management • Incident management and crisis resolution	Stable

Our strategy key Great brands · Great people · Great execution · Done sustainably

Risk change Increased · Stable · Decreased

Principal risks continued

Internal control procedures and risk management

CCEP's internal controls are designed to manage rather than eliminate risk, and aim to mitigate risk of fraud and misstatements.

In addition to management responsibility, the Board has overall responsibility for the Company's system of internal controls and for reviewing its adequacy and effectiveness. To discharge its responsibility in a manner that complies with law and regulation and promotes effective and efficient operation, the Board has established clear operating procedures, lines of responsibility and delegated authority.

The Audit Committee has specific responsibility for reviewing the internal control policies and procedures associated with the identification, assessment and reporting of principal and emerging risks to check they are adequate and effective.

Our internal control processes include:

- Board approval for significant projects, transactions and corporate actions
- Either senior management or Board approval for all major expenditure at the appropriate stages of each transaction
- Regular reporting covering both technical progress and our financial affairs
- Board review, identification, evaluation and management of significant risks

Read more about our approach to internal control and risk management in the Audit Committee report on pages 117-124

Cybersecurity

Risk management and strategy

Our management and Board recognise the critical importance that a robust cybersecurity programme and processes play in maintaining the integrity of CCEP's business applications and data. Our Chief Information Officer (CIO), and Chief Information Security Officer (CISO) lead our cybersecurity programme and regularly report to our Audit Committee and Board on cybersecurity matters, through which we assess, identify, and manage material risks from cybersecurity threats. We seek to promote a cybersecurity culture in which everyone feels a responsibility to prevent cyberattacks.

Our cybersecurity policies, standards, processes and practices are integrated into our risk management framework, which addresses the principal risks we face as a business and how we identify, assess and manage them. In addition, our CISO and his team utilise a risk analysis standard from the Information Security Forum (ISF), which is aligned with industry best practice standards to identify and assess IT security risks as well as numerous ISF controls and checks.

Our processes for detecting, monitoring, and addressing cybersecurity threats and incidents, and for ensuring timely compliance with applicable reporting requirements, include the following:

- Established risk based cyber strategy. Regular reporting of cyber risks and risk mitigation to the ELT, Audit Committee and the Board;
- Conducting regular training and awareness on information security and data privacy for employees, including regular phishing exercises. This is in addition to simulations run with the ELT on their ability to respond to cyber incidents;
- Continuous development and ongoing improvement of Business Continuity Planning (BCP) and disaster recovery programmes, including internal and external testing of security controls to identify vulnerabilities;
- Threat vulnerability management and threat intelligence: proactive monitoring of cyber threats and events and implementation of preventative measures is executed by operating a 24/7 security event logging and management system through a Global Security Operations Centre;
- Implementation of a hardware and software lifecycle;
- Third party risk assessments for certain key vendors to support third party risk management;
- Data Privacy Office including data governance and information classification and handling;
- IT change management processes to provide reasonable assurance that only appropriate, tested and approved changes are implemented into our IT landscape;
- Monthly Information Security Committee meetings which bring IT experts and governance teams together into a single forum to review, prevent, detect and monitor threats, incidents, and responses thereto; and
- Internal audit performs independent risk based audits to assess governance and oversight and test effectiveness of controls over critical cyber activities.

Principal risks continued

Following an initial evaluation for risk and business impact by our IT Security Director and in collaboration with the CISO, relevant cybersecurity incidents and threats are escalated to the corporate Incident Management Team (IMT) and communicated in a timely manner to our Disclosure Committee consisting of the Chairman, CEO, CFO, Group Company Secretary and General Counsel, and VP Investor Relations & Corporate Strategy. The Disclosure Committee is responsible for reviewing and making the determination regarding materiality and public disclosures pursuant to the SEC and exchange listing rules.

We use third party experts to support on certain aspects of our cybersecurity programme but maintain internal leadership and oversight of all, including in connection with our risk processes. We work with other bottlers and partners such as TCCC to share insights on potential threats.

We also monitor third party service providers, through:

- An internal controls assessment of our third party control framework
- Governance and performance through reporting requirements for major vendors
- Procurement third party risk management processes
- Identification and oversight by our CISO, supported by our Business Continuity and Resilience (BCR) team, of risks associated with those third party service providers that are relevant to our Business Process and Technology (BPT) function
- Improvements in researching the emerging threat landscape
- Improving the security of our external attack surface; and
- Conducting due diligence into peers and trading partners

As at the date of this report, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected us, our business strategy, results of operation or financial condition. For additional information concerning cybersecurity risks we face, refer to the risk factor subsection titled, "Cyber and IT resilience" on page 71.

Governance

In addition to having a dedicated cyber security team concerned with day to day cybersecurity operations, cybersecurity is also a critical area of focus at both our executive and Board levels, which helps ensure that the Board executes its oversight of cyber risks and that we consider security risks in our business strategy.

Our cybersecurity processes for managing and assessing cybersecurity risks, as described above, are managed and overseen by our Information Security Committee, which comprises the CIO, CCO, Chief Data Privacy Officer and other senior management members, and is coordinated by our CISO who has been in situ for the past seven years, with 20 years' experience in cybersecurity and information security management. In addition, our CIO chairs the Information Security Committee, helping to steer it in implementing effective processes in response to information security and risks. Our Information Security Committee meets at least monthly to oversee, discuss and manage cybersecurity including topics such as but not limited to data privacy, (IT) business continuity and resiliency based on internal and external sources of information. Through these processes and ongoing communications, the Board via the Audit Committee are informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time.

As part of its general risk oversight function, the Audit Committee oversees CCEP's management of cybersecurity risk on behalf of the Board. The Committee receives regular updates from management on cybersecurity risks and our efforts to manage those risks, including reports on a biannual basis and more frequently as deemed appropriate by our CIO and regular receipt of feedback on the effectiveness of implementing cybersecurity awareness within company culture as a whole, such as the results of implementing employee training and phishing simulations.

Information regarding cyber risks and cyber risk management is reported to the Audit Committee, and subsequently communicated to the whole Board during the summary of Committee reports. One member of the Audit Committee has specific responsibility for cybersecurity. In 2023, the Audit Committee has been presented with detailed information on cybersecurity and internal controls, including improvements made in researching the emerging cyber risk landscape.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code (the Code), the Directors have assessed the prospects for the Group. The Directors have made this assessment over a period of three years, which corresponds to the Group's planning cycle.

The assessment considered the Group's prospects related to revenue, operating profit, EBITDA and comparable free cash flow. The Directors considered the maturity dates of the Group's debt obligations and its access to public and private debt markets, including its committed multi currency credit facility. The Directors also carried out a robust review and analysis of the principal risks facing the Group, including those risks that could materially and adversely affect the Group's business model, future performance, solvency and liquidity.

Stress testing was performed on a number of scenarios, including different estimates for operating profit and comparable free cash flow. Among other considerations, these scenarios incorporated the potential downside impact of the Group's principal risks, including those related to:

- Legal and regulatory intervention, including in relation to plastic packaging
- Risk of cyber and social engineering attacks
- Economic and political uncertainty
- Climate change and water

Based on the Group's current financial position, stable cash generation and access to liquidity, the Directors concluded that the Group is well positioned to manage principal risks and potential downside impacts of such risks materialising, to ensure solvency and liquidity over the assessment period.

From a qualitative perspective, the Directors also took into consideration the Group's past experience of managing through adverse conditions and the Group's strong relationship and position within the Coca-Cola system. The Directors considered the extreme measures the Group could take in the event of a crisis, including decreasing or stopping non-essential capital investment, decreasing or stopping shareholder dividends, renegotiating commercial terms with customers and suppliers or selling non-essential assets.

Based upon the assessment performed, the Directors confirm that they have a reasonable expectation the Group will be able to continue in operation and meet all liabilities as they fall due over the three year period covered by this assessment.

Non-financial and sustainability information statement

This Integrated Report contains a combination of financial and non-financial reporting throughout.

As required by sections 414CA and 414CB of the Companies Act 2006 (the Companies Act), the following non-financial and sustainability information can be found as stated in the following table.

These pages contain, where appropriate, details of our policies and approach to each matter.

Non-financial and sustainability information	Page(s)
Environmental matters	Forward on supply chain on pages 32-34
	Forward on climate on pages 37-40
	Forward on packaging on pages 41-43
	Forward on water on pages 45-47
	TCFD on pages 48-60
Employee matters	Forward on society – people on pages 23-25
	Our stakeholders on pages 61-64
Social matters	Forward on society – communities on page 26
Human rights	Forward on society - Respect for human rights on page 25
Anti-corruption and anti-bribery matters	Forward on society - Respect for human rights on page 25
Our business model	Our business model on page 8
Risk and principal risks	Principal risks on pages 68-78
	Risk factors on pages 243-251
Non-financial performance indicators	Sustainability performance indicators on page 3
Climate-related financial information	Key performance data summary on pages 234-236
	Sustainability performance indicators on page 3
	Taking action on sustainability and TCFD on pages 36-60
	Principal risks on pages 68-78

Business and financial review

Our business

CCEP is a leading consumer goods group in Western Europe and the Asia Pacific region, making, selling and distributing an extensive range of primarily NARTD beverages. We make, move and sell some of the world's most loved brands – serving nearly 600 million consumers and helping over two million customers across 31 countries grow. We combine the strength and scale of a large, multinational business with an expert, local knowledge of the customers we serve and communities we support.

Note regarding the presentation of alternative performance measures

We use certain alternative performance measures (non-IFRS performance measures) to make financial, operating and planning decisions and to evaluate and report performance. We believe these measures provide useful information to investors and, as such, where clearly identified, we have included certain alternative performance measures in this document to allow investors to better analyse our business performance and allow for greater comparability. To do so, we have excluded items affecting the comparability of period over period financial performance, as described below. The alternative performance measures included herein should be read in conjunction with and do not replace the directly reconcilable IFRS measures.

The alternative performance measures in this document have been calculated in a manner consistent with those set forth in CCEP's 2022 Annual Report on Form 20-F filed with the SEC on 17 March 2023, and the title of certain non-IFRS measures has been updated to better reflect their comparable nature.

For purposes of this document, the following terms are defined:

"As reported" are results extracted from our consolidated financial statements.

"Comparable" is defined as results excluding items impacting comparability, which include restructuring charges, income arising from the ownership of certain mineral rights in Australia, gain on sale of sub-strata and associated mineral rights in Australia, net impact related to European flooding, gains on the sale of property, accelerated amortisation charges, expenses related to legal provisions, impact of a defined benefit plan amendment arising from legislative changes in respect of the minimum retirement age and acquisition and integration related costs. Comparable volume is also adjusted for selling days.

"FX neutral" is defined as period results excluding the impact of foreign exchange rate changes. Foreign exchange impact is calculated by recasting current year results at prior year exchange rates.

"Capex" or **"Capital expenditures"** is defined as purchases of property, plant and equipment and capitalised software, plus payments of principal on lease obligations, less proceeds from disposals of property, plant and equipment. Capex is used as a measure to ensure that cash spending on capital investments is in line with the Group's overall strategy for the use of cash.

"Comparable Free cash flow" is defined as net cash flows from operating activities less capital expenditures (as defined above) and net interest payments, adjusted for items that are not reasonably likely to recur within two years, nor have occurred within the prior two years. Comparable free cash flow is used as a measure of the Group's cash generation from operating activities, taking into account investments in property, plant and equipment, non-discretionary lease and net interest payments while excluding the effects of items that are unusual in nature to allow for better period over period comparability. Comparable free cash flow reflects an additional way of viewing our liquidity, which we believe is useful to our investors, and is not intended to represent residual cash flow available for discretionary expenditures.

"Comparable EBITDA" is calculated as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), after adding back items impacting the comparability of period over period financial performance. Comparable EBITDA does not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, comparable EBITDA does not reflect changes in, or cash requirements for, working capital needs, and although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and comparable EBITDA does not reflect cash requirements for such replacements.

"Net Debt" is defined as borrowings adjusted for the fair value of hedging instruments and other financial assets/liabilities related to borrowings, net of cash and cash equivalents and short-term investments. We believe that reporting net debt is useful as it reflects a metric used by the Group to assess cash management and leverage. In addition, the ratio of net debt to comparable EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

"ROIC" or **"Return on invested capital"** is defined as reported profit after tax attributable to shareholders divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.

Business and financial review continued

"Comparable ROIC" adjusts reported profit after tax for items impacting the comparability of period over period financial performance and is defined as comparable operating profit after tax attributable to shareholders divided by the average of opening and closing invested capital for the year. Comparable ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business.

"Dividend payout ratio" is defined as dividends as a proportion of comparable profit after tax.

Forward-looking alternative performance measures

Within this report, we provide certain forward-looking non-IFRS financial information, which management uses for planning and measuring performance. We are not able to reconcile forward-looking non-IFRS measures to reported measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability throughout the year.

Unless otherwise stated, percentage amounts are rounded to the nearest 0.5%.

Key financial measures[(A)] Unaudited, FX impact calculated by recasting current year results at prior year rates	Year ended 31 December 2023						
	€ millions			% change vs prior year			
	As reported	Comparable	FX impact	As reported	Comparable	FX Impact	Comparable FX Neutral
Revenue	18,302	18,302	(396)	5.5%	5.5%	(2.5%)	8.0%
Cost of sales	11,582	11,576	(249)	4.5%	4.5%	(2.0%)	6.5%
Operating expenses	4,488	4,353	(96)	6.0%	6.5%	(2.0%)	8.5%
Operating profit	2,339	2,373	(51)	12.0%	11.0%	(2.5%)	13.5%
Profit after taxes	1,669	1,701	(39)	9.5%	9.0%	(2.5%)	11.5%
Diluted earnings per share (€)	3.63	3.71	(0.08)	10.5%	9.5%	(2.5%)	12.0%

(A) See Supplementary financial information - Items impacting comparability on page 90 for a reconciliation of reported to comparable results.

Financial highlights

In 2023, our focus on leading brands, strong customer relationships and solid in-market execution served us well. Successful implementation of our revenue and margin growth management initiatives, along with our dynamic price and promotion strategies across a broad pack offering, drove revenue per unit case growth of 8.5%. Though headline pricing levels were ahead of pre-pandemic levels, covering cost inflation, we continued to prioritise relevance and affordability. Despite inflationary pressures in commodities and manufacturing, higher concentrate costs and continued investment in our capabilities, we delivered strong operating profit growth. This translated into strong comparable free cash flow generation and enabled us to continue to return cash to shareholders, as demonstrated by the dividend paid in the year.

The net impact of 2023 performance on our key financial measures[(A)] can be summarised as follows:

- Reported revenue totalled €18.3 billion, up 5.5% on a reported basis and 8.0% on a comparable and FX neutral basis.
- Volume was down 0.5% on both a reported and comparable basis. Revenue per unit case increased 8.5% on a comparable and FX neutral basis.
- Reported operating profit was €2.3 billion, up 12.0%, or up 13.5% on comparable and FX neutral basis.
- Reported diluted earnings per share were €3.63 or €3.71 on a comparable basis, up 12.0% on a comparable and FX neutral basis.
- Net cash flows from operating activities were €2.8 billion. Full year comparable free cash flow[(B)] was €1.7 billion.

(A) See Supplementary financial information - Items impacting comparability on page 90 for a reconciliation of reported to comparable results.

(B) See Liquidity and capital management on pages 87-90 for a reconciliation between net cash flows from operating activities and comparable free cash flow.

Business and financial review continued

Operational review

Revenue

Revenue totalled €18.3 billion, up 5.5% versus prior year on a reported basis, and 8.0% on a comparable and FX neutral basis. Revenue per unit case increased by 8.5% in 2023 on a comparable and FX neutral basis. Volume declined by 0.5% on a comparable basis.

Revenue in millions of €	Year ended 31 December 2023 As reported	Comparable	Reported % change	FX neutral % change
Europe	14,553	14,553	7.5%	8.5%
API	3,749	3,749	(1.0%)	5.5%
Total CCEP	**18,302**	**18,302**	**5.5%**	**8.0%**

Comparable volume – selling day shift CCEP In millions of unit cases, prior period volume recast using current year selling days(A)	Year ended 31 December 2023	2022	% change
Volume	**3,279**	**3,300**	**(0.5%)**
Impact of selling day shift	n/a	—	n/a
Comparable volume – selling day shift adjusted	**3,279**	**3,300**	**(0.5%)**

(A) A unit case equals approximately 5.678 litres or 24 eight ounce servings, a typical volume measure used in our industry.

Volumes were down 0.5% on both a reported and comparable basis. In Europe, strong in-market execution alongside continued consumer demand in our developed markets drove volume growth of 0.5%, despite mixed summer weather. API volumes were down 5.0% versus 2022, mainly driven by softer consumer spending in Indonesia and strategic stock keeping unit (SKU) portfolio rationalisation, partly offset by continued underlying volume growth in Australia and New Zealand reflecting strong in-market execution.

Comparable volume by category Change versus prior period	Year ended 31 December 2023 % of total	2022 % of total	% change
Sparkling	**85.0%**	**84.5%**	**—%**
Coca-Cola™	59.0%	58.5%	—%
Flavours, mixers and energy	26.0%	26.0%	1.0%
Stills	**15.0%**	**15.5%**	**(5.0%)**
Hydration	7.5%	8.0%	(7.0%)
RTD tea, coffee, juices and other(A)	7.5%	7.5%	(3.0%)
Total	**100.0%**	**100.0%**	**(0.5%)**

(A) RTD refers to ready to drink; Other includes alcohol and coffee.

On a brand category basis in 2023, Coca-Cola trademark volume was flat versus 2022 on a comparable basis. This reflected the strong performance of Coca-Cola Zero Sugar, with volumes ahead of 2022 (up 4.0%) supported by targeted campaigns and innovation, including strong activation during the FIFA Women's World Cup.

Flavours, mixers and energy volume increased by 1.0% versus 2022 on a comparable basis. Energy volumes were up 14.0% versus 2022, led by Monster continuing to gain distribution and share through exciting innovation. Fanta grew volume, reflecting strong consumer demand supported by flavour extensions.

Hydration volume decreased by 7.0% versus 2022 on a comparable basis. Water volume decreased by 13.5%, reflecting strategic portfolio choices, such as SKU rationalisation in Indonesia, the exit of large PET packs in Germany (Vio) and Iberia (Aquabona), and Mount Franklin bulk packs in Australia. Sports volume increased by 9.0%, reflecting continued favourable consumer trends mainly benefiting Powerade across listed markets.

RTD teas, coffees, juices and other drinks volume decreased by 3.0% versus 2022 on a comparable basis. This reflects the strategic SKU rationalisation in Indonesia, partially offset by strong volume growth in Fuze Tea across Europe (up 23.5%). In the ARTD category, Jack Daniel's & Coca-Cola has performed well since launch and is now the number one ARTD value brand in Great Britain.

Business and financial review continued

Revenue by segment: Europe

Revenue Europe In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.	Year ended 31 December		
	2023	2022	% change
As reported	**14,553**	**13,529**	**7.5%**
Adjust: Impact of FX changes	147	n/a	n/a
FX neutral	**14,700**	**13,529**	**8.5%**
Revenue per unit case	**5.56**	**5.14**	**8.0%**

Revenue in Europe totalled €14.6 billion, up 7.5% versus prior year on a reported basis, and 8.5% on an FX neutral basis. Revenue per unit case in Europe increased by 8.0% in 2023, on a comparable and FX neutral basis, reflecting positive headline price increases and promotional optimisation alongside favourable mix.

Revenue by geography In millions of €	Year ended 31 December 2023		
	As reported	Reported % change	FX neutral % change
Great Britain	3,235	5.0%	6.5%
Germany	3,018	12.5%	12.5%
Iberia(A)	3,325	9.5%	9.5%
France(B)	2,321	11.0%	11.0%
Belgium and Luxembourg	1,078	3.5%	3.5%
Netherlands	718	5.5%	5.5%
Norway	376	(7.0%)	5.5%
Sweden	398	(5.5%)	2.0%
Iceland	84	(3.5%)	1.0%
Total Europe	**14,553**	**7.5%**	**8.5%**

(A) Iberia refers to Spain, Portugal and Andorra.
(B) France refers to continental France and Monaco.

Reported revenue in Great Britain was up 5.0% versus 2022. Foreign exchange translation negatively impacted revenue growth by 1.5%. The increase in revenue was mainly driven by revenue per unit case growth reflecting the headline price increase implemented at the end of the second quarter and positive brand mix, including growth of 16.5% in Monster and the successful launch of Jack Daniel's & Coca-Cola. From a category perspective, Coca-Cola Zero Sugar, Fanta, Monster and Dr Pepper showed strong volume growth.

Reported revenue in Germany was up 12.5% versus 2022. Volume was positively impacted mainly by solid performance in the home channel versus prior year. Additionally, revenue per unit case growth was driven by the headline price increase implemented in the third quarter, as well as positive brand mix, with Monster volumes up 34%. From a category perspective, Coca-Cola Zero Sugar, Fanta, Fuze Tea and Powerade also showed strong volume growth.

Reported revenue in Iberia was up 9.5% versus 2022. This was mainly driven by continued growth in the AFH channel and revenue per unit case growth, positively impacted by the headline price increase implemented in the first quarter in addition to favourable mix. From a category perspective, Coca-Cola Zero Sugar, Sprite and Monster showed strong volume growth.

Reported revenue in France was up 11.0% versus 2022. This was mainly driven by revenue per unit case growth supported by the headline price increase implemented in the first quarter. From a category perspective, Fuze Tea, Monster, Sprite and Powerade continued to grow volume.

Reported revenue in the Northern European territories (Belgium, Luxembourg, the Netherlands, Norway, Sweden and Iceland) was up 0.5% versus 2022. Foreign exchange translation negatively impacted revenue growth by 3.5%. The increase in revenue was mainly driven by revenue per unit case growth as a result of the headline price increase implemented across our markets and favourable package mix led by the recovery of the AFH channel, including growth of 4.5% in small glass. From a category perspective, Monster, Powerade and Aquarius showed strong volume growth.

Revenue by segment: API

Revenue API In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.	Year ended 31 December		
	2023	2022	% change
As reported and comparable	**3,749**	**3,791**	**(1.0%)**
Adjust: Impact of FX changes	249	n/a	n/a
FX neutral	**3,998**	**3,791**	**5.5%**
Revenue per unit case	**6.30**	**5.67**	**11.0%**

Reported revenue in API totalled €3.7 billion, and was down 1.0% versus 2022, or up 5.5% on a comparable and FX neutral basis. Revenue per unit case increased by 11.0% in 2023, on a comparable and FX neutral basis. Volume decreased by 5.0% on a comparable basis driven by solid in-market execution in Australia and New Zealand offset by the strategic SKU rationalisation and softer consumer spending in Indonesia.

Business and financial review continued

Revenue by geography In millions of €	Year ended 31 December 2023 As reported	Reported % change	FX neutral % change
Australia	2,385	2.0%	9.5%
New Zealand and Pacific Islands	679	4.5%	11.0%
Indonesia and Papua New Guinea	685	(14.5%)	(10.5%)
Total API	**3,749**	**(1.0%)**	**5.5%**

Revenue in the Australia, Pacific and Indonesian territories (Australia, New Zealand and Pacific Islands, Indonesia and Papua New Guinea) was down 1.0% versus 2022. Foreign exchange translation negatively impacted revenue growth by 6.5%. The underlying increase in revenue was mainly driven by revenue per unit case growth as a result of the headline price increase implemented across all our markets during the first half of the year and promotional optimisation in Australia. Coca-Cola Zero Sugar, Monster and Powerade showed strong volume growth.

Cost of sales

Reported cost of sales totalled €11.6 billion, up 4.5% versus prior year on a reported basis, and 6.5% on a comparable and FX neutral basis. Cost of sales per unit case increased by 7.5% on a comparable and FX neutral basis.

Cost of sales In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates	Year ended 31 December 2023	2022	% change
As reported	**11,582**	**11,096**	**4.5%**
Adjust: Total items impacting	(6)	(8)	n/a
Adjust: Restructuring charges(A)	(9)	(19)	
Adjust: European flooding(B)	9	11	
Adjust: Litigation(C)	(6)	—	
Comparable	**11,576**	**11,088**	**4.5%**
Adjust: Impact of FX changes	249	n/a	n/a
Comparable and FX neutral	**11,825**	**11,088**	**6.5%**
Cost of sales per unit case	**3.61**	**3.36**	**7.5%**

(A) Amounts represent restructuring charges related to business transformation activities.
(B) Amounts represent the incremental expense incurred offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(C) Amounts relate to the establishment of a provision in connection with an ongoing labour law matter in Germany.

Cost of sales in Europe increased in part due to higher volume, up 0.5% versus 2022 on a comparable basis. Cost of sales per unit case increased as well, primarily driven by continued levels of commodity and manufacturing inflation. Sugar and aluminium were the main drivers of commodity inflation, partially offset by lower recycled PET and energy price levels as well as strong hedge coverage throughout the year. Headline price increases were implemented across our markets in response to these inflationary pressures and, alongside promotional optimisation, drove increased revenue per unit case, resulting in increased concentrate costs. Mix was also adverse, driven mainly by continued volume growth in energy and cans.

Cost of sales in API reflected lower volumes, down 5.0% versus 2022 on a comparable basis, partially offset by similar inflationary pressures on commodities, transportation and freight, and increased revenue per unit case, resulting in higher concentrate costs.

Operating expenses

Reported operating expenses totalled €4.5 billion, up 6.0% versus prior year on a reported basis, and 8.5% on a comparable and FX neutral basis.

Operating expenses In millions of €. FX impact calculated by recasting current year results at prior year rates.	Year ended 31 December 2023	2022	% change
As reported	**4,488**	**4,234**	**6.0%**
Adjust: Total items impacting comparability	(135)	(140)	n/a
Adjust: Restructuring charges(A)	(85)	(144)	
Adjust: Acquisition and Integration related costs(B)	(12)	(3)	
Adjust: Litigation(C)	(11)	—	
Adjust: Accelerated amortisation(D)	(27)	—	
Adjust: Defined benefit plan amendment(E)	—	7	
Comparable	**4,353**	**4,094**	**6.5%**
Adjust: Impact of FX changes	96	n/a	n/a
Comparable and FX neutral	**4,449**	**4,094**	**8.5%**

(A) Amounts represent restructuring charges related to business transformation activities.
(B) Amounts represent costs incurred in connection with the proposed acquisition of CCBPI for the year ended 31 December 2023 as well as integration costs related to the acquisition of Coca-Cola Amatil Limited (CCL) recognised during the year ended 31 December 2022.
(C) Amounts relate to the establishment of a provision in connection with an ongoing labour law matter in Germany.
(D) Amounts represent accelerated amortisation charges associated with the discontinuation of the relationship between CCEP and Beam Suntory upon expiration of the current contractual agreements.
(E) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.

Business and financial review continued

Operating expenses in Europe increased, driven by continued inflationary pressures on labour and haulage, as well as optimised investment in trade marketing expenses to support our top line growth. With a third of operating expenses being variable in nature, the uplift in volume reflecting resilient consumer demand and strong in-market execution also impacted our cost base.

Similar to Europe, comparable operating expenses in API also reflected inflationary pressures on labour and haulage, and increased investment in trade marketing expenses contributed to the growth in operating expenses.

Discretionary spend optimisation and the delivery of our previously announced multi-year efficiency programme, which has now been closed out, maintained our operating expenses as a percentage of revenue versus 2022.

Restructuring

Restructuring charges of €9 million and €85 million were recognised within reported cost of sales and reported operating expenses, respectively, for the year ended 31 December 2023, related principally to severance charges arising from various transformation initiatives.

Restructuring charges of €19 million and €144 million were recognised within reported cost of sales and reported operating expenses, respectively, for the year ended 31 December 2022, which are primarily attributable to €82 million of expense recognised in connection with the transformation of the full service vending operations and related initiatives in Germany.

Effective tax rate

The reported effective tax rate was 24% and 22% for the years ended 31 December 2023 and 31 December 2022, respectively.

The increase in the reported effective tax rate to 24% in 2023 (2022: 22%) is largely due to the increase in the UK statutory tax rate to a weighted average of 23.5% and the review of uncertain tax positions.

The comparable effective tax rate was 24% and 22% for the years ended 31 December 2023 and 31 December 2022, respectively.

Income tax In millions of €	Year ended 31 December 2023	 2022
As reported	**534**	**436**
Adjust: Total items impacting comparability	4	9
Adjust: Restructuring charges(A)	15	42
Adjust: European flooding(B)	(2)	(3)
Adjust: Defined benefit plan amendment(C)	—	(1)
Adjust: Coal royalties(D)	(6)	(29)
Adjust: Property sale(E)	(16)	—
Adjust: Litigation (F)	5	—
Adjust: Accelerated amortisation (G)	8	—
Comparable	**538**	**445**

(A) Amounts represent the tax impact of restructuring charges related to business transformation activities.
(B) Amounts represent the tax impact of the incremental expense incurred offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(C) Amounts represent the tax impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.
(D) Amounts represent the tax impact of royalty income arising from the ownership of certain mineral rights in Australia. The royalty income was recognised as "Other income" in our consolidated income statement for the years ended 31 December 2023 and 31 December 2022, respectively.
(E) Amounts represent the tax impact of gains mainly attributable to the sale of property in Germany. The gains on disposal were recognised as "Other income" in our consolidated income statement for the year ended 31 December 2023.
(F) Amounts represent the tax impact related to the establishment of a provision in connection with an ongoing labour law matter in Germany.
(G) Amounts represent the tax impact of accelerated amortisation charges associated with the discontinuation of the relationship between CCEP and Beam Suntory upon expiration of the current contractual agreements.

Return on invested capital

For the year ended 31 December 2023, ROIC increased by 116 basis points on a reported basis, to 9.5%, versus 2022. On a comparable basis, ROIC increased by 120 basis points versus 2022, reflecting the increase in comparable operating profit and continued focus on capital allocation. Comparable ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business.

Business and financial review continued

ROIC In millions of €	Year ended 31 December 2023	2022
Reported profit after tax	**1,669**	**1,521**
Taxes	534	436
Finance costs, net	120	114
Non-operating items	16	15
Reported operating profit	**2,339**	**2,086**
Items impacting comparability(A)	34	52
Comparable operating profit(A)	**2,373**	**2,138**
Taxes(B)	(570)	(474)
Non-controlling interest	—	(13)
Comparable operating profit after tax attributable to shareholders	**1,803**	**1,651**
Opening borrowings less cash and cash equivalents and short-term investments	10,264	11,675
Opening equity attributable to shareholders	7,447	7,033
Opening invested capital	**17,711**	**18,708**
Closing borrowings less cash and cash equivalents and short-term investments	9,409	10,264
Closing equity attributable to shareholders	7,976	7,447
Closing invested capital	**17,385**	**17,711**
Average invested capital	**17,548**	**18,210**
ROIC	**9.5%**	**8.4%**
Comparable ROIC	**10.3%**	**9.1%**

(A) Reconciliation from reported to comparable operating profit is included in the Supplementary Financial Information - Items impacting comparability section on pages 91-92.

(B) Tax rate used is the comparable effective tax rate for the year (2023: 24%, 2022: 22%).

Liquidity and capital management

Liquidity

Liquidity risk is actively managed to ensure we have sufficient funds to satisfy our commitments as they fall due. Our sources of capital include, but are not limited to, cash flows from operating activities, public and private issuances of debt securities, and bank borrowings. We believe our operating cash flow, cash on hand and available short- and long-term capital resources are sufficient to fund our working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to shareholders for both the next 12 months and the longer term period thereafter. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity. Based on information currently available, the Group does not believe it is at significant risk of default by its counterparties.

The Group has amounts available for borrowing under a €1.80 billion multi currency credit facility (2022: €1.95 billion) with a syndicate of 12 banks. This credit facility matures in 2029 and is for general corporate purposes and supporting the Group's working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfil their commitments to the Group as at the date of this report. The Group's current credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2023, the Group had no amounts drawn under this credit facility.

Net cash flows from operating activities were €2,806 million in 2023, a decrease of 4.3%, or €126 million, from €2,932 million in 2022, reflecting the impact of increased revenue performance offset by cycling the impact of working capital improvement initiatives. These cash flows were primarily generated from our operations and included restructuring cash outflows of €104 million.

In 2023, we continued to monitor our investment in capital expenditure programmes, given continued uncertainty. Our 2023 capital spend on property, plant and equipment and capitalised software as part of our business capability programme was €812 million, compared to €603 million in 2022.

Comparable free cash flow generation for the year was strong, totalling €1,734 million, after adjusting for €89 million net of tax cash proceeds received in connection with the royalty income arising from the ownership of certain mineral rights in Australia. The decrease relative to our 2022 total of €1,805 million was largely driven by cycling the impact of working capital improvement initiatives.

Business and financial review continued

Comparable free cash flow
In millions of €

	Year ended 31 December	
	2023	2022
Net cash flows from operating activities	**2,806**	**2,932**
Less: Purchases of property, plant and equipment	(672)	(500)
Less: Purchases of capitalised software	(140)	(103)
Add: Proceeds from sales of property, plant and equipment	101	11
Less: Payments of principal on lease obligations	(148)	(153)
Less: Net interest payments	(124)	(130)
Adjust: Items impacting comparability[(A)]	(89)	(252)
Comparable free cash flow	**1,734**	**1,805**

(A) During the year ended 31 December 2023, the Group has received net of tax cash proceeds of €89 million in connection with the royalty income arising from the ownership of certain mineral rights in Australia. During the year ended 31 December 2022, €252 million of cash proceeds were received from the regional tax authorities of Bizkaia (Basque Region), in connection with the ongoing dispute in Spain regarding the refund of historical VAT amounts related to the period 2013-2016. The proceeds associated with these specific events have been included within the Group's net cash flows from operating activities for the years ended 31 December 2023 and 31 December 2022, respectively. Given the unusual nature and to allow for better period over period comparability, our comparable free cash flow measure excludes the cash impact related to these items.

In 2023, total borrowings decreased by €511 million. This was driven by repayments on third party borrowings of €1,159 million and payments on the principal and interest from lease obligations of €165 million, partially offset by proceeds from third party borrowings of €694 million. Movement as a result of fair value hedges resulted in an increase of borrowings by €40 million. Additions and other movements on leases further increased borrowings by €191 million. All this was partially offset by currency translation and other non-cash changes of €112 million.

The following bonds were repaid on maturity: US$850 million 0.5% Notes 2023, repaid in May 2023; US$25 million 4.34% Notes 2023 and US$25 million 4.34% Notes 2023, both repaid in October 2023; and €350 million 2.625% Notes 2023, repaid in November 2023. In December 2023, the Group issued €700 million 3.875% Notes 2030 in connection with the proposed acquisition of CCBPI, which mature in December 2030.

Capital management

The primary objective of our capital management strategy is to ensure strong ratings and to maintain appropriate capital ratios to support our business and maximise shareholder value. Our credit ratings are periodically reviewed by rating agencies. We regularly assess debt and equity capital levels against our stated policy for capital structure. Our capital structure is managed and, as appropriate, adjusted in light of changes in economic conditions and our financial policy.

Net debt
In millions of €

	Year ended 31 December	
	2023	2022
Total borrowings	11,396	11,907
Fair value of hedges related to borrowings[(A)]	28	(83)
Other financial assets/liabilities[(A)]	20	25
Adjusted total borrowings[(A)]	**11,444**	**11,849**
Less: cash and cash equivalents[(B)]	(1,419)	(1,387)
Less: short-term investments[(C)]	(568)	(256)
Net debt	**9,457**	**10,206**

Credit ratings

As of 14 March 2024	Moody's	Fitch Ratings
Long-term rating	Baa1	BBB+
Outlook	Stable	Stable

Note: Our credit ratings can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions and working capital management activities of TCCC and/or changes in the credit rating of TCCC. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

(A) Net debt includes adjustments for the fair value of derivative instruments used to hedge both currency and interest rate risk on the Group's borrowings. In addition, net debt also includes other financial assets/liabilities relating to cash collateral pledged by/to external parties on hedging instruments related to borrowings.

(B) Cash and cash equivalents as at 31 December 2023 and 31 December 2022, includes €42 million and €102 million, respectively, of cash in Papua New Guinea kina. Presently, there are government-imposed currency controls which impact the extent to which the cash held in Papua New Guinea can be converted into foreign currency and remitted for use elsewhere in the Group.

(C) Short-term investments are term cash deposits with maturity dates when acquired of greater than three months and less than one year. These short-term investments are held with counterparties that are continually assessed with a focus on preservation of capital and liquidity. Short-term investments as at 31 December 2023 and 31 December 2022 includes €33 million and €49 million, respectively, of assets in Papua New Guinea kina, subject to the same currency controls outlined above.

Business and financial review continued

The ratio of net debt to comparable EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage, and so we provide a reconciliation of this measure. Net debt enables investors to see the economic effect of total borrowings, fair value impact of related hedges and other financial assets/liabilities, cash and cash equivalents, and short-term investments in total. Comparable EBITDA is calculated as EBITDA after adding back items impacting the comparability of year over year financial performance.

Comparable EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, comparable EBITDA does not reflect changes in, or cash requirements for, our working capital needs, and, although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and comparable EBITDA does not reflect cash requirements for such replacements.

Net debt to comparable EBITDA

Comparable EBITDA in 2023 totalled €3.1 billion and increased relative to 2022 by €217 million. The increase versus 2022 was primarily driven by the increase in reported operating profit, reflecting increased revenue. The ratio of net debt to comparable EBITDA is 3.0 versus 3.5 in 2022, reflecting the decrease in net debt due to the repayment of borrowings and the increase in comparable EBITDA.

Dividends

In line with our commitments to deliver long-term value to shareholders, we paid a first half interim dividend of €0.67 per share in May 2023 and a second half interim dividend of €1.17 per share in December 2023, based on comparable diluted earnings per share, maintaining a payout ratio of approximately 50% in line with our dividend policy. For the year ended 31 December 2023, dividend payments totalled €841 million (2022: €763 million).

Share buyback

No Shares were repurchased in 2023 and 2022.

Comparable EBITDA In millions of €	Year ended 31 December 2023	2022
Reported profit after tax	**1,669**	**1,521**
Taxes	534	436
Finance costs, net	120	114
Non-operating items	16	15
Reported operating profit	**2,339**	**2,086**
Depreciation and amortisation(A)	792	816
Reported EBITDA	**3,131**	**2,902**
Items impacting comparability		
Restructuring charges(B)	83	119
Acquisition and integration related costs(C)	12	3
European flooding(D)	(9)	(11)
Litigation(E)	17	—
Property sale(F)	(54)	—
Sale of sub-strata and associated mineral rights(G)	(35)	—
Coal royalties(H)	(18)	(96)
Defined benefit plan amendment(I)	—	(7)
Comparable EBITDA	**3,127**	**2,910**
Net debt to EBITDA	**3.0**	**3.5**
Net debt to Comparable EBITDA	**3.0**	**3.5**

(A) Amounts include accelerated amortisation charges associated with the discontinuation of the relationship between CCEP and Beam Suntory upon expiration of the current contractual agreements for the year ended 31 December 2023.
(B) Amounts represent restructuring charges related to business transformation activities, excluding accelerated depreciation included in the depreciation and amortisation line.
(C) Amounts represent costs incurred in connection with the proposed acquisition of CCBPI for the year ended 31 December 2023 as well as integration costs related to the acquisition of CCL recognised during the year ended 31 December 2022.
(D) Amounts represent the incremental expense incurred offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(E) Amounts relate to the establishment of a provision in connection with an ongoing labour law matter in Germany.
(F) Amounts represent gains mainly attributable to the sale of property in Germany. The gains on disposal were recognised as "Other income" in our consolidated income statement for the year ended 31 December 2023.
(G) Amounts represent the considerations received relating to the sale of the sub-strata and associated mineral rights in Australia. The transaction completed in April 2023 and the proceeds were recognised as "Other income" in our consolidated income statement for the year ended 31 December 2023.
(H) Amounts represent royalty income arising from the ownership of certain mineral rights in Australia. The royalty income was recognised as "Other income" in our consolidated income statement for the years ended 31 December 2023 and 31 December 2022, respectively.
(I) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.

Business and financial review continued

Supplementary financial information – Items impacting comparability – Reported to comparable

The following provides a summary reconciliation of items impacting comparability for the years ended 31 December 2023 and 31 December 2022:

Full year 2023
Unaudited, in millions of € except per share data which is calculated prior to rounding

	Operating profit	Profit after taxes	Diluted earnings per share (€)
As reported	**2,339**	**1,669**	**3.63**
Items impacting comparability			
Restructuring charges(A)	94	79	0.18
Acquisition and integration related costs(B)	12	14	0.03
European flooding(C)	(9)	(7)	(0.02)
Coal royalties(D)	(18)	(12)	(0.03)
Property sale(E)	(54)	(38)	(0.08)
Litigation(F)	17	12	0.03
Accelerated amortisation(G)	27	19	0.04
Sale of sub-strata and associated mineral rights(H)	(35)	(35)	(0.07)
Comparable	**2,373**	**1,701**	**3.71**

Full year 2022
Unaudited, in millions of € except per share data which is calculated prior to rounding

	Operating profit	Profit after taxes	Diluted earnings per share (€)
As reported	**2,086**	**1,521**	**3.29**
Items impacting comparability			
Restructuring charges(A)	163	121	0.27
Acquisition and integration related costs(B)	3	3	0.01
European flooding(C)	(11)	(8)	(0.02)
Coal royalties(D)	(96)	(67)	(0.15)
Defined benefit plan amendment(I)	(7)	(6)	(0.01)
Comparable	**2,138**	**1,564**	**3.39**

(A) Amounts represent restructuring charges related to business transformation activities.
(B) Amounts represent costs incurred in connection with the proposed acquisition of CCBPI for the year ended 31 December 2023 as well as integration costs related to the acquisition of CCL recognised during the year ended 31 December 2022.
(C) Amounts represent the incremental expense incurred offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(D) Amounts represent royalty income arising from the ownership of certain mineral rights in Australia. The royalty income was recognised as "Other income" in our consolidated income statement for the years ended 31 December 2023 and 31 December 2022, respectively.
(E) Amounts represent gains mainly attributable to the sale of property in Germany. The gains on disposal were recognised as "Other income" in our consolidated income statement for the year ended 31 December 2023.
(F) Amounts relate to the establishment of a provision in connection with an ongoing labour law matter in Germany.
(G) Amounts represent accelerated amortisation charges associated with the discontinuation of the relationship between CCEP and Beam Suntory upon expiration of the current contractual agreements.
(H) Amounts represent the considerations received relating to the sale of the sub-strata and associated mineral rights in Australia. The transaction completed in April 2023 and the proceeds were recognised as "Other income" in our consolidated income statement for the year ended 31 December 2023.
(I) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.

Operating profit by segment

Operating profit Europe

In millions of €. FX impact calculated by recasting current year results at prior year rates.	Year ended 31 December 2023	2022	% Change
As reported	**1,842**	**1,529**	**20.5%**
Adjust: Total items impacting comparability	46	141	**n/a**
Comparable	**1,888**	**1,670**	**13.0%**
Adjust: Impact of FX changes	19	n/a	**n/a**
Comparable and FX neutral	**1,907**	**1,670**	**14.0%**

Operating profit API

In millions of €. FX impact calculated by recasting current year results at prior year rates.	Year ended 31 December 2023	2022	% Change
As reported	**497**	**557**	**(11.0%)**
Adjust: Total items impacting comparability	(12)	(89)	n/a
Comparable	**485**	**468**	**3.5%**
Adjust: Impact of FX changes	32	n/a	n/a
Comparable and FX neutral	**517**	**468**	**10.5%**

The Company's Strategic Report is set out on pages 1-90. The Strategic Report was approved by the Board on 15 March 2024 and signed on its behalf by

Damian Gammell,
Chief Executive Officer