

OPERATING WITH INTEGRITY



CCEP's Board of Directors.

OUR PROGRESS

We are establishing a new CCEP Code of Business Conduct.

We have established a new Corporate Social Responsibility Board of Directors Committee.



How does CCEP approach risk and governance?

Discover more at ccep.com

Our business is built on trust. Being accountable and transparent is central to the way in which we operate, and we are working to strengthen our processes to ensure our business always operates with integrity.

Corporate governance

CCEP has a robust corporate governance structure with a Board of Directors overseeing the interests of the company and its shareholders. Of the five committees that support the Board, the Corporate Social Responsibility (CSR) Committee oversees our sustainability strategy while our Audit Committee oversees risk management and CCEP's Ethics and Compliance programme.

At CCEP, we hold ourselves accountable to the highest standards of corporate governance and public access to information about our company.

Sustainability governance

Chaired by CCEP Board Director, Alfonso Libáno, the CSR Committee meets five times a year and is primarily responsible for overseeing our progress on sustainability. The Committee manages our CSR risks and issues and approves our sustainability commitments and targets, ensuring that stakeholders' views are taken into account.

In accordance with the precautionary principle, sustainability is taken into account in the development process for any major project, product or new investment, and is built into our annual and long-range business planning processes. Progress against our sustainability commitments and targets will be reported each year.

← **María García**,
E&C Senior Legal Advisor, Spain

 **See more:** Further information about our approach to risk and governance can be found on www.ccep.com



Risk management

Our approach to Enterprise Risk Management

Our risk management programme helps us to understand our enterprise risks and to manage them effectively.

To ensure that we have sufficient oversight of the risks that could affect our strategic priorities, we have established an Enterprise Risk Management programme that reviews both enterprise risks and local operational risks. Strategic risks are reported to our corporate Compliance and Risk Committee, chaired by the Chief Compliance Officer and made up of members of our Leadership Team (LT) and other senior leaders. Local operational risks are managed by local Compliance and Risk Committees within each of our business units.

CCEP's Enterprise Risk Management department coordinates risk assessments for each of our business



units and functions. These risk assessments will inform CCEP's annual and long-range business plans.

Principal risks

CCEP's Enterprise Risk Assessment process is a key component of our governance routines. Through interviews with members of the Board and the Audit Committee, and a risk survey to our top 250 leaders, we have identified CCEP's eight principal risks. Each of these is assigned to a specific Board committee and a member of the Leadership Team. All the principal risks are assessed by the Board and the Audit Committee. Lauren Sayeski is the Leadership Team member responsible for CSR, reporting to the CSR Committee.



See more: [More information on our risks can be found in CCEP's Annual Report.](#)

Ethics and Compliance

Our Ethics and Compliance framework

CCEP's Ethics and Compliance programme is based on our commitment to conduct our operations in a lawful and ethical manner, and upon the integrity of each and every one of our employees.

We have established a company-wide Ethics and Compliance programme, overseen by CCEP's Audit Committee. This programme is applicable to our employees, our officers and our directors. It also supports how we work with our customers, our suppliers and other third parties. In 2016, CCEP's Board of Directors established a fully dedicated Ethics and Compliance department, approved the key elements for CCEP's Ethics and Compliance framework and agreed CCEP's key compliance risks.

Code of Business Conduct

In 2017, CCEP will issue a new Code of Business Conduct (COBC), approved by our Board of Directors and overseen by our Ethics and Compliance department. This will



apply to all employees. Until this time, the COBCs of the three bottlers which formed CCEP remain in force.

CCEP's new COBC acts as a road map for its employees on how to do things the right way, and how to report if things are not done the right way.

CCEP's COBC will cover, among other items, share dealing, anti-corruption, data protection, environmental regulation and managing gifts and hospitality. It will also align with the UN Global Compact, the US Foreign Corrupt Practices Act, the UK Bribery Act, the UK Corporate Governance Code and Sapin 2. Related Ethics and Compliance programme policies will be approved by a member of the Leadership Team.

We expect our customers and suppliers to respect the business principles in our COBCs. Our Supplier Guiding Principles reflect and communicate our principles and emphasise to our suppliers the importance of responsible workplace policies and practices, and respect for human rights and environmental protection. We also ensure that CCEP and its suppliers respect the UK's Modern Slavery Act.

In 2016, we received no fines for COBC violations.



See more: [To download the CCEP's COBC and key Ethics and Compliance policies, please visit \[www.ccep.com\]\(http://www.ccep.com\)](#)

Code of Business Conduct violations reported in 2016 by type
 In 2016, CCEP had 171 reported violations of our existing COBCs.

| | | |
|---|------------|-------------|
| Number of confirmed incidents of corruption | 0 | 0% |
| Maintaining accurate records ¹ | 71 | 42% |
| Protecting company assets | 31 | 18% |
| Working with each other | 21 | 12% |
| Working with customers and suppliers | 14 | 8% |
| Promoting health and safety in the workplace | 9 | 5% |
| Preventing substance abuse | 8 | 5% |
| Integrity in the company | 7 | 4% |
| Avoiding conflicts of interest | 5 | 3% |
| Substantive matters: commitments | 3 | 2% |
| Guiding principles for actions with third parties | 1 | 1% |
| Total number of reported violations | 171 | 100% |
| Number of confirmed incidents resulting in termination of contract | 72 | 42% |
| Number of confirmed incidents resulting in employee disciplinary action | 54 | 32% |

1. 'Maintaining accurate records' breaches were related to non-financial misstatements.

Raising concerns

At CCEP, retaliation for whistle-blowing is prohibited. In each of our territories, we have established a way for employees to raise concerns about breaches to their local COBCs. This includes processes for employees to contact a line manager, and provides information through a dedicated complaints channel. Information about the whistle-blowing channel in each territory is made available on local intranet sites² and is shared during training programmes³.

Potential violations are dealt with by local COBC Committees, chaired by the VP Legal for each country. In a process now harmonised across CCEP, local COBC Committees investigate cases and submit an anonymous monthly report to the company-wide COBC Committee, which is chaired by CCEP's Chief Compliance Officer. This has oversight of all (potential) COBC violations and is able to address trends with senior leadership and review whether the COBC is being applied consistently. An overview of all reported incidents is provided to the Audit Committee.



See more: To view our statement on the UK's Modern Slavery Act, please visit www.ccep.com/modernslavery

Training

Our employees undergo COBC training regularly and new recruits receive training as part of their induction. The launch of the new COBC in 2017 will be supported by training and awareness programmes for all employees. Training in 2016 consisted of COBC e-learning and anti-corruption courses for former CCE employees. In the former Coca-Cola Iberian Partners countries, employees received criminal risk prevention training (covering compliance policies). For CCEP, share dealing training was completed for those employees on the black-out list.



2. Not available in Germany in 2016.
 3. Not available in Germany, Iberia and Iceland in 2016.

Hilmar Geirsson, →
 Marketing specialist, Iceland