Statement from the Remuneration Committee Chairman

"Our remuneration policy continues to deliver on our key objectives and no fundamental changes to the remuneration policy are proposed."

John Bryant,
Chairman of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' remuneration report for CCEP for the year ended 31 December 2022. This includes our broadly unchanged remuneration policy (pages 122-129), which shareholders are asked to approve at our 2023 AGM. We have also set out our Annual report on remuneration (ARR) (pages 130-140), which outlines how we implemented the policy during 2022 and how we intend to do so in 2023. This will be subject to an advisory vote at our 2023 AGM.

I am also pleased to introduce myself as the new chairman of CCEP's Remuneration Committee, having taken over from Christine Cross with effect from December 2022. As part of our handover, we have worked closely together and with the rest of the Remuneration Committee in reviewing our current remuneration policy. I would like to thank Christine for her valuable contribution in chairing the Remuneration Committee and remaining as a member of the Committee until she steps down from the Board at the 2023 AGM.

Revised remuneration policy

During the year we undertook a full review of our remuneration policy, including considering how any revised policy would be implemented for 2023, to ensure that it remains aligned with our key objectives of being:

- Focused on delivering our business strategy
- Simple, transparent and aligning the interests of management and shareholders
- Based on variable remuneration which is performance-related against stretching targets
- Able to be cascaded through the organisation and applicable to the wider workforce
- Able to support the recruitment, development and retention of top talent

As part of this process, we engaged with our largest 15 shareholders and representative bodies who did not raise any major concerns with our current policy.

After due consideration, the Committee determined that the current remuneration policy continues to deliver on our key objectives and remains aligned with our shareholders' interests and best practice.

On this basis we are not intending to make any significant changes to the remuneration policy or how the policy will be implemented for 2023. However, minor wording changes have been made to ensure the remuneration policy accurately reflects current practice.

Alongside seeking approval for the remuneration policy, we will also be seeking approval for the revised Long-Term Incentive Pan (LTIP) Rules at the AGM in May 2023. No material changes to the operation of the LTIP are proposed, however, the current rules are due to expire shortly and we are taking this opportunity to ensure the rules reflect latest market and best practice, and will support operation of the Plan for the 10 year life of the Rules.

We are confident that the revised policy will continue to provide a remuneration framework for the next three years that supports the business to meet its objectives in a manner which is aligned with good governance.

Statement from the Remuneration Committee Chairman continued

Remuneration outcomes for 2022

Annual bonus

The strong overall business performance outlined in the Strategic Report has been reflected through the annual bonus with performance against all three financial metrics being above target. Revenue and comparable operating profit increased year on year by 26.0% and 20.5% respectively. This, alongside strong free cash flow generation, has resulted in an overall Business Performance Factor (BPF) of 172% of target being achieved. The strong business performance is also a reflection of the exceptional leadership of the CEO throughout 2022, which resulted in a maximum Individual Performance Factor (IPF) of 1.2x being awarded to him. The final bonus payment to the CEO was 86% of maximum. Further details are provided on pages 130-131 of the ARR.

2020 Long-Term Incentive Plan

The 2020 LTIP award, granted in March 2020, was subject to earnings per share (EPS), return on invested capital (ROIC) and CO_2e reduction performance targets over the three year period to 31 December 2022. Around 260 senior executives and management participated in the scheme, including the CEO.

Following the Acquisition in 2021, revised targets for the combined business were set in September 2021 and were fully disclosed in last year's remuneration report.

Performance over the last three years has been strong, resulting in an overall formulaic vesting level of 2.0x target.

In assessing the formulaic vesting outcome, the Committee also undertook a holistic assessment of overall performance over the three year period to determine whether the formulaic outcome was an appropriate vesting level for all participants and reflected underlying Company performance. The Committee took into account a wide range of performance reference points including financial performance, returns to shareholders, the wider stakeholder experience, and our sustainability achievements (as disclosed in detail on page 132 of the ARR).

As a result of the assessment, the Committee determined the overall performance of the business to be strong, but considered it appropriate to apply downwards discretion in respect of the final vesting level for the CO_2e reduction measure and cap this at target. This reduced the overall vesting level to 1.85x target, and the Committee believes this to be a fair reflection of overall performance.

This is estimated to have a final vesting value for the CEO of £6.7 million. Over a third (£2.1 million) of the value of this award is a result of strong share price growth over the period, which has delivered more than £8 billion of value to shareholders.

Implementation of remuneration policy in 2023

The Committee considers that our overall remuneration framework remains fit for purpose and, subject to shareholder approval at the 2023 AGM, will implement our broadly unchanged remuneration policy for 2023 on the same basis as for 2022 (see pages 122-129 for further details).

The Committee has approved a 2.0% salary increase for the CEO, effective 1 April 2023, which is significantly lower than the 6% merit increase for the wider GB workforce.

The structure of the 2023 annual bonus will be unchanged from last year, with the business performance element being based on stretching performance targets for operating profit, revenue and operating free cash flow. For the CEO, his individual element will be assessed against objectives aligned to the key strategic areas of focus of the business, which include: market share, competitiveness, and inclusion, diversity & equity. See page 138 of the ARR for further detail.

The 2023 LTIP award will continue to be based on a mix of EPS, ROIC, and CO_2e reduction. The financial targets have been set at stretching levels taking into account both our long-term plan and external forecasts.

Following the end of the performance period, LTIP awards will be subject to an additional two year holding period.

Looking ahead

We intend for our new remuneration policy to remain in place for the next three years. However, we will continue to engage with shareholders to ensure we are implementing the policy in a way which is aligned with both good governance and commercial best practice.

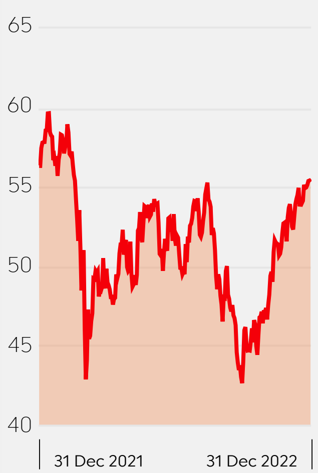
Our remuneration policy and outcomes reflect a strong emphasis on performance-related pay, aligned to shareholder interests and our strategic aims. I hope we continue to receive your support in respect of our revised policy and ARR at our forthcoming AGM in May 2023.

John Bryant,
Chairman of the Remuneration Committee
17 March 2023

Remuneration at a glance

Overview of 2022 remuneration performance

CCEP share price(A) (US$)



(A) NASDAQ listing

Annual bonus outcomes

Operating profit

1.45x target

Operating free cash flow

1.97x target

Revenue

2.00x target

Bonus pay out = 86% of maximum (Including IPF of 1.2x)

Reported long-term KPIs

Comparable EPS(B)

2020	1.80
2021	2.83
2022	3.39

ROIC(B)

2020	7.6%
2021	9.2%
2022	9.1%

CO_2e reduction per litre

2022	15.3%

(Europe reduction 2019-2022)

2022 CEO single figure

Fixed pay	Annual bonus	LTIP
£1.4m (12%)	£3.7m (31%)	£6.7m (57%)

- Fixed pay
- Annual bonus
- LTIP

2022 Total value

£11.8m

CEO shareholding

As at 31 Dec 2022	1,500% of salary
Target	300% of salary

- Current shareholding
- Shareholding requirement

Overview of 2023 CEO remuneration framework

Fixed pay +

Base salary

2.0% increase for 2023

£1.24m

Benefits

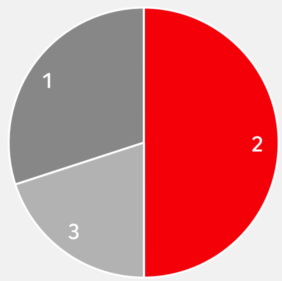
- Car allowance
- Private medical
- School fees
- Financial planning

Pension

Cash in lieu aligned to wider workforce

£26k

Annual bonus +



1	Revenue	30%
2	Operating profit	50%
3	Operating free cash flow	20%

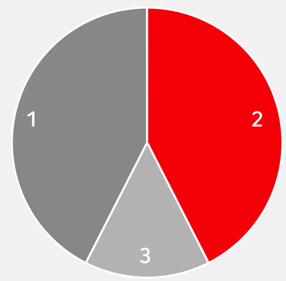
0x–1.2x

Individual multiplier

Target	Maximum
150%	360%

- Target
- Maximum

LTIP



1	ROIC	42.5%
2	EPS	42.5%
3	Reduction in CO_2e	15%

Target	Maximum
250%	500%

- Target
- Maximum

All references to revenue, operating profit, operating free cash flow, EPS and ROIC targets for 2023 refer to those measures that are defined within the ARR

(B) Comparable EPS and ROIC are non-GAAP performance measures. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and to pages 75-85 for a reconciliation of reported to comparable results.

Read more in the Annual report on remuneration from page 130

Remuneration policy

Our current remuneration policy was approved by shareholders at the AGM on 27 May 2020. As required under Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), shareholders will be asked to approve a new remuneration policy at our AGM in May 2023.

It is intended that the new remuneration policy will apply for the next three years with effect from the date of the AGM.

During 2022, the Remuneration Committee reviewed the remuneration policy to ensure that it continues to be:

- Focused on delivering our business strategy
- Simple, transparent and aligning the interests of management and shareholders
- Based on variable remuneration which is performance-related against stretching targets
- Able to be cascaded through the organisation and applicable to the wider workforce
- Able to support the recruitment, development and retention of top talent

The Remuneration Committee consulted with our largest shareholders and their representative bodies on the remuneration policy and took any feedback into account when finalising the new remuneration policy.

Based on this review, the Remuneration Committee determined that the current remuneration framework continues to meet the objectives set out above and so no significant changes to the remuneration policy have been made. However, minor wording changes have been made to ensure the remuneration policy accurately reflects current practice.

As part of its review, the Remuneration Committee addressed the following principles, as recommended in the revised 2018 UKCGC.

Clarity

Our remuneration policy is designed to allow our remuneration arrangements to be structured such that they clearly support, in a sustainable way, our financial objectives and strategic priorities.

The Remuneration Committee remains committed to reporting on our remuneration practices in a transparent, balanced and understandable way.

Simplicity

The Remuneration Committee recognises the importance of simplicity. This is embedded in the new remuneration policy through its three main elements:

- Fixed: comprising base salary, benefits (e.g. private medical insurance) and a pension which is aligned to that offered to the local workforce
- Short-term: an annual performance-related bonus that incentivises and rewards the delivery of a balanced selection of financial and non-financial targets over the financial year
- LTIP: incentivises performance over a three year period, promoting long-term sustainable value creation. It is delivered in Shares, which are subject to a two year post-vesting holding period.

Risk

The Remuneration Committee ensures that our remuneration arrangements remain aligned with the business' risk appetite, policies and systems, as well as its strategy.

Awards under the variable incentive plans are subject to a wide range of malus and clawback provisions, while the two year post-vesting holding period for LTIP awards strengthens the alignment of Executive Director pay with shareholders' interests. The CEO is required to build up a shareholding of 300% of salary in Shares which must be retained for one year post-employment. This provides further alignment with long-term shareholder interests.

The Remuneration Committee has discretion to adjust the formulaic outcome of incentive arrangements, taking into account all relevant factors, to further mitigate the risk of incentives vesting in inappropriate circumstances.

Predictability

The scenario charts on page 125 show the possible reward outcomes in a variety of performance scenarios. These charts include a scenario whereby the Company's share price increases by 50% over the three year LTIP performance period.

Proportionality

Over 75% of an Executive Director's package is performance based, with measures and targets designed to be appropriately stretching, providing a clear link to the delivery of short-term and long-term shareholder value. The measures are intended to be balanced to ensure that the relevant aspects of an Executive Director's performance is covered.

The use of discretion ensures that performance outcomes can be considered in the context of underlying performance.

Remuneration policy continued

Alignment to culture

CCEP has an entrepreneurial culture that drives it to move quickly, has a passion for growth and a commitment to our customers. Acting with integrity and accountability underpins this.

The remuneration policy is designed to be aligned with this culture, with balanced and stretching short-term and long-term performance measures and targets, complemented by malus and clawback and discretionary overrides. In combination, these will enable the Remuneration Committee to ensure that executive remuneration is appropriate from a cultural perspective.

The Remuneration Committee considers a number of wider workforce themes as part of its annual cycle, including workforce demographics, engagement levels and diversity. We encourage our employees to participate in all employee share schemes. In 2022, we introduced the new ESPP across the whole of CCEP, strengthening our commitment to create an ownership mindset among the workforce.

The following sections set out our new remuneration policy.

Policy table for Executive Directors

The table below summarises each element of the remuneration policy for Executive Directors and any other individual who is required to be treated as an Executive Director under the applicable regulations, with further details set out after the table. Currently, the CEO is the only Executive Director.

Base salary	No material change to previous policy
Purpose and link to strategy	• Core element of remuneration used to provide competitive level of fixed salary for Executive Directors of the calibre required for the long-term success of the business.
Operation	• Paid in cash and pensionable. • Typically reviewed annually. • In reviewing salaries, consideration is given to a number of internal and external factors including business and individual performance, role, responsibilities, scope, market positioning, rate relative to other internal pay bands to ensure succession pay headroom, inflation and colleague pay increases.
Opportunity	• While there is no prescribed formulaic maximum, annual increases will normally take into account the overall business performance and the level of increase awarded to the general relevant workforce. • Where the Remuneration Committee considers it necessary and appropriate, larger increases may be awarded in individual circumstances, such as a change in scope or responsibility or where a new Executive Director is appointed at a lower than market rate and the salary is realigned over time as the individual gains experience in the role. Salary adjustments may also reflect wider market conditions, for example in the geography in which the individual operates.
Performance conditions	• None, although individual performance will be taken into account when determining the appropriateness of base salary increases, if any.

Benefits	No material change to previous policy
Purpose and link to strategy	• Competitive and market aligned benefits for Executive Directors of the calibre required.
Operation	• A range of benefits may be provided, including, but not limited to, the provision of a company car or car allowance, the use of a driver, financial planning and tax advice, private medical insurance, medical check ups, personal life and accident assurance and long-term disability insurance. Other benefits may be provided if considered appropriate to remain in line with market practice. • Expenses incurred in the performance of executive duties (including occasional expenses associated with spouse accompanying the Executive Director on business travel or functions as required) for CCEP may be reimbursed or paid for directly by CCEP, as appropriate, including any tax due on the benefits. • CCEP may also meet certain mobility costs, such as relocation support, housing and education allowances and tax equalisation payments. • Executive Directors are eligible to participate in all employee share plans on the same basis and with the same vesting period as other employees.
Opportunity	• The value of benefits provided will be reasonable in the context of relevant market practice for comparable roles and taking into account any individual circumstances (e.g. relocation). It is not possible to state a maximum for all benefits as some will depend on individual circumstances (e.g. private medical insurance) and some may depend on family circumstances (e.g. relocation/housing/schooling allowances). • The Remuneration Committee keeps the level of benefit provision under review. • Participation in all employee share plans on the same basis as other employees up to the statutory limits .
Performance conditions	• None

Pension	No material change to previous policy
Purpose and link to strategy	• Provides an income for Executive Directors following their retirement in arrangements consistent with those offered to other employees in the relevant location.
Operation	• Executive Directors can participate in the same plan as other local employees and on the same basis. CCEP reserves the right to amend a pension arrangement for Executive Directors over the life of this remuneration policy to reflect changes to the broader employee arrangements.
Opportunity	• The current CEO can participate in the UK Defined Contribution pension plan or can opt out and receive a partial cash alternative on the same basis as other employees in GB. • The current maximum annual employer contribution, inclusive of employer social security costs, is £30,000.
Performance conditions	• None

Remuneration policy continued

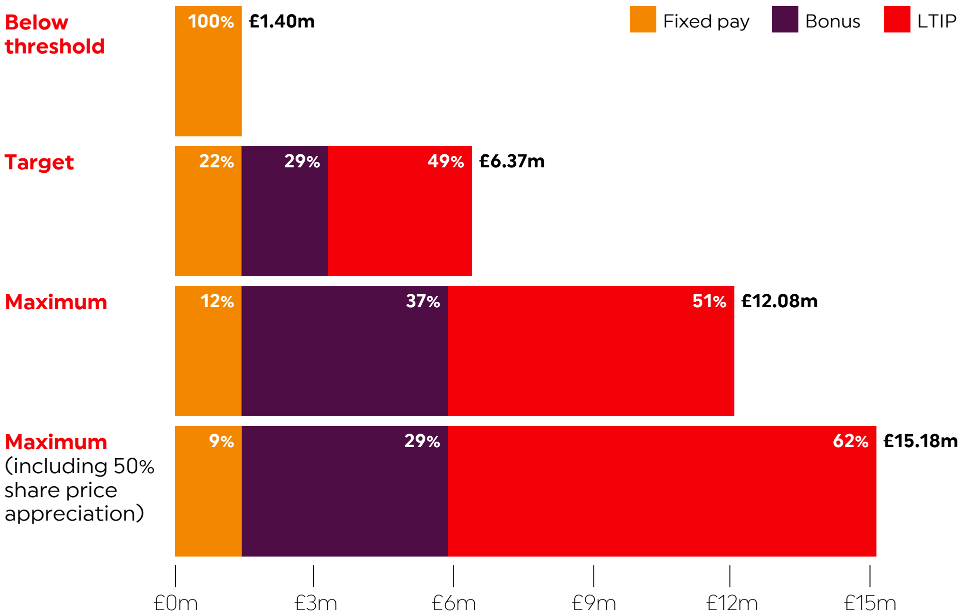
Annual bonus	No material change to previous policy
Purpose and link to strategy	• To incentivise the delivery of the business plan on an annual basis, and reward performance against key indicators which are critical to the delivery of the strategy.
Operation	• Performance is measured over one year, with the bonus normally payable fully in cash after year end, with no deferral. • The bonus is based on a combination of a Business Performance Factor (BPF) and an Individual Performance Factor (IPF). • The Remuneration Committee may exercise its discretion to adjust the formulaic outcome of the bonus up or down (subject to the maximum bonus opportunity set out below) taking into account all relevant factors, including but not limited to: underlying business performance, individual performance and wider business circumstances. • The Remuneration Committee has the ability to apply both malus and clawback provisions to bonuses.
Opportunity	• Target bonus is 150% of base salary. • The bonus is calculated by multiplying the target bonus by a BPF (with a range of 0–200%) and an IPF (with a range of 0–120%). • The maximum bonus opportunity is 360% of salary. • 25% of the target BPF (37.5% of salary) is payable for threshold business performance. The threshold for the IPF is 0% of maximum.
Performance conditions	• Business and individual performance measures, weightings and targets are set annually to align with the strategic plan, with the majority of the annual bonus being based on financial performance measures. • The Remuneration Committee ensures that targets are appropriately stretching in the context of the strategic plan and that there is an appropriate balance between incentivising Executive Directors (i) to meet financial targets for the year and (ii) to deliver specific non-financial goals. This balance allows the Remuneration Committee to reward performance effectively against the key elements of the strategy. • Each year, the annual performance targets set in the prior year are published in the ARR (unless considered commercially sensitive). • The Remuneration Committee will retain the discretion to amend subsisting performance measures and/or targets in exceptional circumstances (e.g. significant transactions), where it considers that they no longer remain appropriate.

LTIP	No material change to previous policy
Purpose and link to strategy	• Recognises and rewards delivery of Group performance over the longer term and delivered in Shares to provide alignment with shareholder interests.
Operation	• Awards of conditional Shares (or equivalent) with vesting dependent on performance measured over at least three financial years. • Shares acquired on vesting of an award (post-tax) are subject to an additional two year holding period following the vesting date. • Dividends (or equivalents) may accrue during the vesting period on Shares that vest and be paid in cash or Shares at vesting. The Group's current practice is to pay in cash. • The Remuneration Committee has the ability to apply both malus and clawback provisions to awards. • The Remuneration Committee may exercise its discretion to adjust the formulaic vesting outcome up or down (subject to the maximum LTIP opportunity set out below) taking into account all relevant factors, including but not limited to: underlying business performance, individual performance and wider business circumstances.
Opportunity	• The maximum annual award is 500% of salary. • For threshold levels of performance, 12.5% of the maximum award vests.
Performance conditions	• The Remuneration Committee will align the performance measures under the LTIP with the long-term strategy of the Group with measures focused on delivering sustainable value creation. • Prior to each grant, the Remuneration Committee will select performance measures and weightings and determine targets. Performance measures may be financial, non-financial, share price based, strategic, or determined on any other basis that the Remuneration Committee considers appropriate reflecting strategic priorities. • Currently, the performance measures used are EPS, ROIC, and CO_2e reduction. Targets are intended to be set at appropriately stretching levels of performance in the context of the strategic plan. • The Remuneration Committee will retain the discretion to amend subsisting performance measures and/or targets in exceptional circumstances (e.g. significant transactions), where it considers that they no longer remain appropriate, although it would only do so following consultation with major shareholders.

Remuneration policy continued

Illustration of the application of the remuneration policy

The Remuneration Committee considers the level of remuneration that may be received under different performance outcomes to ensure that this is appropriate in the context of the performance delivered and the value added for shareholders.



The chart above provides illustrative values of the remuneration package for the CEO in 2023 under four assumed performance scenarios.

	Assumed performance	Assumptions
Fixed pay	All scenarios	• Base salary of £1,241,440 effective from 1 April 2023 • Pension allowance of £26,000 • Benefits – assumed £135,000, which is the value received in 2022
Variable pay	Below threshold	• No pay out under the annual bonus plan • No vesting under the LTIP • No share price growth assumed
	Target performance	• Target annual bonus, representing 150% of base salary • Target LTIP[(A)] award, representing 250% of base salary • No share price growth assumed
	Maximum performance	• Maximum annual bonus, representing 360% of base salary • Maximum LTIP[(A)] award, representing 500% of base salary • No share price growth assumed
	Maximum performance including 50% share price growth	• As above for maximum performance but includes share price appreciation in respect of the LTIP[(A)] of 50% during the performance period

(A) LTIP awards may accrue dividend equivalents but the potential value of these has not been included in the analysis above.

Remuneration policy continued

Share ownership guidelines

The CEO is required to hold 300% of their base salary in Company Shares. The guideline is expected to be met within five years of appointment. Until the guideline is met, 50% of any vested Shares from incentive awards (post-tax) must be retained. The guideline continues to apply for one year following termination of employment.

Malus and clawback

The Remuneration Committee has the ability to operate malus and clawback under the annual bonus and LTIP.

This provides the Remuneration Committee with the ability to restrict or reclaim payments to Executive Directors in circumstances where it would be appropriate to do so.

The circumstances in which the malus and clawback provisions may be invoked are:

Actions/conduct of individual	• Dismissal for cause • Misbehaviour • Conduct resulting in significant loss • Failure to meet appropriate standards of fitness and propriety • Behaviour which significantly contributes to reputational damage for CCEP
Risk	• Material failure of risk management
Financial accounts	• Material misstatement in the audited consolidated accounts • Error in the determination of the vesting of an award (subject to clawback only)
Regulatory requirement	• Any recovery requirement in line with applicable regulations

In such circumstances, where the Remuneration Committee considers it appropriate, it may apply the provisions set out below:

Annual bonus	• Malus may be applied during the performance period to reduce (including to nil) the annual bonus pay out. • Clawback may be applied for up to two years post-payment of the bonus, to recover some (or all) of any amount paid out.
LTIP	• Malus may be applied before the vesting of an award to reduce (including to nil) the level of vesting of the award. • Clawback may be applied for up to two years post-vesting of the award, to recover an amount in cash or Shares relating to the value of any award already delivered. Alternatively, an existing award may be reduced by the same amount.

External appointments

Executive Directors are permitted to hold one external appointment with the prior consent of the Board. Any fees may be retained by the individual. At the time that this policy will come into operation the current CEO is not expected to have such external appointments.

Consideration of wider employee pay and conditions

The Remuneration Committee receives an annual report in respect of wider workforce remuneration, covering topics such as workforce demographics, engagement, pay and reward policies, culture and behaviours initiatives, and diversity initiatives. This information was considered when the remuneration policy was reviewed. It is also considered when the Remuneration Committee decides how it should implement the policy each year.

The Remuneration Committee considers, in particular, the budgeted salary increases for the broader relevant employee population when determining how to implement the remuneration policy for Executive Directors in any year. It is expected that future salary increases for Executive Directors will be no more than the general all-employee increase in the country where they are based, except in exceptional circumstances, such as where a recently appointed Executive Director's salary is increased to reflect his or her growth in the role over time or where significant additional responsibilities are added to the role.

The annual bonus metrics and related targets for Executive Directors are aligned with those of senior management and are cascaded through the organisation, adjusted in some cases for local market context. The performance metrics for LTIP awards are normally the same for all participants. Executive Directors may participate in all employee share plans on the same basis as other employees.

The Remuneration Committee does not consult directly with employees as part of the process of setting the policy.

Scope of remuneration policy

The Remuneration Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretion available to it in connection with such payments) notwithstanding that they are not in line with the remuneration policy set out above when the terms of the payments were agreed:

(1) before the AGM on 22 June 2017 (the date our first shareholder approved Directors' remuneration policy came into effect);

(2) before the remuneration policy set out above comes into effect, provided that the terms of the payment were consistent with the shareholder approved remuneration policy in force at the time they were agreed; or

(3) at a time when the relevant individual was not a Director of CCEP (or other person to whom this remuneration policy applies) and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director (or other such person) of the Company. For these purposes "payments" includes the Remuneration Committee satisfying awards of variable remuneration.

Awards under the LTIP are subject to the plan rules under which the awards were granted. The Remuneration Committee may adjust or amend awards in accordance with the provisions of the plan rules and as outlined elsewhere in this report.

Remuneration policy continued

In the event of any variation of the Company's share capital, demerger, delisting, or other event which may affect the value of awards, the Remuneration Committee may adjust or amend the terms of awards in accordance with the rules of the plan.

The Remuneration Committee may also make minor amendments to the remuneration policy set out in this report, without obtaining shareholder approval if they are required for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation.

Recruitment policy

The following table sets out the various components which would be considered for inclusion in the remuneration package for the appointment of an Executive Director and the approach to be adopted by the Remuneration Committee in respect of each component.

Element	Policy and operation
Policy application	• The Remuneration Committee's approach when considering the overall remuneration arrangements on the recruitment of an Executive Director from an external party is to take account of the Executive Director's remuneration package in their prior role, the market positioning of the remuneration package, and not to pay more than necessary to facilitate the recruitment of the individual. • Where an Executive Director is appointed from within the business, in addition to considering the matters detailed above for external candidates, our normal policy is that any legacy arrangements would be honoured in line with the original terms and conditions. • With the potential for internal succession planning in mind, CCEP will strive for alignment, where appropriate, between the approach taken at the Executive Director level and at other senior levels, ensuring that an appropriate pay progression is in place, thus facilitating talent development and succession planning.
Fixed elements	• Salary levels drive other elements of the package and would therefore be set at a level which is competitive, but no more than necessary. • The Executive Director would be eligible to participate in any benefit and/or pension arrangements which were operated for Executive Directors at the time, in accordance with the terms and conditions of such arrangements. These will align with the arrangements provided for the wider workforce. • The Company may meet certain mobility costs as required, including, for example, relocation support, expatriate allowances, temporary living and transportation expenses in line with the prevailing mobility policy and practice for senior executives.
Annual bonus	• The individual will be eligible to participate in the annual bonus plan, in accordance with the rules and terms of the plan in operation at the time. • The maximum level of opportunity will be no greater than that set out in the Policy table above (i.e. 360% of base salary).
Long-term incentives	• The individual will be eligible to participate in the LTIP, in accordance with the rules and terms of the plan in operation at the time. The maximum level of opportunity will be no greater than that set out in the Policy table above (i.e. 500% of base salary).
Buy out awards	• The Remuneration Committee will consider what buy out awards (if any) are necessary to facilitate the recruitment of a new Executive Director. This includes an assessment of the awards forfeited on leaving their current employer. In determining the quantum and structure of these commitments, the Remuneration Committee will seek to provide no more than the equivalent value and replicate, as far as practicable, the form, timing and performance requirements of the awards forfeited. Buy out share awards, if used, will be granted using the Company's existing LTIP to the extent possible, although awards may also be granted outside this plan if necessary and as permitted under the Listing Rules. In the case of an internal hire, any outstanding awards made in relation to the previous role will be allowed to be paid out according to their original terms. If promotion is part way through the year, an additional top-up award may be made to bring the Executive Director's opportunity to a level that is appropriate in the circumstances.

Remuneration policy continued

Service contracts and loss of office arrangements

The Remuneration Committee's policy on service contracts and termination arrangements for Executive Directors is set out below. On principle, it is the Remuneration Committee's policy that there should be no element of reward for failure. The Remuneration Committee's approach when considering payments in the event of a loss of office is to take account of the individual circumstances including the reason for the loss of office, Group and individual performance, contractual obligations of both parties as well as statutory requirements, share and pension plan rules.

The key employment terms and conditions of the current Executive Directors, as stipulated in their service contracts, are set out below:

Overall	Policy and operation
Notice period	• Executive Directors are employed on a rolling service contract which provides for a notice period of 12 months from the Company and 12 months from the individual. • New Executive Directors will be appointed on rolling service contracts with a notice period of not more than 12 months for both the Group and the individual. • The Remuneration Committee considers this policy provides an appropriate balance between the need to retain the services of key individuals for the benefit of the business and the need to limit the potential liabilities of the Group in the event of termination.
Contractual payments	• The standard Executive Director service contract does not confer any right to additional payments in the event of termination though it does reserve the right for the Group to impose garden leave on the Executive Director during any notice period. In the event of redundancy, benefits would be paid according to the Company's GB redundancy policy prevailing at that time.

Overall	Policy and operation
Annual bonus	• Executive Directors may be eligible for a pro rata bonus for the period served, subject to performance. • No bonus will be paid in the event of gross misconduct.
Long-term incentives	• The treatment of unvested long-term incentive awards is governed by the rules of the plan. • Guidelines for normal treatment under the LTIP: – Resignation or termination for cause: the award is forfeited. – Death, ill-health, injury or disability: the award will normally vest in full. – Redundancy or other involuntary termination: the award will normally vest on the original vesting date, pro-rated for time served, and subject to performance conditions. – Good leaver: the Remuneration Committee may determine that a participant who ceases employment for any other reason (e.g. retirement, departure by mutual agreement) be treated as a 'good leaver' in which case the award will normally vest on the original vesting date, pro-rated for time served and subject to performance conditions. – Change of control: the award normally vests pro-rated for time served and subject to performance conditions. Alternatively, the award may be exchanged for awards in the acquiring company. – Vested LTIP awards still subject to a holding period will normally be released from the holding period in line with the usual timescales. • The Committee has discretion under the rules of the plan to disapply time pro-ration, or accelerate the vest date of awards for certain leaver scenarios, e.g. in the event of a good leaver or certain change of control events. • LTIP awards for participants who leave the Group to join TCCC or a franchise company of TCCC may continue to vest under the original terms. Alternatively should the awards lapse they may receive a cash payment in lieu. The cash payment will normally be equal to the value of the Shares they would have received, paid at the time they would have received them.

The cost of legal fees spent on reviewing a settlement agreement on departure, or other professional fees and settlement of any legal obligations or claims by a director, may be provided where appropriate. The Company also reserves the right to pay for outplacement services as appropriate.

Remuneration policy continued

Policy table for NEDs

The table below summarises the remuneration policy for NEDs.

Purpose and link to strategy	• To attract and retain high calibre individuals by offering market competitive fee arrangements.
Operation	• NEDs and the Chairman receive a basic fee in respect of their Board duties. • Further fees may be paid for specific committees or other Board duties. • Fees are set at a level which is considered appropriate to attract and retain the calibre of individual required by the Company. Fees will be reviewed and may be increased periodically. • Annual fees are set in UK sterling and may be received in alternative currencies at the election of the NED, using the applicable spot rate. • The Chairman and NEDs are not eligible for incentive awards or pensions. • Expenses incurred in the performance of non-executive duties (including occasional expenses associated with spouse accompanying the Chairman or NED on business travel or functions as required) for the Company may be reimbursed or paid for directly by CCEP, as appropriate, including any tax due on the benefits. • Additional small benefits may be provided.
Opportunity	• The Articles provide that the total aggregate remuneration paid to the Non-executive Chairman and the NEDs will be within the limits set by shareholders.

The NEDs, including the Chairman of the Board, do not have service contracts, but have letters of appointment. NEDs and the Chairman of the Board are not entitled to compensation on leaving the Board.

The election and re-election of Directors in accordance with the Shareholders' Agreement and Articles of Association is described on page 106 of the Corporate governance report

Consideration of shareholder views

The Remuneration Committee recognises the importance of building and maintaining a good relationship with shareholders.

The Remuneration Committee engaged with the Company's largest shareholders and their representative bodies in early 2023 in respect of the renewal of our remuneration policy, however no major concerns were raised with the policy proposed.

In future, the Remuneration Committee will continue to monitor shareholder views when evaluating and setting ongoing remuneration strategy, and will consult with shareholders prior to any significant changes to our remuneration policy.

Annual report on remuneration

Remuneration outcomes for 2022

The following pages set out details of the remuneration received by Directors for the financial year ending 31 December 2022. Prior year figures have also been shown. Audited sections of the report have been identified.

The Directors' remuneration in 2022 was awarded in line with the remuneration policy which was approved by shareholders at the AGM in May 2020.

Single figure table for Executive Directors (audited)

Individual	Year	Salary (£000)	Taxable benefits (£000)	Pension (£000)	Fixed pay (£000)	Annual bonus (£000)	Long-term incentives (£000)	Variable remuneration (£000)	Total remuneration (£000)
Damian Gammell	2022	1,208	135	26	1,369	3,730	6,720[(A)]	10,450	11,819
	2021	1,179	134	26	1,339	3,567	2,766	6,333	7,672

(A) Estimated value based on three-month average share price and exchange rate to 31 December 2022 of US$50.19 (£42.81) and includes £533,000 cash payment in respect of dividend equivalents to be paid on the vested Shares. Number will be restated in next year's single figure table to show the final value on the vesting date of 17 March 2023. Around £2,124,000 of the vest value is attributable to share price appreciation.

Notes to the single figure table for Executive Directors (audited)

Base salary

Damian Gammell received a salary increase of 3.25% from £1,178,787 to £1,217,098 effective from 1 April 2022. This increase was in line with the merit increase provided to the wider GB workforce of 3.25%.

Taxable benefits

During the year, Damian Gammell received the following main benefits: car allowance (£14,000), financial planning allowance (£10,000), schooling allowance (£75,000 net) and family private medical coverage (£8,000).

Pension

The pension provisions that apply to Damian Gammell are aligned to all other GB employees. Damian Gammell elected to receive a cash allowance in lieu of participation in the pension scheme. This equates to a payment of £30,000 from CCEP inclusive of employer National Insurance contributions (i.e. the actual benefit received by Damian Gammell is less than £30,000 per year).

Annual bonus

Overview of CCEP's annual bonus design

The 2022 CCEP annual bonus plan was designed to incentivise the delivery of the business strategy and comprised the following elements:

Business Performance Factor (BPF) – provides alignment with our core objectives to deliver strong financial performance against our main financial performance indicators of operating profit (50%), revenue (30%) and operating free cash flow (20%).

Individual Performance Factor (IPF) – individual objectives were also set for Damian Gammell focused on a number of areas which are aligned to key longer-term strategic objectives of the business.

In line with the remuneration policy, Damian Gammell had a target bonus opportunity of 150% of salary. Actual payments range from zero to a maximum of 360% of salary depending on the extent to which business and individual performance measures were achieved.

Target bonus (150% of base salary) × **BPF** (0x to 2.0x) × **IPF** (0x to 1.2x) = **Final bonus outcome** (0% to 360% of base salary)

2022 annual bonus outcome – BPF

Financial performance in 2022 has been strong, with performance for all three financial measures being above target.

		Performance targets			Performance outcomes	
Measure	Weighting	Threshold (0.25x multiplier)	Target (1x multiplier)	Maximum (2x multiplier)	Actual outcome	Multiplier achieved
Operating profit[(A)]	50%	€1,868m	€2,075m	€2,241m	€2,149m	1.45x
Revenue[(B)]	30%	€15,312m	€16,052m	€16,499m	€17,271m	2.00x
Operating free cash flow[(C)]	20%	€1,958m	€2,175m	€2,349m	€2,344m	1.97x
Total	**100%**					**1.72x**

(A) Comparable operating profit on a FX neutral basis at budget rates
(B) Revenue on a FX neutral basis at budget rates
(C) Comparable operating profit before depreciation and amortisation and adjusting for capital expenditures, restructuring cash expenditures and changes in operating working capital, on a FX neutral basis at budget rates

2022 annual bonus outcome – IPF

To determine an appropriate IPF, the Chairman of the Board assesses Damian Gammell's performance against the individual performance objectives that were set at the start of the year. The outcome is then discussed with and recommended by the Committee for final approval by the Board.

Damian Gammell once again provided exceptional leadership of the business during 2022 within a very challenging external environment. He delivered strongly against his individual objectives outlined below, and the Board determined that his IPF should be set at 1.2x for the year.

Annual report on remuneration continued

Further details of some of the specific objectives, which link to our strategy pillars (Great people, Great service, Great beverages, Done sustainably) achieved are included in the table below:

2022 objectives	Performance delivered	Strategic objective
Operating model review	• Full review undertaken with initial roll out in API	Great service
Volume and value share growth in sparkling	• Non-alcoholic ready to drink and sparkling soft drinks volume and value share growth versus 2021	Great beverages
Senior management gender ratio	• Senior management gender ratio in line with target to reach 2025 goal	Great people
Safety and wellbeing culture	• Group TIR of 0.87 • Delivery of safety and wellbeing programmes across CCEP, including integration of API	Great people
Plan for plastics	• Delivered ahead of plan for rPET. Group rPET usage of 48.5% (Europe 56.3%; API 26.9%).	Done sustainably
API integration	• Delivery of long-term plan for API markets	Great service

2022 annual bonus outcome – calculation

Based on the level of performance achieved, as set out above, this resulted in a cash bonus paid following the year end to Damian Gammell as follows:

Target bonus (150% of base salary) × **BPF** (1.72x) × **IPF** (1.20x) = **Final bonus outcome** (309% of salary)

Link to strategy

Great people | Great service | Great beverages | Done sustainably

Long-term incentives

Awards vesting for performance in respect of 2022

The 2020 LTIP award was subject to EPS, ROIC and CO_2e reduction performance targets measured over the three year performance period from 1 January 2020 to 31 December 2022. Following the Acquisition in 2021, revised targets for the combined business were set in September 2021 and were fully disclosed in last year's remuneration report. The performance outcome is shown in the table below.

		Performance targets[D]				
Measure	Weighting	Threshold (25% vesting)	Target (100% vesting)	Maximum (200% vesting)	Actual performance outcome	Final vesting level
EPS[A]	42.5%	€2.96	€3.15	€3.34	€3.39	2.00x
ROIC[B]	42.5%	8.2%	8.6%	9.1%	9.3%	2.00x
CO_2e reduction[C]	15%	6.0% per litre	8.0% per litre	10.0% per litre	15.3% per litre	2.00x[E]
Total formulaic vesting level						2.00x
Total vesting after discretion						1.85x

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for brand sales and material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire value chain in Europe.
(D) Straight-line vesting between each vesting level shown.
(E) Discretion applied to cap vesting level at 1.00x for the CO_2e reduction measure.

In assessing the formulaic vesting outcome of the 2020 LTIP, the Committee additionally undertook a holistic assessment of overall performance over the three year period to determine whether the formulaic outcome was an appropriate vesting level for all participants and reflected underlying Company performance. The Committee took into account a wide range of performance reference points, including financial performance, returns to shareholders, the stakeholder experience and our sustainability achievements, as described below. As a result of the assessment the Committee determined the overall performance of the business to be strong. However, the Committee considered it appropriate to apply downwards discretion in respect of the final vesting level for the CO_2e reduction measure and cap this at target. This reduced the overall vesting level to 1.85x target, and the Committee believes this to be a fair reflection of overall performance.

As the award does not vest until 17 March 2023 (the signing date of this report), the final value of the award has been estimated based on the average share price over the three-month period from 1 October 2022 to 31 December 2022 of US$50.19 (£42.81). This would result in a final pay out of around £6.7 million including the value of the cash payment to be received in respect of dividend equivalents accrued during the performance period (£533,000). As outlined in the Chairman's letter, over £2.1 million of this value is as a result of the significant increase in share price over the three year vesting period, which has delivered over £8 billion of value to shareholders over the same period. The actual value on the vesting date will be reported in next year's ARR.

Annual report on remuneration continued

Overall business performance

- NARTD value share growth over the performance period (2020 = +40 bps, 2021 = +40bps, and 2022 = +10bps).
- Largest FMCG value creator in Europe, and largest NARTD value creator in Australia and New Zealand – created over €1.3 billion of value in 2022 for our customers in Europe, Australia and New Zealand. Across the three year performance period we created €2.4 billion for customers across our markets, by focusing on core brands, in-market execution and revenue growth management initiatives.
- We committed to rebasing our cost base versus pre-pandemic levels. As a percent of revenue, our comparable operating expenses are lower now (FY22; 24%), not only compared to last year (FY21; 25%), but more importantly compared to 2019 (FY19; 26%).
- Strong adjusted free cash flow generation of €1.8 billion in 2022, ahead of our recently raised annual medium-term objective of at least €1.7 billion.

Shareholder experience

- Share price performance – highest share price in history of Company of US$62.30 achieved during the performance period. Share price at vesting was around two thirds above the grant price.
- Significant value delivered to shareholders through continued payment of dividends - FY22 dividend per share of €1.68, (+20.0% versus 2021), and cumulative dividends of €1.8 billion over the period, maintaining an annualised dividend pay-out ratio of approximately 50%.
- Strong TSR growth – 16% growth over the three year period, which was between median and upper quartile performance versus FMCG peers and outperformed both the FTSE 100 (4%) and Euronext 100 (13%).
- Total of over US$1.9 billion of value being delivered to shareholders over the three year performance period (€1.8 billion in dividends and €129 million in share buybacks).

Successful acquisition and integration of CCL

- Completed the Acquisition in May 2021 to become a truly global bottler, and solidify our position as the largest Coca-Cola bottler by revenue in the world.
- First full year as Coca-Cola Europacific Partners, integration now well advanced with portfolio reorientation initiatives nearing completion and strong financial performance in 2022 (achieving both revenue and operating profit ahead of pre-pandemic levels).

Continued delivery of our sustainability agenda

- CCEP's focus on long-term value creation and innovation positions sustainability at the heart of everything we do. Over the 2020 LTIP performance period we delivered the following in Europe:
  - Reduction in European total incident rate 2019–2022 from 1.45 to 1.04
  - Approximately 30% GHG emissions reduction across our value chain since 2010 and 11.4% since 2019
  - Reduction in water use ratio 2019–2022 from 1.60 to 1.57
  - Achieved >50% rPET target four years early in Europe, ending 2022 with an average of 56.3% PET used which is rPET

Wider workforce and other stakeholder experiences

- Our primary focus throughout the performance period, in the context of the global pandemic and macro geopolitical environment, was on the safety and wellbeing of our colleagues. This included emotional and mental wellbeing support through a COVID-19 support hub, an expanded Employee Assistance Programme, and a significant Mental Health First Aider programme to provide ongoing support to all employees.
- In recognition of the rising cost of living, one-off payments were delivered in 2022 to our lowest paid colleagues in selected markets.
- As disclosed in last year's remuneration report, there was limited financial impact on all employees during the pandemic with continued frontline and group incentive payouts, limited use of government support schemes with a total value received of less than 0.2% of total employee expenditure, and continued salary increases for all employees in 2020 and for over 75% of employees in 2021. In 2022, we launched our Employee Share Purchase Plan for all our colleagues.
- Focus on our communities – our staff in Europe volunteered 28,562 hours with a total of €12.2 million in community investment in Europe and API. Our Support my Cause initiative enables our people to nominate and support grassroots charitable and community causes. In 2022, we donated €270,000 to 38 local charities and community groups across our territories. In addition, we donated over €480,000 to support 135 grassroots charitable and community partnerships located close to our sites and offices. Following its success in Europe, we launched the programme in Indonesia and New Zealand in 2022.
- Focus on our customers – we have an unrivalled customer coverage with whom we jointly create value, with more than €2 billion added to the FMCG industry since 2020.

Annual report on remuneration continued

Awards granted in 2022 (audited)

A conditional award of performance share units (PSUs) was granted under the CCEP LTIP to Damian Gammell on 10 March 2022, with a target value of 250% of salary in line with the remuneration policy. The performance measures were unchanged from the prior year and continued to align with the long-term strategy – EPS, ROIC and CO_2e reduction. Given the significant market uncertainty caused by the geopolitical situation in March 2022, the targets were not set until September 2022. Targets were set at stretching levels and on the same basis as in prior years, taking into account both our long-term plan and external forecasts.

Further details are set out below:

Individual	Date of award	Maximum number of Shares under award	Target number of Shares under award[A]	Closing Share price at date of award	Face value	Performance period	Normal vesting date
Damian Gammell	10 Mar 2022	163,776	81,888	US$45.42	US$7,438,706	1 Jan 2022 – 31 Dec 2024	10 Mar 2025

(A) Number of Shares awarded calculated using 10 day average share price to the normal grant date (10 March 2022) of US$48.63.

The vesting of awards is subject to the achievement of the following performance targets:

Measure	Definition	Weighting	Vesting level[D] (% of target) 25%	100%	200%
EPS[A]	EPS achieved in the final year of the performance period (FY 2024)	42.5%	€3.19	€3.58	€3.85
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2024)	42.5%	8.8%	9.7%	10.4%
CO_2e reduction[C]	Relative reduction in total value chain GHG emissions since 2021 (gCO_2e/litre)	15%	6.0% per litre	8.0% per litre	10.0% per litre

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales and material non-cash equity accounting adjustments. Should there be share repurchases during the performance period, an adjustment will be made to neutralise for the impact of share repurchases and will be fully disclosed at the time of vesting.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for brand sales and material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire value chain in Europe. The target will be adjusted to include our API markets once work is completed to amalgamate our calculations of GHG emissions across the entire business.
(D) Straight-line vesting between each vesting level (shown).

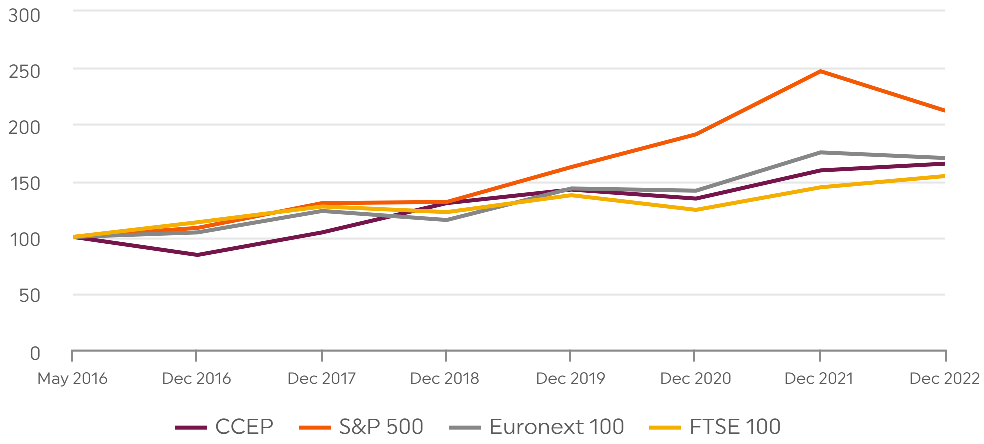
Any award vesting for the CEO will be subject to a two year post-vesting holding period.

Historical TSR performance and CEO remuneration outcomes

The chart below compares the TSR performance of CCEP from admission up until 31 December 2022 with the TSR of the Euronext 100, the FTSE 100 and the S&P 500. These indices have been chosen as recognised equity market indices of companies of a similar size, complexity and global reach as CCEP.

30 trading day average data: against S&P 500, Euronext 100 and FTSE 100

Total shareholder return data



The following table summarises the historical CEO's single figure of total remuneration and annual bonus pay out as a percentage of the maximum opportunity over this period:

	2016[A] John Brock	2016[A] Damian Gammell	2017 Damian Gammell	2018 Damian Gammell	2019 Damian Gammell	2020 Damian Gammell	2021 Damian Gammell	2022 Damian Gammell
CEO single figure of remuneration ('000)	US$3,890	£27	£3,716	£3,821	£7,839	£5,513	£7,672	£11,819
Annual bonus pay out (as a % of maximum opportunity)	31.23%	40.6%	60.7%	63.1%	43.7%	35.3%	84.1%	85.8%
LTI vesting (as a % of maximum opportunity)	N/A	N/A	N/A	N/A	59.0%	36.5%	45.0%	92.5%

(A) The figures for 2016 are in respect of the period for which each individual served as CEO during the year. John Brock served as CEO from 29 May to 28 December 2016. Damian Gammell served as CEO from 29 December to 31 December 2016.

Annual report on remuneration continued

Percentage change in CEO and Director remuneration

The table below shows the percentage change in CEO and Director remuneration from 2021 to 2022 compared to the average percentage change in remuneration for all employees of the Parent Company, in line with the revised reporting regulations.

	2022			2021			2020		
Comparator	Base salary/fee	Taxable benefits(E)	Annual bonus	Base salary/fee	Taxable benefits(E)	Annual bonus	Base salary/fee	Taxable benefits(E)	Annual bonus
CEO	2.5%	0.7%	4.6%	0.4%(F)	0.0%	139.4%	2.0%	5.5%	(17.5)%
All employees	3.4%	0.6%	11.7%	1.7%	1.1%	139.9%	2.7%	0.2%	(21.9)%
Other Directors									
Sol Daurella	2.4%	200.0%	n/a	0.0%	0.0%	n/a	0.5%	0.0%	n/a
Manolo Arroyo(A)	71.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jan Bennink	(7.8)%	200.0%	n/a	0.0%	100.0%	n/a	0.0%	(66.7)%	n/a
John Bryant(B)	3.5%	125.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
José Ignacio Comenge Sánchez-Real	2.0%	125.0%	n/a	0.0%	300.0%	n/a	1.0%	(80.0)%	n/a
Christine Cross	1.6%	80.0%	n/a	0.0%	400.0%	n/a	(1.5)%	(75.0)%	n/a
Nathalie Gaveau	6.5%	200.0%	n/a	0.0%	0.0%	n/a	0.0%	(66.7)%	n/a
Álvaro Gómez-Trénor Aguilar	2.4%	100.0%	n/a	0.0%	100.0%	n/a	0.0%	(71.4)%	n/a
Thomas H. Johnson	2.7%	550.0%	n/a	0.0%	n/a	n/a	3.5%	(100.0)%	n/a
Dagmar Kollmann	16.8%	150.0%	n/a	0.0%	300.0%	n/a	71.2%	(83.3)%	n/a
Alfonso Líbano Daurella	1.0%	n/a	n/a	0.0%	n/a	n/a	1.0%	(100.0)%	n/a
Mark Price	5.8%	200.0%	n/a	0.0%	0.0%	n/a	71.7%	(50.0)%	n/a
Mario Rotllant Solá	14.3%	125.0%	n/a	0.0%	300.0%	n/a	1.0%	(80.0)%	n/a
Brian Smith(C)	6.5%	500.0%	n/a	109.1%	n/a	n/a	n/a	n/a	n/a
Dessi Temperley(D)	15.3%	150.0%	n/a	69.0%	n/a	n/a	n/a	n/a	n/a
Garry Watts	(7.5)%	50.0%	n/a	0.0%	n/a	n/a	0.8%	(100.0)%	n/a

(A) Appointed to the Board on 26 May 2021.
(B) Appointed to the Board on 1 January 2021.
(C) Appointed to the Board on 9 July 2020.
(D) Appointed to the Board on 27 May 2020.
(E) Reduction and increases in taxable benefits reflect the impact of travel restrictions across 2020, 2021 and 2022.
(F) No increase was applied for 2021, but small increase reflects the 2020 salary increase applying only from 1 April 2020.

Annual report on remuneration continued

Relative importance of spend on pay

The table below shows a summary of distributions to shareholders by way of dividends and share buyback as well as total employee expenditure for 2021 and 2022, along with the percentage change of each.

	2022	2021	% change
Total employee expenditure	€2,318m	€2,016m	15.0%
Dividends[(A)]	€763m	€638m	19.6%

(A) There were no share buybacks in 2021 or 2022.

CEO pay ratio

The table below shows the ratio of the CEO's single figure of remuneration for 2022 to the 25th percentile, median and 75th percentile total remuneration of full time equivalent GB employees. The ratio is heavily influenced by the fact that the CEO participates in the LTIP. If the LTIP is excluded from the calculation then the median ratio would be 74:1. The main reason for the increase in the ratio from 2020 to 2021, and 2021 to 2022 is the CEO's increasing bonus and LTIP values in each year.

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2022	Option B	281:1[(A)]	171:1[(B)]	130:1[(C)]
2021		221:1	162:1	92:1
2020		175:1	105:1	83:1
2019		250:1	169:1	111:1

(A) The individual used in this calculation received total pay and benefits of £42,000 (of which £26,000 was salary).
(B) The individual used in this calculation received total pay and benefits of £69,000 (of which £46,000 was salary).
(C) The individual used in this calculation received total pay and benefits of £91,000 (of which £61,000 was salary).

The Committee has chosen Option B (hourly gender pay gap information as at 5 April 2022) to determine the ratios, as that data was already available and provides a clear methodology to calculate full time equivalent earnings. No component of pay and benefits has been omitted for the purposes of the calculations.

The Committee is satisfied that the individuals whose remuneration is used in the above calculations are reasonably representative of employees at the three percentile points, having also reviewed the remuneration for individuals immediately above and below each of these points and noted that the spread of ratios was acceptable. No adjustments were made to the three reference points selected.

The Committee believes the median ratio is consistent with the pay and reward policies for CCEP's GB employees. CCEP is committed to offering an attractive package for all employees. Salaries are set with reference to factors such as skills, experience and performance of the individual, as well as market competitiveness. All employees receive a wide range of employee benefits and a large number are eligible for an annual bonus. Our LTIP is designed to link remuneration to the delivery of long-term strategic objectives and therefore participation is typically offered to senior employees who have the ability to influence these outcomes. The 25th percentile, median and 75th percentile employees identified in the above calculation do not participate in the LTIP. As the CEO participates in the LTIP, the ratio will be influenced by vesting outcomes and will likely vary year on year. In consideration of these points, the Committee considers that the levels of remuneration are appropriate.

Annual report on remuneration continued

Payments to past Directors (audited)

There were no payments to past Directors during the year, other than those disclosed elsewhere in this report.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Statement of Directors' share ownership and share interests (audited)

Interests of the CEO

The CEO is required to hold 300% of their base salary in Shares. The guideline is expected to be met within five years of appointment. Until the guideline is met, 50% of any vested Shares from incentive awards (after tax) must be retained. The guideline continues to apply for one year following termination of employment.

Share ownership requirements and the number of Shares held by Damian Gammell are set out in the table below.

	Interests in Shares at 31 December 2022	Interests in share incentive schemes subject to performance conditions at 31 December 2022[(A)(B)(C)]	Interests in share option schemes[(A)(B)]	Share ownership requirement as a % of salary	Share ownership as a % of salary achieved at 31 December 2022[(D)]	Shareholding guideline met
Damian Gammell[(E)]	399,323	469,446	324,643	300%	1,500%	✓

(A) For further details of these interests, please refer to footnote (C) of the outstanding awards table below.
(B) Do not count towards achievement of the share ownership guideline.
(C) The CEO has no interests in share incentive schemes not subject to performance conditions at 31 December 2022.
(D) The Remuneration Committee has simplified our share ownership policy to calculate shareholdings based on the prevailing share price and salary at 31 December 2022.
(E) A further 144,544 shares will vest under the 2020 LTIP on 17 March 2023.

Details of the CEO's share awards are set out in the table below.

Director and grant date	Form of award	Exercise price	Number of Shares subject to awards at 31 December 2021	Granted during the year	Vested during the year	Exercised during the year	Lapsed during the year	Number of Shares subject to awards at 31 December 2022	End of performance period	Vesting date
Damian Gammell[(A)]										
1 Mar 2019	PSU[(B)]	N/A	156,008	–	70,204	N/A	85,804	–	31 Dec 2021	1 Mar 2022
17 Mar 2020	PSU[(C)(D)]	N/A	156,264	–	–	N/A	–	156,264	31 Dec 2022	17 Mar 2023
29 Sep 2021	PSU[(C)]	N/A	149,406	–	–	N/A	–	149,406	31 Dec 2023	15 Mar 2024
10 Mar 2022	PSU[(C)]	N/A	–	163,776	–	N/A	–	163,776	31 Dec 2024	10 Mar 2025

(A) In addition, the CEO has 324,643 vested but unexercised options with an expiry date of 5 November 2025 and an exercise price of US$39.00. No options were exercised by the CEO during the year.
(B) The performance condition was satisfied at 45% of maximum on 31 December 2021. Award vested on 1 March 2022.
(C) The number of Shares shown is the maximum number of Shares that may vest if the performance targets are met in full.
(D) The 2020 PSU awards vested at 185% of target (144,544 shares) on 17 March 2023.

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Interests of other Directors (audited)

The table below gives details of the Share interests of each NED either through direct ownership or connected persons.

	Interests in Shares at 31 December 2022
Sol Daurella[(A)(B)]	33,358,143
Manolo Arroyo	–
Jan Bennink	49,790
John Bryant	3,340
José Ignacio Comenge Sánchez-Real[(A)]	7,836,065
Christine Cross	–
Nathalie Gaveau	–
Álvaro Gómez-Trénor Aguilar[(A)]	3,141,311
Thomas H. Johnson	14,000
Dagmar Kollmann	–
Alfonso Líbano Daurella[(A)]	6,696,072
Mark Price	–
Mario Rotllant Solá	–
Brian Smith	–
Dessi Temperley	–
Garry Watts	10,000

(A) Shares held indirectly through Olive Partners. The number of Shares increased slightly during the year as a result of a reduction in Olive Partners' share capital.
(B) For the purposes of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), Sol Daurella (and her connected persons within the meaning of section 252 of the Companies Act) are deemed to be interested in the shares held by Olive by virtue of their indirect minority interest in Cobega S.A, which indirectly owns 57.4% of Olive.

Dilution levels

The terms of the Company's share plans set limits on the number of newly issued Shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association, these limits restrict overall dilution under all plans to under 10% of the Company's issued share capital over a 10 year period in relation to the Company's issued share capital, with a further limitation of 5% in any 10 year period on discretionary plans.

Single figure table for NEDs (audited)

The following table sets out the total fees and taxable benefits received by the Chairman and NEDs for the year ended 31 December 2022. Prior year figures are also shown.

	2022 (£'000)				2021 (£'000)			
Individual	Base fee	Chairman/ Committee fees	Taxable benefits[(A)]	Total fees	Base fee	Chairman/ Committee fees	Taxable benefits[(A)]	Total fees
Sol Daurella	578	26	3	607	564	26	1	591
Manolo Arroyo[(B)]	84	26	8	118	49	15	0	64
Jan Bennink	84	34	12	130	82	46	4	132
John Bryant	84	33	9	126	82	31	4	117
José Ignacio Comenge Sánchez-Real	84	16	9	109	82	16	4	102
Christine Cross	84	46	9	139	82	46	5	133
Nathalie Gaveau	84	14	3	101	82	10	1	93
Álvaro Gómez-Trénor Aguilar	84	–	8	92	82	–	4	86
Thomas H. Johnson	116	37	13	166	113	36	2	151
Dagmar Kollmann	84	48	10	142	82	31	4	117
Alfonso Líbano Daurella	84	20	3	107	82	21	0	103
Mark Price	84	25	6	115	82	21	2	105
Mario Rotllant Solá	84	28	9	121	82	16	4	102
Brian Smith	84	14	12	110	82	10	2	94
Dessi Temperley	84	29	10	123	82	16	4	102
Garry Watts	84	40	6	130	82	52	4	138

(A) Taxable benefits mainly relate to travel and accommodation costs in respect of attendance at Board meetings with FX rates used as at the date of the relevant meeting. Former director Irial Finnan received a taxable benefit in 2022 with a value of £5,000 in respect of attendance at a Board event delayed from 2021.
(B) Appointed to the Board on 26 May 2021.

Annual report on remuneration continued

Implementation of remuneration policy for 2023

Base salary

Damian Gammell will receive a 2.0% salary increase effective 1 April 2023. This is lower than the average merit increase provided to the wider GB workforce of 6.0%.

Individual	2022 salary	2023 salary (effective from 1 April)	% increase
Damian Gammell	£1,217,098	£1,241,440	2.0%

Taxable benefits

No significant changes to the provision of benefits are proposed for 2023. The main benefits for Damian Gammell will continue to include allowances in respect of: a car, financial planning, schooling and private healthcare.

Pension

No changes are proposed in respect of the pension provision for Damian Gammell. He will continue to receive a cash allowance of £30,000 (inclusive of employer National Insurance contributions) in lieu of participation in the pension scheme.

Annual bonus

No changes have been made to the structure of the annual bonus plan for 2023, and the opportunity for Damian Gammell will remain unchanged at 150% of salary for target performance and 360% for maximum performance.

Performance will continue to be assessed against financial and individual performance measures on a multiplicative basis as set out on page 130. The financial measures and relative weightings will also remain unchanged.

Measure	Definition	Weighting
Operating profit	Comparable operating profit on a FX neutral basis at budget rates	50%
Revenue	Revenue on a FX neutral basis at budget rates	30%
Operating free cash flow	Comparable operating profit before depreciation and amortisation and adjusting for capital expenditures, restructuring cash expenditures and changes in operating working capital, on a FX neutral basis at budget rates	20%

In determining the IPF for Damian Gammell for 2023, he will be assessed against a number of objectives which are aligned to the key longer-term strategic objectives of the business, which include:

Objectives include:

- Growth in market share aligned with the business plan
- Competitiveness targets as agreed with the Board
- ID&E targets linked to % of female leaders and our ID&E strategy

The actual financial targets are not disclosed prospectively as they are deemed commercially sensitive. We intend to disclose them in next year's ARR. A fuller description of individual performance objectives including specific quantitative measures (where appropriate) and their outcomes will also be disclosed in next year's ARR.

Long-term incentive

Damian Gammell's long-term incentive opportunity for 2023 will be aligned with the limits set out in the remuneration policy. He was granted a target award of 250% of salary on 13 March 2023 and may receive up to two times this target award (130,738 shares) if the maximum performance targets are achieved.

The 2023 LTIP award will continue to be based on a mix of EPS, ROIC, and CO_2e reduction, unchanged from last year.

The financial targets have been set at stretching levels taking into account both our long-term plan and external forecasts.

Following the end of the performance period, awards will be subject to an additional two year holding period.

			Vesting level[D] (% of target)		
Measure	Definition	Weighting	25%	100%	200%
EPS[A]	EPS achieved in the final year of the performance period (FY 2025)	42.5%	€3.63	€4.07	€4.37
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2025)	42.5%	10.8%	12.0%	13.1%
CO_2e reduction	Relative reduction in total value chain GHG emissions since 2022 (gCO_2e/litre)	15%	12.0% per litre	14.5% per litre	17.0% per litre

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales and material non-cash equity accounting adjustments. Should there be share repurchases during the performance period, an adjustment will be made to neutralise for the impact of share repurchases and will be fully disclosed at the time of vesting.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire CCEP value chain.
(D) Straight-line vesting between each vesting level shown.

Annual report on remuneration continued

Chairman and NED fees

The NED base fee, Chairman fee and additional fees were last increased with effect from 1 April 2022. The additional fees for the Nomination Committee Chairman and membership of the Nomination Committee were increased with effect from 1 April 2023.

Role		Current fees	Fees effective 1 April 2023
Chairman		£582,000	£582,000
NED basic fee		£85,000	£85,000
Additional fee for Senior Independent Director		£31,750	£31,750
Additional fee for Committee Chairman	Audit and Remuneration Committees	£37,250	£37,250
	Affiliated Transaction and ESG Committees	£36,000	£36,000
	Nomination Committee	£21,250	£36,000
Additional fee for Committee membership	Audit and Remuneration Committees	£16,000	£16,000
	Affiliated Transaction and ESG Committees	£15,500	£15,500
	Nomination Committee	£10,500	£15,500

The Remuneration Committee

The entire Board determines the terms of the compensation of the CEO and fees for the NEDs and Chairman and approves the remuneration policy, all on the Committee's recommendation. The Committee is also responsible for setting the remuneration for each member of the ELT reporting to the CEO.

The Terms of Reference can be found on our website at cocacolaep.com/about-us/governance/committees

Remuneration Committee members and attendance

In line with the Shareholders' Agreement, the Committee has five members, as set out on pages 89-93. There are three independent NEDs, one Director nominated by Olive Partners and one Director nominated by ER. The Committee formally met six times during the year, with one additional ad hoc meeting in line with business needs. Attendance is set out in Table 2 on page 105 of the Corporate governance report.

As described in the remuneration policy, the Committee receives an annual report in respect of wider workforce remuneration including pay and reward policies, which informs its decisions on executive pay. The Committee does not engage directly with employees on the issue of executive pay, however, within CCEP, employee groups are regularly consulted about matters affecting employees including our strategy, Company performance, culture and approach to reward, and this feedback informs decisions on people matters and other activities.

Support for the Remuneration Committee

Deloitte was appointed by the Remuneration Committee in 2016 following a selection process. During the year, Deloitte provided the Committee with external advice on executive remuneration. Deloitte is a member of the Remuneration Consultants Group and has voluntarily signed up to the Remuneration Consultants' Code of Conduct relating to executive remuneration consulting in the UK. The Committee is satisfied that the engagement partner and team that provide advice to the Committee do not have connections with CCEP or individual Directors that may impair their independence. During 2022, the wider Deloitte firm also provided CCEP with other tax, digital transformation, access security and consultancy services.

Total fees received by Deloitte in relation to the remuneration advice provided to the Committee during the year amounted to £69,200 based on the required time commitment.

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Remuneration Committee key activities

The table below gives an overview of the key agenda items discussed at each scheduled meeting of the Remuneration Committee during 2022:

Meeting date	Key agenda items	
February 2022	• Approval of financial performance outcome for 2021 annual bonus • Approval of final vesting outcome for 2019 LTIP	• Approval of 2021 annual bonus outcome for the ELT • Review of ELT individual objectives in respect of the 2022 annual bonus
March 2022	• Approval of 2022 annual bonus financial performance measures and targets • Approval of 2022 LTIP opportunities • Review of Committee effectiveness	• Approval of 2022 ELT Remuneration packages • Review of 2021 Remuneration Report • Review of Chairman and NED fees
May 2022	• Review of remuneration policy • Review of Committee Terms of Reference • Advisor review	• AGM voting update • Deloitte Market Update • Update on Employee Share Purchase Plan (ESPP)
September 2022	• Approval of 2022 LTIP targets • Review of remuneration policy	• Review of executive shareholding guidelines
October 2022	• Review of 2022 annual bonus and 2020 LTIP performance • Approach to shareholder consultation	• Update on Remuneration Committee advisors
December 2022	• Review of first draft of the 2022 Remuneration Report • Performance update for 2022 annual bonus	• Base pay design for 2023 • Incentive design for 2023

The Chairman, CEO, CFO, and the Chief People and Culture Officer attended meetings by invitation of the Committee to provide it with additional context or information, except where their own remuneration was discussed.

Summary of voting outcomes

The table below shows how shareholders voted in respect of the ARR at the AGM held on 27 May 2022 and the remuneration policy at the AGM held on 27 May 2020:

Resolution	Votes for (%)	Votes against (%)	Number of votes withheld
Approval of the ARR	86.18%	13.82%	11,992,026
Approval of the remuneration policy	99.48%	0.52%	56,633

This Directors' remuneration report is approved by the Board and signed on its behalf by

John Bryant, Chairman of the Remuneration Committee
17 March 2023