Coca-Cola EUROPEAN PARTNERS

GREAT **PEOPLE**
GREAT **SERVICE**
GREAT **BEVERAGES**

COCA-COLA EUROPEAN PARTNERS PLC
2019 INTEGRATED REPORT AND FORM 20-F

One of the world's largest beverage companies.

Solid track record of performance.

An exciting future.

Powered by a 23,300 strong team of talented and engaged people.

Leading position within a dynamic and growing market.

Investing today in the capabilities to win tomorrow.

READ ABOUT OUR SUSTAINABILITY ACTION PLAN, THIS IS FORWARD, ON PAGES 34-43

LEARN ABOUT WHAT WE DO ON PAGES 8-9

SEE OUR REPORT ONLINE AT WWW.IR.COCACOLAEP.COM/FINANCIAL-REPORTS-AND-RESULTS/INTEGRATED-REPORTS

Our report

None of the websites referred to in this Annual Report on Form 20-F for the year ended 31 December 2019 (the Form 20-F), including where a link is provided, nor any of the information contained on such websites, are incorporated by reference in the Form 20-F.

Performance indicators

We delivered another strong year of financial and sustainability performance in 2019. This is reflected in our performance indicators.

Financial

Revenue

€12.0BN

We remain focused on driving profitable revenue growth, supported by a strong pipeline of innovation as we execute our total beverage company strategy. We saw solid growth in revenue per unit case as we continue to benefit from our efforts to improve price and mix with growth in priority small packs and the away from home channel.

Volume increased by 1% with strong in market execution and innovation led growth partially offset by strong weather driven comparables in the summer selling season.

Operating profit on a comparable basis*

€1.7BN

The revenue increase and our continued focus on operating costs translated into growth of 6% during the year. We also continued to make the right strategic investments in capabilities, for example, we have started to roll out next generation field sales digital tools, which will not only improve the customer experience, but also increase productivity and optimise sell time.

Diluted earnings per share on a comparable basis*

€2.53

This reflects our growth in operating profit, as well as the repurchase of €1.0 billion ordinary shares of €0.01 each of Coca-Cola European Partners plc (Shares) thereby completing the €1.5 billion share buyback programme announced in September 2018.

Sustainability

Lost time incident rate (number per 100 full time equivalent employees)

1.07

Our people's safety and wellbeing is our priority, and our aim is to reduce our lost time incident rate to zero. In 2019, we saw our lost time incident rate fall to 1.07, a reduction of 6.1% compared with the previous year.

% sugar reduction in our soft drinks since 2015

12.9%

In line with the demand from consumers for a greater variety of drinks, including low and no calorie drinks, we're committed to cutting the sugar in our drinks. In 2019, the average sugar per litre in our soft drinks portfolio dropped by 12.9% compared with 2015. This represents a reduction of 17.6% since 2010. We're achieving these reductions by reformulating our recipes, and by providing greater choice – including many more drinks with low or no sugar.

% PET from recycled PET

30.5%

Increasing recycled content in our plastic bottles is key to creating a circular economy for our packaging and addressing the world's plastic waste crisis. In 2019, recycled PET made up 30.5% of the PET in our plastic bottles, up from 27.6% in 2018. In 2019, we announced enhanced packaging targets, bringing forward the deadline to increase the level of recycled content in our plastic bottles to at least 50% from 2025 to 2023 and aiming to reach 100% recycled or renewable plastic in the future.

2018 2019

Free cash flow*

€1.1BN

Free cash flow generation remains at the core of our business, as evidenced by our medium term annual objective of delivering at least €1 billion of free cash flow each year. We generated free cash flow of €1.1 billion in 2019.

Return on capital invested (ROIC)* (%)

10.3%

ROIC continues to be a strong area of focus for us. In 2019, we increased our ROIC by 40 basis points to 10.3% as we continued to drive capital efficiencies.

*PLEASE REFER TO BUSINESS AND FINANCIAL REVIEW ON PAGE 26 FOR DEFINITION AND RECONCILIATION OF NON-GAAP FIGURES TO GAAP FIGURES.

2017 2018 2019

Water use ratio (litres of water/litre of product produced)

1.60

Water scarcity and deteriorating water quality are growing challenges around the world. As water is the main ingredient in the majority of our drinks, we are committed to managing water resources responsibly and efficiently. The amount of water we use to make our products reduced by 1% over the last two years, to 1.60 litres of water per litre of product produced.

% GHG emissions reduction of our core business operations since 2010

52.0%

The climate emergency is ranked as the number one sustainability challenge by European consumers, and meeting the goals of the Paris Agreement requires urgent action. Greenhouse gas (GHG) emissions from our core operations fell by 2.7% between 2018 and 2019. In 2018, we achieved our target of halving GHG emissions from our core business activities compared to 2010 ahead of schedule, and we will review our targets in 2020 to evaluate how we can reduce emissions in line with the needs of climate science.

FOR MORE ABOUT OUR SUSTAINABILITY COMMITMENTS AND PROGRESS, SEE PAGES 34-43

Our portfolio

From Coca-Cola trademark soft drinks to ready to drink (RTD) teas and coffees, we offer some of the world's most popular drinks. Our portfolio is evolving to provide drinks for every taste and occasion – with or without sugar.

COCA-COLA®

Our Coca-Cola brands come in a range of variants that offer consumers great choice. Along with our iconic Coca-Cola Classic we offer Coca-Cola Zero Sugar, which gives consumers the same great Coca-Cola taste with no sugar. With Diet Coke/ Coca-Cola light taste, consumers can enjoy a light and refreshing taste across a number of flavour variants. Overall transactions in Coca-Cola trademark were up 2.0% and Coca-Cola Zero Sugar grew 13.0% in volume.

FLAVOURS, MIXERS AND ENERGY

Fanta continues to grow thanks to our introduction of rotational flavours, as well as successful marketing and execution around Halloween. As part of our Sprite brand redesign, Sprite's bottles turned from green to clear, making them easier to recycle bottle to bottle.

We're also continuing to build our portfolio of adult mixers, led by Schweppes[(B)], Royal Bliss and Coca-Cola Signature Mixers.

Last year saw the launch of Coca-Cola Energy across all of our markets. We expanded our energy offering with Monster Reign, a fitness focused beverage designed for active lifestyles. Regional and lifestyle brands like Relentless and Nalu add to our wide portfolio of energy drink offerings.

(A) We report comparable volumes for our Coca-Cola trademark drinks; flavours, mixers and energy drinks; hydration; and RTD teas, RTD coffees, juices and other drinks.
(B) In Great Britain (GB) only.

2019 BRAND CATEGORY VOLUME (ROUNDED) [(A)]

63.5%
COCA-COLA®

HYDRATION

The perfect choice for consumers on the move, our hydration category includes waters, flavoured waters, functional waters and isotonic drinks. As part of our diversified approach, we are focusing on premium, functional offerings in this space. This includes Aquarius Hydration, a great tasting, functional water drink launched in 2019 that combines hydration with essential mineral intake.

RTD TEAS, RTD COFFEES, JUICES AND OTHER DRINKS

This exciting category continues to build momentum and open up new opportunities. Within a year of launch, Fuze Tea became the number two RTD tea brand in most of our markets, according to data from Nielsen.

In 2019, the growth of Fuze Tea continued, with new flavours and increased distribution.

Our RTD coffee range has been extended to include Costa Coffee as well as Monster Espresso. These, together with our established Honest coffee, mean that we now have a great portfolio of RTD coffee drinks.

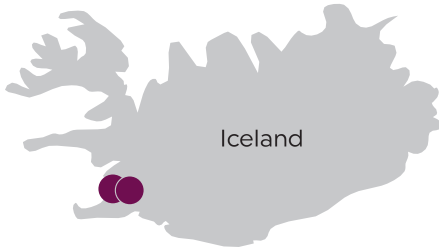
Tropico has been a fantastic addition to our juice product range in Belgium, France and Luxembourg.

22.5% FLAVOURS, MIXERS AND ENERGY

8.5% HYDRATION

5.5% RTD TEAS, RTD COFFEES, JUICES AND OTHER DRINKS

Our operations



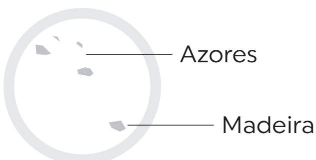
We are a local business. We invest, employ, manufacture and distribute locally. We want to create a great experience for everyone we interact with – whether they are a customer, partner, supplier, stakeholder, part of our local community or part of our great team. We are investing in key parts of our business, to make the experiences we provide even better.

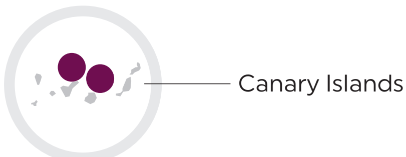
READ MORE ABOUT HOW WE ARE SUCCEEDING IN A CHANGING LANDSCAPE ON PAGES 14-15

€14M
investment in a new can line and KeelClip™ machine in Dongen, the Netherlands. KeelClip™ is an innovative, minimalist paperboard packaging solution to help us remove unnecessary plastic

€900M
revenue through our digital customer portals across CCEP - up 30% on 2018

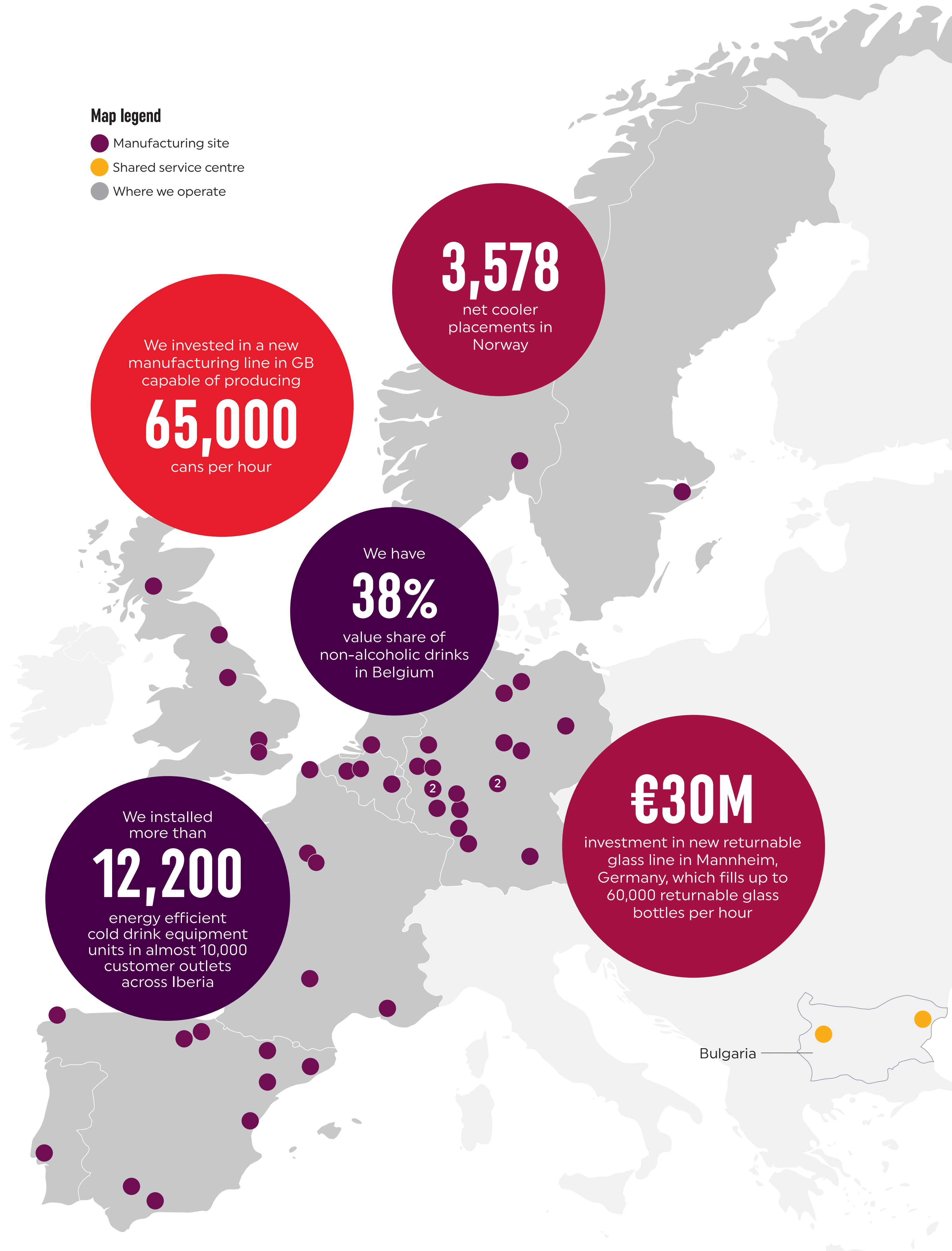
Last year we celebrated
100
years of Coca-Cola in France





Map legend

- Manufacturing site
- Shared service centre
- Where we operate



3,578
net cooler placements in Norway

We invested in a new manufacturing line in GB capable of producing
65,000
cans per hour

We have
38%
value share of non-alcoholic drinks in Belgium

€30M
investment in new returnable glass line in Mannheim, Germany, which fills up to 60,000 returnable glass bottles per hour

We installed more than
12,200
energy efficient cold drink equipment units in almost 10,000 customer outlets across Iberia

What we do: great people, great service, great beverages

We are a leading beverage company, offering a growing range of drinks for every taste and occasion. We make and sell great drinks and help customers grow with great service. We are helping the communities we work in to thrive. This is all made possible by our great people, who are passionate about our customers and our business.

We aim to deliver sustainable growth and believe we can do so while building a better future for people and the planet.

SEE OUR BUSINESS MODEL ON PAGES 18-19

SEE OUR THIS IS FORWARD STRATEGY ON PAGES 34-43

MAKE GREAT TASTING DRINKS

Our manufacturing sites make and bottle our wide range of drinks. We're continuously improving our manufacturing sites to make them more efficient and safer for our people. We produce safe, high quality products for our customers and consumers. Approximately 91% of the drinks we sell are produced in the country in which they are consumed.

WORK WITH TCCC AND OTHER FRANCHISORS

The Coca-Cola Company (TCCC) and other franchisors make and sell concentrates, beverage bases and syrups, own the brands and are responsible for consumer brand marketing.

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.

SOURCE RAW MATERIALS

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 make our packaging. We require all our suppliers to meet strict targets around workplace policies and practices, health and safety, ethics and human rights, environmental protection and business integrity.

DISTRIBUTE TO OUR CUSTOMERS

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

WORK CLOSELY WITH CUSTOMERS WHO SELL TO CONSUMERS

Our 6,000 strong sales force works with a huge range of customers – from small local shops, supermarkets and wholesalers to restaurants, bars and sports stadiums – so consumers can enjoy one of our great products wherever they are and whenever they want. We also provide cold drink equipment and supply vending machines so people can find our drinks on the go.

WORK WITH PARTNERS, AIMING TO COLLECT 100% OF OUR PACKAGING

Although 98.3% 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 100% of our packaging is collected, reused or recycled, so that none of it ends up as litter or in the oceans.

Conversation with our Chairman and CEO

INVESTING TO WIN

What is CCEP's ambition today?

Sol: Our aim is to be one of the world's leading consumer goods companies, truly a total beverage company, offering a drink for every occasion. The progress we're making is clear to see, from the continued success of products like Coca-Cola Zero Sugar, to the introduction of new brands in new categories, like Costa Coffee RTD.

Above all, we want to grow in a sustainable way because we believe operating sustainably is good for our business, people and the planet.

What are you most proud of achieving in 2019?

Damian: In 2019, we delivered solid revenue growth of 4.5% (including 1% attributable to sugar taxes), supported by a strong focus on innovation as we continue to diversify to become a total beverage company, aligned with our brand partners. As well as developing our innovation pipeline, we continued to make the right strategic investments in areas such as our supply chain, cold drink equipment and digital. Over the year we invested almost €600 million on capital expenditures and still continued to generate strong free cash flow of €1.1 billion.

2019 has also been a great year for progress made on our bold and integrated sustainability action plan, This is Forward, which we'll talk more about later.

Our execution throughout 2019 ensured that we were able to invest in capabilities for the future. Our dividend pay out ratio remains at around 50%, reflected in our full year dividend of €1.24 per share, up 17% versus last year. Our dividend payments and the completion of the €1.5 billion share buyback, of which €1 billion was executed in 2019, were the culmination of well executed plans that allowed us to deliver sustainable growth.

What does CCEP need to do to win over the next three years?

Sol: We're striving for a bigger and bolder future by focusing on profitable organic revenue growth, underpinned by our sustainability action plan. Our people will play a vital role in helping CCEP meet this target, and we need to continue to ensure we have the right mix of talent and capabilities to deliver as a business.

Damian: We believe the non-alcoholic ready to drink beverages category will grow on average by 2% to 3% per year over the next 10 years. This creates an exciting opportunity for us. We will continue to expand our total beverage portfolio while strengthening core capabilities that will drive sustainable success. We will continue to focus on driving price and mix realisation, particularly through growth in the away from home channel and as we increase distribution of our priority small packs. At the same time, we will accelerate our placements of cold drink equipment and continue to make the right strategic investments in areas such as digital, route to market and field sales teams. Providing exceptional customer service continues to be at the core of our business so that the experience we offer our customers is second to none. This included the launch of My CCEP, a new online customer portal that makes it much easier for customers to find and order the products that are right for them. All of these investments should support our top line growth aspirations over the next three years and beyond.

Damian Gammell (left)
Sol Daurella (right)

> "WE ARE MAKING THE DECISIONS TODAY TO INVEST IN THE CAPABILITIES THAT WE KNOW WE WILL NEED TO WIN TOMORROW."
>
> **Damian Gammell,** Chief Executive Officer

TODAY, TOMORROW

Conversation with our Chairman and CEO continued

Sol: We are conscious that, as the pace of change in consumer behaviour and technology accelerates, we must look for ways to evolve our business. Through our innovation investment programme, CCEP Ventures, we're funding new ideas that can help us adapt to these trends – and last year this included investments in technology start ups to explore how on demand delivery and self driving technologies can transform the customer experience.

We have made great progress with Kollex – a joint venture focused on digital ordering for restaurant and beverage wholesalers. We look forward to working with our joint venture partners, Bitburger, Krombacher and, most recently, Rotkäppchen-Mumm to develop this platform further in 2020 and beyond.

We are continuing to develop an entrepreneurial culture at CCEP to ensure we generate innovative solutions and explore new opportunities. A great example of this is the recently announced commercial pilot in Sweden with Einride, an autonomous robotic road riding cargo pod that was initiated by one of our local supply chain colleagues and has now progressed into an exciting pilot.

How are you developing your culture to support an entrepreneurial approach?

Damian: We want to make the most of the outstanding talent we have. This means ensuring that CCEP is a great place to work, with a strong, inspiring workplace culture. To take this to the next level, we have launched Me@CCEP, which will create the empowering, rewarding experience we want people to have at CCEP. With this new framework in place I feel this is an area where we are making good progress as a business.

To succeed, CCEP also needs to be a place where different perspectives and insights are valued at all levels of the organisation, and we have put diversity right at the heart of our working culture. We've introduced a new Inclusion and Diversity Policy, along with an Inclusion and Diversity Centre of Expertise. We're making steady progress towards our goal of having at least 40% of leadership positions held by women by 2025. In 2019, 35.5% of leadership positions were held by women, up from 35.2% (restated) in 2018.

Our business depends on great leaders, and last year we continued to promote leadership across our organisation with Accelerate Performance 2, the latest in our series of two day workshops supporting effective decision making. After launching with our 500 top leaders, the programme will be rolled out to all employees across the business.

Sol: As well as to all the people in CCEP who are driving our success, particularly Damian and his leadership team, I'm grateful to my fellow Directors for their contribution over the year. I'd like to take this opportunity to thank Curtis Welling and Phillip Humann, who stepped down at the Annual General Meeting (AGM) in May 2019 after many years of service to CCEP and CCE. And I was very pleased to welcome our new Directors, Nathalie Gaveau, Dagmar Kollmann and Lord Mark Price. In addition to their wide business expertise, Nathalie brings digital and international experience, Dagmar brings finance and international listed groups expertise, while Mark brings substantial retail experience.

We announced on 11 March 2020 that Dessi Temperley would succeed Orrin H. Ingram, subject to her election at the AGM in May 2020. Dessi brings deep financial expertise and commercial insight. I would like to thank Orrin for his valuable contribution to the Board.

Damian: Our new volunteering policy gives our people the opportunity to spend two working days each year supporting causes they are passionate about. Last year, our people dedicated 25,839 volunteer hours to a wide range of social initiatives, from food bank volunteering and litter picking activities to programmes supporting disadvantaged young people. I am proud of this programme and the opportunity it gives our people to be a part of helping local communities thrive.

What progress has CCEP made in progressing its sustainability commitments?

Sol: The world is facing urgent sustainability challenges. We are committed to increasing the size, scale and speed of our response. This is particularly the case for issues such as plastic waste and climate change, which European consumers continue to rank as the most important sustainability challenges.

At CCEP, we believe that plastic has an important role to play in our packaging mix, but only within a circular economy. Plastic is a valuable commodity and we need to treat it as such, so that wherever it is used, it can be collected, recycled and reused. As of 2020, Sweden will become the first country in the Coca-Cola system where all Coca-Cola's plastic bottles will be made from 100% recycled material.

Damian: In 2017, we committed to ensuring that our plastic bottles will contain at least 50% recycled content by 2025. In 2019, we announced an enhanced commitment to achieve this target two years early and work towards 100% recycled or renewable materials in all our plastic bottles in the future. I believe that accelerating our packaging targets shows how seriously we take this issue. We're replacing all shrink wrap with cardboard packaging for can multi packs, making this secondary packaging easier to recycle and removing 4,000 tonnes of single use plastic per year. We also swapped the iconic green plastic of Sprite bottles to clear plastic, making it even easier to recycle bottle to bottle.

READ MORE ABOUT OUR PACKAGING COMMITMENTS ON PAGE 35

Since 2010 we've halved the carbon footprint of our core business operations, and seen emissions across our value chain fall by 30.5%. We know we have more to do, and we are continuing to step up our efforts in this area, particularly in our work with suppliers and in the packaging choices we make.

Sol: Sustainability has to be absolutely fundamental to everything we do as a business. Because we feel so strongly about this issue, we're introducing a sustainability metric in our remuneration policy, linking long-term management incentives to performance against sustainability targets. I am proud that, for the fourth year in a row, CCEP was included in the Climate Disclosure Project (CDP) Climate and Water A Lists for 2019. Recognition from CDP is a significant accomplishment, however we must continue to focus on developing our long-term carbon reduction strategy. Sustainability is a subject that I personally feel very strongly about, and This is Forward and our sustainability commitments are supported by our people.

READ MORE ABOUT OUR SUSTAINABILITY PLAN AND OUR PROGRESS AGAINST OUR TARGETS ON PAGES 34-43

How is CCEP's relationship with TCCC developing?

Sol: CCEP has always been closely aligned with TCCC strategically, and the relationship has grown even stronger over the past year. We have worked with TCCC to ensure greater alignment in how we bring new products to market, and have created a number of opportunities for executives in each business to build relationships and exchange ideas. We were delighted to welcome Tim Brett, TCCC's President, Western Europe to our senior leadership meeting in France in November. Similarly, our Board visited TCCC's global headquarters in Atlanta, as well as TCCC's innovation centre in Brussels, last year.

Damian: We've worked closely with TCCC following its acquisitions of Tropico and Costa to bring those products to our customers, and ensure these brands benefit from our execution expertise. Our ability to execute with speed was clear to see when Costa Coffee RTD launched within five months of the completion of TCCC's acquisition of Costa.

Sol: Our strong relationship with TCCC is also driving forward our sustainability strategy, which works in close alignment with TCCC's World Without Waste strategy. Our joint announcement of our new packaging targets is a good example of how we're working together to accelerate progress in this area.

What's next for CCEP?

Damian: As we evolve, we will become a more nimble, agile business, harnessing employee capability, digital tools, supply chain innovation and investment to provide an even better service for our customers. We are making the decisions today to invest in the capabilities that we know we will need to win tomorrow.

We will continue to invest in our supply chain. Last year saw us invest in glass lines in Germany and France, can lines in Belgium, Spain and GB, and an aseptic line in the Netherlands.

We have ambitious plans to grow over the next 10 years, and a clear strategy to deliver that growth. Working with our franchise partners, we have exciting plans for our portfolio and we are focused on the capabilities and technologies needed to offer our customers a great experience. Above all, we are acutely aware of the challenges facing society and the planet, and we are committed to building a better future – for our business, for people and for the planet. We are very aware of the challenges we and our communities currently face from the recent outbreak of coronavirus (COVID-19). While the impact on our business is not yet clear, and will evolve with the situation, we continue to monitor developments closely. Our priority is to ensure the wellbeing of our people while ensuring we have strong mitigation plans in place for any potential adverse impact, working closely and responsibly with our suppliers, customers and stakeholders.

Sol: Although we, in partnership with our communities, must face these immediate challenges, we remain focused on the next stage of our journey and I'd like to thank all our stakeholders and investors for continuing to be a part of it.

Sol Daurella, Chairman
Damian Gammell, Chief Executive Officer

Succeeding in a changing landscape

From increasing demand for transparency to changing drinking habits, our business is affected by a range of market trends. We have a business model and culture that ensure we can adapt and thrive in this changing environment.

Macro trend

CHANGING CUSTOMER ENVIRONMENT

Our customer base is evolving quickly through consolidation and the growing importance of discounters and e-commerce. As consumer habits shift, customer channels are also changing, with significant growth in the away from home channel expected in the years ahead.

Our response

We're making major investments in our customer service model, improving the way we segment our customers to align more closely with consumer behaviour. We're also focused on increasing the efficiency of our sales force to support customers by investing in technology, particularly in the away from home channel.

Macro trend

SUSTAINABILITY

We are listening to feedback from our stakeholders and responding to concerns from consumers, governments and non-governmental organisations (NGOs) on key sustainability issues. This includes feedback about climate change, water, plastic, packaging and concerns about health and obesity.

Our response

Through our sustainability action plan, This is Forward, we're taking action on the sustainability areas where we know we can have the most impact. This includes aiming to collect all of our packaging and reducing the sugar in our drinks.

Macro trend

EVOLVING CONSUMER TRENDS

Consumers' drinking motivations and occasions are becoming more varied. Today, consumers want different drinks to suit a range of moments and occasions, whether it's an indulgent treat, a pick me up on the way to work or a drink as part of a healthy lifestyle.

Our response

We're diversifying our drinks portfolio and packaging. As well as reinvigorating our core drinks categories through product innovation and new recipes, we're also expanding our presence in exciting new areas such as ready to drink organic teas and coffees.

FOR EXAMPLE

Investing in equipment

As part of our new commercial strategy, we're removing our old cold drink equipment and replacing it with newer models across our markets. We're also investing significantly to increase cold drink equipment such as coolers in the market. The new equipment will help reduce refurbishment and maintenance costs.

Stepping up on plastic waste

Plastic waste is a challenge that demands urgent action – and we've revised our commitments to step up our efforts in this area. Our new, more ambitious goals include targets to remove all unnecessary plastic from our portfolio, to ensure our plastic bottles are made from 50% recycled materials by 2023 and we'll aim to reach 100% recycled or renewable material in the future. Read more on page 37.

Drinks for every taste

In 2019, we continued to expand our portfolio, adding exciting new products in a number of categories. These included Coca-Cola Energy, a drink that will appeal to Coca-Cola fans and energy drinkers alike, and Aquarius Hydration, a drink with essential minerals to reduce tiredness and fatigue.

Macro trend

TRANSPARENCY

As consumers become more health conscious, they're asking for more information about the drinks they consume. At the same time, governments and regulators are also demanding increasing transparency from companies, both through packaging labelling and reporting.

Our response

We're committed to providing clear, transparent information about ingredients, nutrition and portion sizes on our packaging, as well as on our website. We also publish information about us and our performance through regular disclosures, including this report.

Macro trend

DIGITAL LIFESTYLES

As digital technology becomes ever more ingrained in consumers' lives, shoppers are increasingly attracted to digital solutions that make the purchasing experience easier and more convenient. As a result, our customers are moving towards digital platforms and other technologies that meet and anticipate those needs.

Our response

We're working closely with our customers to share our insights into how digital technology is shaping consumer behaviour and blurring traditional sales channels. To reflect these changes, we're also investing in technology to better serve our customers and employees, drive efficiencies and become a more digital ready business.

OPEN for engagement

In the Netherlands we've established OPEN which ran for the third year in 2019. OPEN is a series of stakeholder engagement events where suppliers and partners can find out more about our business and the progress we're making, particularly on sustainability issues.

My CCEP

Last year we launched My CCEP, an online portal that makes it quicker and easier for customers to order our products. The portal also gives customers access to industry trends and insights to help grow their business, as well as round the clock support.

Our strategy

Our business decisions are guided by five key strategic imperatives. Together, they give us a framework for delivering our strategy.

	WHAT WE'LL DO
TOP LINE REVENUE GROWTH	WE WILL DRIVE PROFITABLE REVENUE GROWTH THROUGH OUR EVOLVING PORTFOLIO AND CONTINUED FOCUS ON CREATING VALUE
CUSTOMER AND EXECUTION CENTRIC	THROUGH A SEGMENTED APPROACH TO CONSUMER ENVIRONMENTS WE WILL DELIVER WORLD CLASS EXECUTION AND CREATE LONG-TERM VALUE FOR OUR CUSTOMERS
FUTURE COMPETITIVENESS	WE'LL BE COMPETITIVE IN EVERYTHING WE DO – IN THE MARKET, OUR COST BASE AND OUR SUPPLY CHAIN – TO DRIVE GROWTH AND OPERATING EFFICIENCY
SUSTAINABILITY AND STAKEHOLDER EQUITY	THROUGH THIS IS FORWARD, OUR SUSTAINABILITY ACTION PLAN, WE WILL TAKE ACTION ON KEY GLOBAL SUSTAINABILITY ISSUES WHERE WE KNOW WE CAN MAKE A DIFFERENCE, IN LINE WITH THE PRIORITIES AND CONCERNS OF OUR STAKEHOLDERS
CULTURE AND CAPABILITY	WE WILL FOSTER A DIVERSE, MODERN WORKPLACE WHERE EVERYONE'S EXPERIENCE IS VALUED, AND WHERE PEOPLE ARE EMPOWERED TO SUCCEED AND ADOPT AN ENTREPRENEURIAL MINDSET

HOW WE'LL DO IT

- Give consumers a great drink for every occasion. Delivering growth through the premiumisation of existing favourites, adding exciting variants and introducing new brands to grow at scale
- Get the right product, in the right place, at the right time, focusing on value over volume

---

- Build targeted, relevant plans and online tools to help a wider range of customers grow with us
- Use the strength of our sales force to win with more customers, using segmentation to ensure we have a holistic approach to executing our plans across multiple drinking environments and occasions

---

- Invest in and support innovation across the business, through digital transformation and our innovation investment fund, CCEP Ventures
- Continue to harmonise our processes and deploy best practice principles across our business to drive efficiency and increase the effectiveness of our operations

---

- Operate sustainably to create a better future for people and the planet
- Act on our sustainability commitments and continuously review them to make sure we are tackling key environmental and societal concerns, particularly on climate and packaging

---

- Identify and roll out best practice approaches to inclusion and diversity across the business
- Develop our talented employees, and ensure we have the right capabilities to succeed

WHAT WE'LL DELIVER

SUSTAINABLE SHAREHOLDER RETURNS, UNDERPINNED BY OUR SUSTAINABILITY ACTION PLAN, **THIS IS FORWARD**

SEE OUR PERFORMANCE INDICATORS ON PAGES 2-3

MORE INFORMATION ABOUT OUR SUSTAINABILITY COMMITMENTS AND PROGRESS ON PAGES 34-43

Business model

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 who provide our raw ingredients, to the communities where we operate and the people who make and sell our products, we seek to work together with our stakeholders to grow sustainably.

READ MORE ABOUT HOW WE'RE PERFORMING ON PAGES 2-3

SEE HOW THE BOARD TAKES STAKEHOLDERS INTO ACCOUNT IN ITS DECISION MAKING ON PAGES 52-55

THE SUSTAINABILITY OF OUR BUSINESS MODEL IS EXPLAINED IN OUR STRATEGY ON PAGES 16-17 AND IN SUSTAINABILITY PAGES 34-43

SOURCE RAW MATERIALS

WORK WITH TCCC AND OTHER FRANCHISORS

OUR INVESTORS

Our investors provide the equity capital for our business and hold management to account, not only on financial performance but also by discussing key environmental, social and governance issues.

In 2019, we paid dividends totalling €574 million to shareholders and returned a further €1 billion to shareholders through our share buyback programme.

How we engage

We have a comprehensive programme of investor engagement covering the AGM, investor roadshows, investor conferences including key note webcast presentations, analyst meetings, proxy advisor engagement, half yearly earnings releases alongside presentations with webcast conference calls, and trading updates with webcast conference calls.

OUR FRANCHISORS

We conduct our business primarily under agreements with TCCC and a limited number of other franchisors. These agreements generally give us the exclusive right to sell, distribute, and, in most cases, make beverages in approved packaging in specified territories.

We drive sales to customers so that our franchisors' brands are available where and when consumers want them.

How we engage

CCEP has long-term growth plans that enable us to create value together with our franchisors. To ensure ongoing discussion, our management regularly meets with our franchisors at functional and sales and marketing levels. We invite TCCC to present at our Board meetings on a regular basis.

READ ABOUT OUR RELATIONSHIP WITH TCCC AND OTHER FRANCHISORS ON PAGE 192

OUR SUPPLIERS

We work with a network of about 17,000 suppliers across our markets. They supply us with a wide range of commodities and services such as ingredients, packaging, energy, equipment, building and facilities, fleet and logistics services, sales and marketing services, IT and telecoms and general administration.

Partnering and collaboration with our suppliers on sustainability is helping drive progress on delivering on our This is Forward commitments while sustainable sourcing ensures security of supply of all the commodities and services needed to make, sell and distribute our drinks.

Around 86% of our spend in 2019 (excluding concentrate and juices) was with suppliers in our countries of operation.

How we engage

Through our supplier relationship management process, our procurement teams engage regularly with suppliers so we can build long-term relationships and work together on common objectives. This includes addressing key sustainability issues in areas such as reducing packaging waste and responsible ingredient sourcing.

MAKE GREAT TASTING DRINKS

DISTRIBUTE TO OUR CUSTOMERS

WORK CLOSELY WITH CUSTOMERS WHO SELL TO CONSUMERS

OUR PEOPLE

Our business depends on the great people who make, sell and distribute our products every day. We foster a diverse, inclusive and safe working environment, where everyone's individuality is valued and where everyone has the training, tools and opportunity to succeed.

We invest in our people's training and development (over €12.5 million in 2019) as well as compensating them and providing additional benefits to them.

How we engage

We make sure our people have opportunities to voice their views, for example, through town hall meetings and engagement surveys. We share information through our intranet and other communication channels. Our management meets regularly with works councils and trade unions that represent our people. We have a number of channels through which our people can seek advice and raise concerns in line with our Code of Conduct.

READ MORE ABOUT OUR PEOPLE AND CULTURE ON PAGES 20-23

OUR CUSTOMERS

We strive to be our customers' preferred partner and create value together by responding to changing consumer preferences and retail trends. Our operating model is customer centric and focused on the front line. We aim to deliver the strongest execution and reach a broad range of outlets in the marketplace, all the while making it easier to do business with us. In 2019, the revenue we generated for our grocery customers grew by €433 million compared to 2018[A].

How we engage

We are focused on our customers, with thousands of our people calling on them every day. General Managers regularly engage with customers, along with senior members of the sales teams. We also engage with customers at an international level through TCCC's Global Customer Governance Board where certain international customers request this single point of contact within the Coca-Cola system. This engagement is limited to our markets under strict legal protocols.

(A) Source: Nielsen European Strategic Planner for the year 2019 to week ending 29 December 2019. Countries included are Belgium, France, Germany, GB, the Netherlands, Norway, Spain and Sweden. CCEP is defined as TCCC and Monster Energy excluding Innocent. Grocery customers here generally includes hypermarkets, supermarkets and discounters, although there are slight variations by market.

CONSUMERS

Consumers buy our great products from our customers. They drive demand for a range of drinks. We work with our customers to ensure that the drinks reaching consumers are high quality, safe and taste great.

How we engage

Generally, our franchisors own the relationship with consumers. We work closely with our franchisors and customers to understand consumer wants and needs. We receive direct feedback from consumers via the consumer care line provided on all our packaging.

WORK WITH PARTNERS, AIMING TO COLLECT 100% OF OUR PACKAGING

OUR COMMUNITIES

We have a strong local heritage and presence and we recognise the economic, social and environmental impact our business has on these communities. Our people live in our local communities and we use local resources from our communities, such as water and transport systems, to make, sell and distribute our products.

We seek to make a positive difference, helping to address the challenges our communities face by supporting local partnerships and grassroots initiatives.

How we engage

We invest in charitable and community causes in all of our markets and our people regularly take part in volunteering activities to support social initiatives in our communities.

READ MORE ABOUT OUR COMMUNITY SUPPORT WORK AND INVESTMENT ON PAGE 39

WE ENGAGE WITH OUR STAKEHOLDERS REGULARLY TO UNDERSTAND THEIR VIEWS ON THE ISSUES THAT MATTER MOST TO THEM AND HOW BEST TO WORK TOGETHER TOWARDS OUR COMMON GOALS. BY LISTENING CLOSELY TO OUR STAKEHOLDERS, WE ENSURE THEIR INSIGHTS SHAPE OUR BUSINESS STRATEGY.

Our people

Our success is determined by the hard work and passion of the people who work at CCEP and we are grateful for everything they do. We provide a supportive, inclusive, safe and healthy working environment where diversity is valued and people at every level are empowered to succeed.

Inclusion, diversity and equal opportunities

We believe that encouraging diversity of ideas, thinking and experience leads to better ways of working and better business results. We're committed to building a diverse workforce and encouraging an inclusive culture. This covers all areas of diversity, including gender, culture and heritage, multi generations, LGBT+ and disability. Encouraging diversity and inclusion is a cornerstone of our new people strategy.

FIND OUT MORE ABOUT ME@CCEP PAGE 21

6.1%
reduction in lost time incident rate

35.5%
of management positions at CCEP were held by women

ME@CCEP

Last year we launched our new people and culture strategy. This sets out our common culture and values and defines the experience we want our people to have at CCEP.

As part of this strategy, we launched Me@CCEP to our employees. It is about six beings:

Being well

The safety and wellbeing of our people is vitally important. We want everyone to feel happy and healthy, and to work with integrity and respect so we can all thrive at work and at home.

Being connected

We're powerful when we work as part of a winning team – championing communication, connection and collaboration.

Being valued

We're at our best when we can be ourselves at work and are able to share our perspectives, insights and build upon our strengths.

Being developed

Our experiences make us stronger and we support our people in exploring opportunities to develop – providing possibilities to continually learn, grow in their role and get to where they want to be.

Being rewarded

All our people have a part to play in CCEP's growth and we recognise, reward and celebrate the great work they do every day. We do this in ways that are simple, transparent and consistent.

Being inspired

We strive to be a force for good – for people and for the planet. We're passionate about what we do and what we stand for, and our people are empowered to make a difference.

Our people continued

As part of our sustainability action plan, This is Forward, we have a target of ensuring that at least 40% of our management positions (senior management and above) are held by women by 2025. In 2019, 35.5% of leadership positions were held by women, up from 35.2% (restated)[(A)] in 2018.

CCEP is an equal opportunities employer. We make decisions about recruitment, promotion, training and other employment issues solely on the grounds of individual ability, achievement, expertise and conduct. We don't discriminate on the basis of gender, gender identity, race, colour, religion, ethnicity, cultural heritage, age, social background, mental or physical ability or disability, national origin, sexual orientation or any other reason not related to job performance or prohibited by applicable law.

FIND OUT MORE ABOUT INCLUSION AND DIVERSITY AT CCEP ON PAGE 20

Training and developing talent

Across our business, we have a number of training programmes and systems to support our people and develop talent at every level of our organisation. These include our Accelerate Performance working sessions, as well as tools to identify talent and growth potential among our people.

We have introduced several new training and development tools as part of Me@CCEP. These include MyPerformance@CCEP, a mobile and online personal growth app that brings together everything our people need to know about their objectives, feedback and development in one place.

Remuneration and benefits

Along with a regular salary in line with market rates, benefits are available to all our people. These vary according to the employee's country and level in the organisation. They include medical or dental insurance, life insurance, eyecare vouchers, holiday time and leave packages to cover sickness, the birth of a child, bereavement or a long-term illness in the family. Depending on the country, level and grade, pension plans and share purchase plans are also offered to our people.

Around two thirds of our employees participate in annual variable remuneration plans. We offer a consistent annual bonus plan to around 5,000 people across the organisation (around 20% of the total population).

In addition, sales incentives plans are operated for around 20% of our people and a further 25% participate in more local incentive plans. We operate a Long-Term Incentive Plan for around 200 people who occupy the most senior roles in the business.

READ OUR DIRECTORS' REMUNERATION REPORT ON PAGE 87

Share ownership

Some of our employees take part in incentive programmes or share ownership schemes that are tied to CCEP's performance, which gives them a direct interest in the Group's results.

In GB, we also offer an Employee Share Plan (ESP). This offers a tax efficient mechanism for employees to become shareholders through salary sacrifice arrangements. Around 74% of eligible employees took part in the ESP as at 31 December 2019.

Plans are currently being prepared to launch a share purchase plan more broadly across the business. During 2020, we intend to launch plans that give all our people across CCEP the opportunity to participate in a share purchase plan.

Communication

Good communication is an essential part of building a motivated, engaged workforce. We're committed to communicating clearly and transparently with our people and their representatives.

Everyone at CCEP has access to news and information about us in local languages through intranet sites, printed materials and meetings with management. Our management updates our people on both CCEP's overall and local performance through these channels, as well as through our published results.

CCEP also meets regularly with European, national and local works councils and trade unions that represent our people. When required, we consult with our people and their representatives to discuss proposed measures before making decisions.

We encourage constructive and meaningful dialogue with our people. During consultation, our people representatives have the opportunity to ask questions, share views and propose alternatives to proposals before management takes a final decision.

Workplace health and safety

We're committed to providing our people with a safe and healthy work environment that safeguards their mental and physical wellbeing. To support this objective, we have a strong health and safety programme that aims to reduce our incident level to zero.

In cases where our people are injured or have other mental or physical health issues during employment with CCEP, we make reasonable adjustments to their duties and working environment to support their recovery and continued employment.

(A) We reported 35.6% of women in senior management positions in 2018 based on 759 females and 1,376 males in senior management as at 31 December 2018. Following a project to regrade senior managers, the number of females and males in senior management as at 31 December 2018 has been restated to 751 females and 1,380 males so that the number of women in senior management has been restated to 35.2%.

In 2019, our lost time incident rate was 1.07 per 100 full time equivalent employees. Zero fatalities occurred during the year. Further information about our safety performance and incident rates will be available on our website from May 2020.

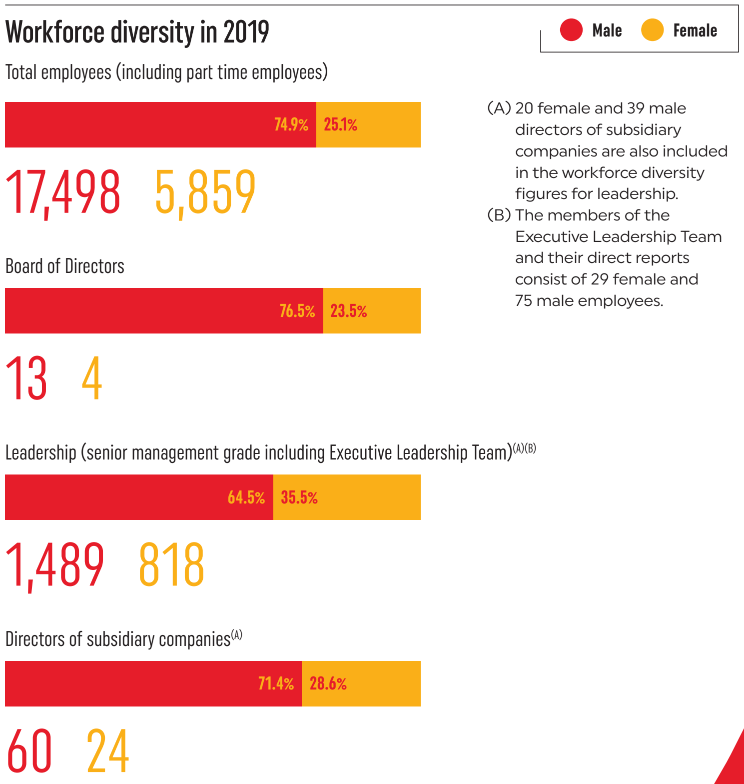
READ THE FULL DETAILS AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-SOCIETY-OUR-PEOPLE

Community support

As part of our support for our local communities, we also encourage our people to take part in a wide range of volunteering activities connected to our sustainability commitments, such as litter pick ups, charity sports events or youth mentoring schemes. In 2019, we introduced a new volunteering policy enabling all employees to use two paid working days every year volunteering for a charity or cause of their choice. As a result, our people dedicated 25,839 hours of volunteering time, an increase of 116% since 2018.

READ MORE ABOUT OUR SUPPORT FOR OUR LOCAL COMMUNITIES ON PAGE 39

Workforce diversity in 2019



(A) 20 female and 39 male directors of subsidiary companies are also included in the workforce diversity figures for leadership.
(B) The members of the Executive Leadership Team and their direct reports consist of 29 female and 75 male employees.

Operating with integrity

We live up to our responsibilities as a business by being accountable, ethical and aware of the risks in everything we do.

Corporate governance

We hold ourselves accountable to the highest standards of corporate governance and public access to information about CCEP.

CCEP has a strong governance framework with a Board of Directors overseeing the interests of all stakeholders. Five committees support the Board. These include the Corporate Social Responsibility (CSR) Committee, which is responsible for overseeing CCEP's sustainability strategy and all related policy issues and risks, including climate change, and the Audit Committee, which, among other things, oversees enterprise risk management. Management has also established a compliance and risk committee to supervise our ethics and compliance programme.

FOR MORE ABOUT OUR CORPORATE GOVERNANCE, SEE PAGES 67-76

FOR DETAILS ABOUT SUSTAINABILITY GOVERNANCE, VISIT WWW.COCACOLAEP.COM/SUSTAINABILITY

FOR MORE ABOUT OUR APPROACH TO RISK, SEE PAGES 44-49

Ethics and compliance

Our ethics and compliance programme ensures we are conducting our operations in a lawful and ethical manner. The programme is applicable to our people, our officers and our Directors. It also supports how we work with our customers, suppliers and third parties.

Code of Conduct reports by type

	Number	%(A)
Avoiding conflicts of interest	2	2
Creating an inclusive and respectful workplace	25	28
Delivering high quality products	1	1
Integrity of our business records(B)	29	31
Preventing bribery and corruption	1	1
Protecting information	2	2
Respecting global and local laws and customs	1	1
Responsible communications	1	1
Using our assets responsibly – non-financial	16	17
Working in a safe and healthy environment	15	16
Grand total	93	100
Number of employees resigned or dismissed	39	
Number of disciplined employees still employed(C)	32	

(A) Percentage versus overall reports.
(B) Not limited only to our financial records. Business records include records such as payroll, timecards, travel and expense reports, job applications, quality reports, field sales measures, customer agreements, and inventory and sales reports.
(C) Some cases involve more than one employee.

Code of Conduct

Our Code of Conduct (CoC) ensures that we act with integrity and accountability in all of our business dealings and relationships, in compliance with all applicable laws, regulations and policies.

We expect everyone working at CCEP to adhere to the CoC. We also expect all third parties who work on our behalf to act in an ethical manner consistent with our CoC and to comply with our Supplier Guiding Principles.

The CoC has been formally adopted in all the territories in which we operate, as well as our shared service centres in Bulgaria. All employees are required to undergo CoC training, and this is part of the induction process for new employees. Training on specific topics related to their roles is also provided where needed. All people managers receive a CoC guide that addresses their responsibilities. This includes a matrix to help with decision making and guidance on situations such as bullying and harassment.

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. In 2019, we launched our Anti-bribery, Gifts and Entertainment Policy and our Conflicts of Interest Policy, applicable to all employees, following consultation with works councils in each of the countries in which we operate. This is accompanied by mandatory training for a targeted audience.

SEE THE COC AT WWW.CCEPCOKE.ONLINE/CODE-OF-CONDUCT-POLICY

Raising concerns

Any employee who wishes to raise concerns about wrongdoing at CCEP can do so in a number of different ways, including contacting a line manager or through our dedicated Speak Up channels. When any employee voices concerns in relation to the CoC, CCEP will promptly and appropriately conduct an investigation.

FOR MORE DETAIL, SEE OUR AUDIT COMMITTEE REPORT ON PAGES 81-86

Respect for human rights

We consider human and workplace rights to be inviolable and fundamental to our sustainability as a business. We are committed to ensuring that everyone working throughout our operations and within our supply chain is treated with dignity and respect. Our principles regarding human rights are set out in our CoC and further detail is provided in our Human Rights Policy, which is aligned with accepted international standards such as the United Nations Guiding Principles on Business and Human Rights.

We have a zero tolerance approach to modern slavery of any kind within our operations and supply chain. This includes all forms of forced labour and any form of human trafficking. In 2017, we published our first Modern Slavery Statement, and continue to update this annually.

In October 2018, we conducted our first internal human rights workshop with participation from senior managers across our business, including support and engagement from our leadership team. In 2019, we conducted an internal Human Rights Risk Assessment, involving some of our senior leaders. We also sought input and advice from key external stakeholders, including UN OHCHR, Institute of Employers, KnowTheChain and many industry peers.

We identified nine key areas as posing the greatest risk to people in our own operations and across our value chain. We have initially focused on the first four priority issues to ensure full compliance and that action is taken: health, safety and security; equality and non-discrimination; working hours; and migrant and temporary workers. We will develop actions for the remaining issues in 2020: freedom of association; right to privacy and data protection; forced labour; and wages.

All procurement managers who interact with suppliers are given training on the Supplier Guiding Principles (SGPs) and Sustainable Agriculture Guiding Principles (SAGPs), as well as on Human Rights, as part of their induction.

On Human Rights Day in December 2019, we communicated our progress on this issue to our people and stakeholders.

MORE INFORMATION ABOUT OUR APPROACH TO ADDRESSING HUMAN RIGHTS CAN BE FOUND ON WWW.COCACOLAEP.COM/SUSTAINABILITY/HUMAN-RIGHTS

Business and financial review

Our business

CCEP is the world's largest independent Coca-Cola bottler by revenue, operating in 13 countries in Western Europe and employing around 23,300 people. We are proud of our strong heritage in Western Europe, and as CCEP we have established a solid track record of performance and a platform for profitable growth through our combined experience, scale and reach.

We continue to enhance our position as a leader in one of the largest consumer goods sectors in some of Europe's most significant markets.

Note regarding the presentation of non-GAAP financial information

We use certain alternative performance measures (non-GAAP 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 GAAP measure.

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, such as restructuring charges, out of period mark-to-market impact of hedges and net tax items relating to rate and law changes. Comparable volume is also adjusted for selling days.

"Fx-neutral" is defined as comparable 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 investment is in line with the Group's overall strategy for the use of cash.

"Free cash flow" is defined as net cash flows from operating activities less capital expenditures (as defined above) and interest paid. 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 and non-discretionary lease and interest payments. Free cash flow is not intended to represent residual cash flow available for discretionary expenditures.

"Adjusted EBITDA" is calculated as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), after adding back items impacting the comparability of year over year financial performance. Adjusted EBITDA does not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted 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 adjusted EBITDA does not reflect cash requirements for such replacements.

"Net debt" is defined as the net of cash and cash equivalents less currency adjusted borrowing. 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 adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

"ROIC" is defined as comparable operating profit after tax divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity less cash and cash equivalents. 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.

Additionally, within this report, we provide certain forward-looking non-GAAP financial Information, which management uses for planning and measuring performance. We are not able to reconcile forward-looking non-GAAP 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, percent 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 2019						
	€ million			% change vs prior year			
	As reported	Comparable	Fx impact	As reported	Comparable	Fx impact	Comparable fx-neutral
Revenue	12,017	12,017	(9)	4.5%	4.5%	—%	4.5%
Cost of sales	7,424	7,423	(6)	5.0%	5.5%	—%	5.5%
Operating expenses	3,045	2,918	(1)	(3.5)%	0.5%	—%	0.5%
Operating profit	1,548	1,676	(1)	19.0%	6.0%	—%	6.0%
Profit after taxes	1,090	1,185	(1)	20.0%	6.0%	—%	6.0%
Diluted earnings per share (€)	2.32	2.53	—	24.5%	10.0%	—%	10.0%

(A) See Supplementary financial information – income statement section for reconciliation of As reported to Comparable financial information.

Financial highlights

- Reported revenue totalled €12.0 billion, up 4.5% versus prior year, on both a reported and fx-neutral basis.
- Volume increased 1.0% while revenue per unit case increased 3.0%, including approximately 1.0% from the impact of incremental soft drinks taxes.
- Reported operating profit was €1.5 billion, up 19.0%. Comparable operating profit was €1.7 billion, up 6.0%.
- Reported diluted earnings per share were €2.32 or €2.53 on a comparable and fx-neutral basis, up 10.0%.
- Net cash flows from operating activities were €1.9 billion. Full year free cash flow* was €1.1 billion.

* Refer to Liquidity and capital management section for a reconciliation between net cash flows from operating activities and free cash flow.

Operational review

In 2019, our business delivered another solid year of results, demonstrating continued focus on driving profitable revenue growth through managing price and mix across our portfolio, strong in market execution and a step up in innovation. We are continuing our journey to build an organisation based on three pillars: great people, great service and great beverages, and our strong team of talented and engaged people has delivered the successful completion of our 2016 Merger commitments.

Reported operating profit totalled €1.5 billion, up 19.0% versus the prior year. Comparable operating profit was €1.7 billion, up 6.0% on a comparable basis. Full year 2019 diluted earnings per share was €2.32 on a reported basis, or €2.53 on a comparable basis.

Volumes were up 1.0% this year reflecting effective execution in our markets and innovation led growth, while cycling by strong volumes in the second half of last year. Revenue per unit case growth benefited from favourable price and package mix. This resulted in revenue growth on a comparable and fx-neutral basis which, along with the realisation of our post-Merger synergy benefits, led to further comparable operating profit growth during the year.

Revenue

Revenue totalled €12.0 billion, up 4.5% versus prior year, both on a reported and fx-neutral basis. Revenue per unit case grew 3.0% in 2019, on a comparable and fx-neutral basis, benefiting approximately 1.0% from the impact of incremental soft drinks taxes.

Revenue 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 2019	31 December 2018	% change
As reported	**12,017**	**11,518**	**4.5%**
Adjust: Total items impacting comparability	—	—	—%
Comparable(A)	**12,017**	**11,518**	**4.5%**
Adjust: Impact of fx changes	9	n/a	—%
Comparable and fx-neutral	**12,026**	**11,518**	**4.5%**
Revenue per unit case(A)	**4.77**	**4.62**	**3.0%**

(A) The change in revenue and revenue per unit case includes the impact of 1.0% for the year ended 31 December 2019, related to incremental soft drinks taxes introduced during 2018 in Great Britain and France.

Revenue per unit case growth benefited from favourable price and package mix during the year.

Business and financial review continued

Revenue by geography	Year ended 31 December 2019 % of total	31 December 2018 % of total	Revenue % change
Iberia (Spain, Portugal and Andorra)	23.0%	23.0%	4.5%
Germany	20.5%	20.5%	4.0%
Great Britain	20.0%	20.0%	6.0%
France (France and Monaco)	16.0%	15.5%	7.0%
Belgium/Luxembourg	8.5%	8.5%	2.0%
Netherlands	5.0%	5.0%	4.0%
Norway	3.5%	3.5%	(0.5)%
Sweden	3.0%	3.0%	0.5%
Iceland	0.5%	1.0%	(6.5)%
Total	**100.0%**	**100.0%**	**4.5%**

On a territory basis in 2019, reported revenue in Iberia was up 4.5% versus 2018. This was driven mainly by volume growth resulting from improving market and weather trends, further supported by solid execution in the away from home channel in Portugal. From a brand perspective, the growth led by Cola-Cola trademark, Monster, Aquarius and Appletiser was partly offset by a decline in our water brand, Aquabona, due to pricing initiatives. Additionally, revenue per case growth was supported by improved price and channel mix.

Reported revenue in Germany was up 4.0% versus 2018. This was driven mainly by volume growth in Coca-Cola Zero Sugar, Monster and Fuze Tea, partially offset by strong volumes in the second half of 2018 and a decline in our water brands, Apollinaris and ViO. Additionally, revenue per case growth was supported by positive price and package mix, including strong growth in energy, 3.5% growth in small glass[(A)] and more effective promotions in water.

Reported revenue in Great Britain was up 6.0% versus 2018. This includes the impact of approximately 3.0% relating to incremental soft drinks taxes introduced in 2018, as well as approximately 1.0% impact from foreign exchange translation. The additional increases in revenue were driven mainly by volume growth in Coca-Cola Zero Sugar, Fanta and Monster, partially offset by strong volumes in the second half of 2018 and softer market conditions in the fourth quarter of 2019. Additionally, revenue per case growth was supported by positive package, category and channel mix, including small cans[(A)] growth of 15.5% and strong performance of the away from home channel partly due to new customer wins.

Reported revenue in France was up 7.0% versus 2018. This includes the impact of approximately 2.5% relating to incremental soft drinks taxes introduced in 2018. The increase in revenue was mainly driven by volume growth following the resolution of a significant customer dispute in 2018, as well as solid growth in Coca-Cola Zero Sugar, Fuze Tea, Monster and Tropico, partially offset by challenging market conditions, particularly in the home channel. Additionally, revenue per case growth was supported by positive package mix from continued volume growth in priority small packs[(B)].

Reported revenue in the Northern European territories (Belgium, Luxembourg, the Netherlands, Norway, Sweden and Iceland) was up 1.5% versus 2018. The increase in revenue was mainly driven by the Netherlands (up 4.0%) and Belgium/Luxembourg (up 2.0%). Volumes were led by Coca-Cola Zero Sugar, Monster, Fuze Tea and Tropico, partially offset by strong volumes in the second half of 2018. Additionally, revenue per case growth was supported by positive price and priority small packs[(B)] volume growth.

(A) Small glass = glass < 1 litre; small cans = cans <33cl.

(B) PET and glass < 1 litre; cans <33cl.

Comparable volume – selling day shift In millions of unit cases, prior period volume recast using current year selling days[(A)]	Year ended 31 December 2019	31 December 2018	% change
Volume	**2,521**	**2,493**	**1.0%**
Impact of selling day shift	n/a	—	n/a
Comparable volume – selling day shift adjusted	**2,521**	**2,493**	**1.0%**

(A) A unit case equals approximately 5.678 litres or 24 eight ounce servings, a typical volume measure used in our industry.

Volumes were up 1.0% in 2019 reflecting effective execution in our markets and innovation led growth, partially offset by strong volumes in the second half of 2018.

Comparable volume by brand category Adjusted for selling day shift	Year ended 31 December 2019 % of total	 31 December 2018 % of total	Volume % change
Sparkling	**86.0%**	**85.5%**	**1.5%**
Coca-Cola trademark	63.5%	63.0%	1.5%
Flavours, mixers and energy	22.5%	22.5%	1.0%
Stills	**14.0%**	**14.5%**	**(0.5)%**
Hydration	8.5%	7.0%	(3.0)%
RTD teas, RTD coffees, juices and other drinks	5.5%	7.5%	4.0%
Total	**100.0%**	**100.0%**	**1.0%**

On a brand category basis in 2019, Coca-Cola trademark volume increased by 1.5% versus 2018. Coca-Cola Classic volume was down 1.0%, with growth in Iberia and France offset by higher weather driven volumes in the second half of 2018 and the incremental soft drinks tax impact in the first half of 2018. Lights were up 5.5% with strong growth across all markets driven by Zero Sugar (up 13.0%) and new flavours across both ranges.

Flavours, mixers and energy volume increased by 1.0% versus 2018. This mainly reflects 0.5% growth in Fanta volume led by higher distribution of Fanta Zero and new flavours (for example, Grape Zero) as well as effective Halloween marketing activity. Energy volumes were up 16.0% with strong performance of the Monster Mango Loco and Ultra ranges. Appletiser volume growth (up 53.5%) was driven by the launch in Iberia and solid growth in Great Britain. Schweppes volume in Great Britain increased by 2.0% while Royal Bliss grew 15.5% in Spain driven by distribution gains. Coca-Cola Energy is now available in all markets.

Hydration volume decreased by 3.0% versus 2018. This mainly reflects higher weather driven volumes in the second half of 2018 and fewer low value promotional activities in 2019, only partly offset by the growth of Aquarius in Iberia and Powerade in France and Germany.

RTD teas, RTD coffees, juices and other drinks volume increased by 4.0% versus 2018. This mainly reflects increased share gains in the RTD tea category. Fuze Tea is now the number one RTD tea brand in Germany, and Honest Tea continues to gain distribution. Tropico doubled its category share in France since we began distribution and we have seen positive early results from the expansion in Belgium. Costa Coffee RTD volume is reflecting growing distribution in Great Britain. Additionally, Monster Espresso performed well and we launched salted caramel flavour in Great Britain in the fourth quarter of 2019.

Cost of sales

Reported cost of sales was €7,424 million, up 5.0% versus 2018. Comparable cost of sales was €7,423 million, up 5.5% on both a comparable and fx-neutral basis versus 2018. Cost of sales per unit case increased by 4.5% on a comparable and fx-neutral basis. This reflects the impact of the incremental soft drinks taxes introduced during 2018 in Great Britain and France, brand and package mix, higher co-packing costs due to innovation, and also higher concentrate costs through the incidence pricing model given increased revenue per unit case growth.

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 2019	 31 December 2018	% change
As reported	**7,424**	**7,060**	**5.0%**
Adjust: total items impacting comparability[(A)]	(1)	(31)	0.5%
Comparable[(B)]	**7,423**	**7,029**	**5.5%**
Adjust: impact of fx changes	6	n/a	—%
Comparable and fx-neutral	**7,429**	**7,029**	**5.5%**
Cost of sales per unit case[(B)]	**2.95**	**2.82**	**4.5%**

(A) See Supplementary financial information – income statement.

(B) The change in cost of sales and cost of sales per unit case includes the impact of 1.5% for the year ended 31 December 2019 related to incremental soft drinks taxes introduced during 2018 in Great Britain and France.

Operating expenses

Reported operating expenses were €3,045 million, down 3.5%, or €113 million, versus 2018. This includes restructuring expenses, which have decreased by €120 million, from €250 million in 2018 to €130 million in 2019. Further detail relating to our restructuring charges is provided below.

Comparable operating expenses were €2,918 million, up 0.5%, or €11 million, versus 2018. This reflects our continued spend for the future, such as expanding our field sales teams, offset by synergy benefits and a continued focus on managing expenses.

Business and financial review continued

Operating expenses In millions of € fx impact calculated by recasting current year results at prior year rates	Year ended 31 December 2019	31 December 2018	% Change
As reported	**3,045**	**3,158**	**(3.5)%**
Adjust: total items impacting comparability[A]	(127)	(251)	4.0%
Comparable	**2,918**	**2,907**	**0.5%**
Adjust: impact of fx changes	1	n/a	—%
Comparable and fx-neutral	**2,919**	**2,907**	**0.5%**

(A) See Supplementary financial information – income statement.

Restructuring

During 2019, we recognised restructuring charges across the Group of €130 million. These charges were principally related to the transformation of our cold drink operations, commercial and supply chain restructuring initiatives in Germany, and logistics transformation activities in Northern Europe territories.

The transformation of our cold drink operations is aimed at delivering a modern, differentiated and versatile equipment fleet to optimise net cooler placements through our markets, including the introduction of a more cost effective cooler. Charges in the year include €47 million related to the accelerated depreciation of our aged cold drink equipment assets.

The commercial and supply chain restructuring initiatives in Germany relate to a reorganisation of our full service vending business and a redundancy programme across both commercial and supply chain functions designed to increase operational productivity. The restructuring charges incurred in 2019 related to these initiatives were approximately €24 million, primarily made up of severance costs. We also incurred approximately €10 million of severance related restructuring charges in connection with transformation activities across our logistics operations in Belgium.

Return on invested capital

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. For the year ended 31 December 2019, ROIC increased by 40 basis points, to 10.3%, versus 2018, driven by comparable operating profit growth, the completion of our 2018 share buyback programme and an increase in our dividend payments during 2019, offset by a net increase in our borrowings during the year and the impact of adopting IFRS 16.

ROIC In millions of €	Year ended 31 December 2019	31 December 2018
Comparable operating profit[A]	**1,676**	**1,582**
Taxes[B]	(421)	(391)
Comparable operating profit after tax	**1,255**	**1,191**
Opening borrowings less cash and cash equivalents[C]	5,631	5,388
Opening equity	6,564	6,685
Opening invested capital	**12,195**	**12,073**
Closing borrowings less cash and cash equivalents	6,105	5,309
Closing equity	6,156	6,564
Closing invested capital	**12,261**	**11,873**
Average invested capital	**12,228**	**11,973**
ROIC[D]	**10.3%**	**9.9%**

(A) Reconciliation from reported operating profit to comparable operating profit is included in the Supplementary financial information – income statement.
(B) Tax rate used is the comparable effective tax rate for the year.
(C) As a result of the adoption of IFRS 16 on 1 January 2019, lease obligations previously classified as operating leases were included in borrowings. As at 1 January 2019, opening borrowings less cash and cash equivalents increased by €322 million to €5,631 million, as compared to the closing balance as at 31 December 2018 of €5,309 million. The closing position as at 31 December 2018 included only finance lease obligations of €75 million. See Note 2 of the consolidated financial statements for further information relating to our adoption of IFRS 16.
(D) As a result of the adoption of IFRS 16 there was a reduction in ROIC of approximately 25 basis points.

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-term 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. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity.

The Group has amounts available for borrowing under a €1.5 billion multi currency credit facility with a syndicate of 10 banks. This credit facility matures in 2024 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 2019, the Group had no amounts drawn under this credit facility.

Net cash flows from operating activities were €1,904 million in 2019, an increase of 5.0%, or €98 million, from €1,806 million in 2018. These cash flows were primarily generated from our operations and included a VAT refund of €126 million relating to the ongoing dispute with the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region), offset by restructuring cash outflows of €147 million. In addition, in connection with the adoption of IFRS 16, €128 million of payments relating to lease obligations were classified outside operating activities in 2019. See Note 2 of the consolidated financial statements for further information relating to our adoption of IFRS 16.

We continue to invest significantly in our capital expenditure programmes to improve the operating capacity of our business, demonstrated by €602 million of spend during 2019 on purchases of property, plant and equipment and capitalised software as part of our business capability programme. This compares to €600 million in 2018.

Following from the items outlined above, free cash flow generation for the year was €1,099 million, in line with 2018 of €1,111 million.

Free cash flow In millions of €	Year ended 31 December 2019	 31 December 2018
Net cash flows from operating activities	**1,904**	**1,806**
Less: purchases of property, plant and equipment	(506)	(525)
Less: purchases of capitalised software	(96)	(75)
Less: interest paid, net	(86)	(81)
Add: proceeds from sales of property, plant and equipment	11	4
Less: payments of principal on lease obligations(A)	(128)	(18)
Free cash flow	**1,099**	**1,111**

(A) As a result of the adoption of IFRS 16 on 1 January 2019, the majority of the Group's lease obligations are now presented on the balance sheet as right of use (ROU) assets within property, plant and equipment. Cash outflows relating to operating leases had previously been presented in net cash flows from operating activities and, from 1 January 2019, these equivalent cash flows are now included as cash flows from financing activities. During the year ended 31 December 2019, total cash outflows from payments of principal on lease obligations were €128 million. Our lease obligations are operating in nature and so we believe it is appropriate to include the related cash outflows in our free cash flow measure. The Group has thus elected to amend its definition of free cash flow and now includes cash outflows from lease obligations. This change is commensurate with the overall objective of the non-GAAP measure, being a measure of the Group's cash generation from operating activities and taking into account our investing activities and non-discretionary interest payments. In 2018, while our operating lease cash flows were presented as operating cash flows, our finance lease cash flows were included within financing activities and not adjusted for within free cash flow. In amending our free cash flow definition in 2019, our free cash flow for the comparative 2018 period has been adjusted by €18 million, to €1,111 million.

In 2019, and excluding the effects of adopting IFRS 16 described above, total borrowings increased by €491 million. This was driven by new issue proceeds of €1,089 million from the issuance of €493 million 1.125% notes due 2029, €495 million 0.7% notes due 2031 and €101 million net issuances of short-term borrowings, offset by repayments on debt in the period of €625 million.

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 and currently our long-term ratings continue to be investment grade with a stable outlook. Changes in the operating results, cash flows or financial position could impact the ratings assigned by ratings 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.

Business and financial review continued

Net debt In millions of €	As at 31 December 2019	31 December 2018
Total borrowings(A)	6,421	5,618
Add: fx impact of non-euro borrowings	6	24
Adjusted total borrowings	**6,427**	**5,642**
Less: cash and cash equivalents	(316)	(309)
Net debt	**6,111**	**5,333**

(A) As a result of the adoption of IFRS 16 on 1 January 2019, borrowings now include the majority of the Group's leasing obligations. As at 31 December 2019, lease obligations included within total borrowings totalled €387 million. For the comparative period, only finance lease obligations of €75 million were included within total borrowings.

Credit ratings As of 13 March 2020	Moody's	Standard & Poor's
Long-term rating	A3	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.

The ratio of net debt to adjusted 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, related foreign exchange impact and cash and cash equivalents in total. Adjusted EBITDA is calculated as EBITDA after adding back items impacting the comparability of year over year financial performance.

Adjusted EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted 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 adjusted EBITDA does not reflect cash requirements for such replacements.

Net debt to adjusted EBITDA

Adjusted EBITDA In millions of €	Year ended 31 December 2019	31 December 2018
Reported profit after tax	**1,090**	**909**
Taxes	364	296
Finance costs, net	96	93
Non-operating items	(2)	2
Reported operating profit	**1,548**	**1,300**
Depreciation and amortisation(A)	639	512
Reported EBITDA	**2,187**	**1,812**
Items impacting comparability:		
Mark-to-market effects(B)	(2)	8
Restructuring charges(C)	92	259
Adjusted EBITDA	**2,277**	**2,079**
Net debt to EBITDA	**2.79**	**2.94**
Net debt to adjusted EBITDA	**2.68**	**2.57**

(A) Depreciation in 2019 includes the effects relating to the adoption of IFRS 16 on 1 January 2019. For the year ended 31 December 2019, depreciation related to ROU assets capitalised under IFRS 16 was €124 million.
(B) Amounts represent the net out of period mark-to-market impact of non-designated commodity hedges.
(C) Amounts represent restructuring charges related to business transformation activities, excluding accelerated depreciation included in the depreciation and amortisation line.

Dividends

In line with our commitments to deliver long-term value to shareholders, in April and October 2019, the Board declared interim dividends of €0.62 per share, an increase of 17% versus 2018. For the year ended 31 December 2019, dividend payments totalled €574 million (2018: €513 million).

Share buyback

In 2019, we repurchased €1.0 billion of Shares, completing the €1.5 billion share buyback programme announced in September 2018.

On 13 February 2020, we announced our intention to commence a new €1 billion share buyback programme, in accordance with the general authority to repurchase Shares granted by shareholders at the Company's AGM in 2019, and subject to further shareholder approval at the AGM in 2020. The value of the programme may be adjusted depending on economic, operating, or other factors, including acquisition opportunities.

Supplementary financial information – income statement

The following provides a summary reconciliation of CCEP's reported and comparable results for the full years ended 31 December 2019 and 31 December 2018:

Full year 2019	As reported	Items impacting comparability			Comparable
Unaudited, in millions of € except per share data which is calculated prior to rounding	CCEP	Mark-to-market effects[(A)]	Restructuring charges[(B)]	Net tax items[(F)]	CCEP
Revenue	12,017	—	—	—	12,017
Cost of sales	7,424	(1)	—	—	7,423
Gross profit	**4,593**	**1**	**—**	**—**	**4,594**
Operating expenses	3,045	3	(130)	—	2,918
Operating profit	**1,548**	**(2)**	**130**	**—**	**1,676**
Total finance costs, net	96	—	—	—	96
Non-operating items	(2)	—	—	—	(2)
Profit before taxes	**1,454**	**(2)**	**130**	**—**	**1,582**
Taxes	364	(1)	36	(2)	397
Profit after taxes	**1,090**	**(1)**	**94**	**2**	**1,185**
Diluted earnings per share (€)	**2.32**	**—**	**0.21**	**—**	**2.53**
				Diluted weighted average Shares outstanding	**469**

Full year 2018	As reported	Items impacting comparability			Comparable
Unaudited, in millions of € except per share data which is calculated prior to rounding	CCEP	Mark-to-market effects[(A)]	Restructuring charges[(B)]	Net tax items[(F)]	CCEP
Revenue	11,518	—	—	—	11,518
Cost of sales	7,060	(7)	(24)	—	7,029
Gross profit	**4,458**	**7**	**24**	**—**	**4,489**
Operating expenses	3,158	(1)	(250)	—	2,907
Operating profit	**1,300**	**8**	**274**	**—**	**1,582**
Total finance costs, net	93	—	—	—	93
Non-operating items	2	—	—	—	2
Profit before taxes	**1,205**	**8**	**274**	**—**	**1,487**
Taxes	296	1	68	2	367
Profit after taxes	**909**	**7**	**206**	**(2)**	**1,120**
Diluted earnings per share (€)	**1.86**	**0.02**	**0.42**	**—**	**2.30**
				Diluted weighted average Shares outstanding	**488**

(A) Amounts represent the net out of period mark-to-market impact of non-designated commodity hedges.
(B) Amounts represent restructuring charges related to business transformation activities.
(C) Amounts include the deferred tax impact related to income tax rate and law changes. The amount in 2018 includes the net book tax impact of US tax reform and the related simplification of our debt and capital structure.

Sustainability

ACTION ON

We are taking action on sustainability by using our business and brands to build a better future. For people. For the planet.

We believe that business success and sustainability go hand in hand. We want to grow our business in a way that manages our social and environmental impacts responsibly and makes our people and our stakeholders proud.

We are doing this through our Group wide sustainability action plan – This is Forward.

Created with TCCC, and developed through continuous consultation with our stakeholders, including customers, NGOs and suppliers, across all our territories, the plan places sustainability at the heart of our business strategy.

Through This is Forward, we are taking action on six key social and environmental areas where we know we have significant impact, and which our stakeholders want us to prioritise. In each of these areas we have made a number of commitments which align with the targets underpinning the UN Sustainable Development Goals (SDGs). Together, they provide a clear direction of how we intend to work with partners across our value chain to build a better future – for our business, for people and for the planet. There is no going back. This is Forward.

FIND OUT MORE AT WWW.COCACOLAEP.COM/SUSTAINABILITY

We have a separate Corporate Social Responsibility Committee of the Board, which monitors progress against our sustainability agenda, reflecting the importance we place on sustainability.

READ MORE IN OUR CORPORATE GOVERNANCE REPORT ON PAGES 67-76

THIS IS FORWARD

SUSTAINABLE DEVELOPMENT GOALS | MEMBER OF Dow Jones Sustainability Indices In collaboration with SAM | CDP A LIST 2019 CLIMATE | CDP A LIST 2019 WATER | Corporate ESG Performance RATED BY ISS ESG Prime | FTSE4Good | GOLD 2019 ecovadis CSR Rating

DRINKS

WE'LL BE A TOTAL BEVERAGE COMPANY, OFFERING CONSUMERS AN EVEN GREATER CHOICE OF DRINKS WITH REDUCED SUGAR.

We'll reduce the sugar in our soft drinks by 10% between 2015 and 2020, and that's in addition to the 5% reduction achieved in the previous five years.(A)

We'll aim for 50% of our sales to come from low or no calorie drinks.(B)

We'll continuously evolve our recipes and portfolio to offer a greater choice of drinks.

We'll make it easier for consumers to cut down on sugar with straightforward product information and smaller pack sizes.

We'll make sure we don't advertise to children under 12 and that our sales and marketing practices evolve in line with external expectations.

PACKAGING

WE'LL COLLECT ALL OF OUR PACKAGING SO THAT NONE OF IT ENDS UP AS LITTER OR IN THE OCEANS.

We'll make sure that 100% of our primary packaging is recyclable or reusable.

We'll work with local and national partners to collect 100% of our packaging in Western Europe, including support for well designed deposit return schemes where a proven alternative does not exist.(C)

We'll remove all unnecessary or hard to recycle packaging from our portfolio.(C)

We'll make sure that at least 50% of the material we use for our PET bottles comes from recycled plastic (rPET) by 2023 and we'll aim to reach 100% recycled or renewable plastic in the future.(C)

We'll use the reach of our brands to inspire everyone to recycle.

We'll lead the way in pioneering sustainable packaging – including renewable materials and smart new ways to reduce packaging waste.

SOCIETY

WE'LL BE A FORCE FOR GOOD BY CHAMPIONING INCLUSION AND ECONOMIC DEVELOPMENT IN SOCIETY – WITH OUR EMPLOYEES AND OUR COMMUNITIES.

We'll foster a diverse and inclusive culture in our business and make sure that women hold at least 40% of our management positions.

We'll expand the contribution we make to society by increasing our employee volunteering and supporting local community partnerships.

We'll support initiatives which help young people gain the employability, skills and confidence they need to succeed.

WATER

WE'LL HANDLE WATER WITH THE CARE IT DESERVES ACROSS OUR BUSINESS AND OUR VALUE CHAIN.

We'll protect the sustainability of the water sources we use for future generations.

We'll reduce the water we use in manufacturing by 20% – and address water impacts in our supply chain.(D)

We'll replenish 100% of the water we use in areas of water stress.

CLIMATE

WE'LL HALVE OUR DIRECT CARBON EMISSIONS AND PURCHASE 100% RENEWABLE ELECTRICITY.

We'll cut greenhouse gas emissions from our core business by 50%.(E)

We'll cut greenhouse gas emissions by 35% across our entire value chain.

We'll purchase 100% renewable electricity by 2020.

SUPPLY CHAIN

WE'LL SOURCE OUR MAIN INGREDIENTS AND RAW MATERIALS SUSTAINABLY AND RESPONSIBLY.

We'll make sure 100% of our main agricultural ingredients and raw materials come from sustainable sources by 2020.

We'll continue to embed sustainability, ethics and human rights into our supply chain.(F)

Baseline is 2010 and target date is 2025 unless otherwise stated

(A) Sparkling soft drinks and non-carbonated soft drinks only. Does not include water or juice. This commitment is for CCEP and TCCC WEBU. Baseline is 2010 and includes historical, consolidated data for Coca-Cola Enterprises, Coca-Cola Iberian Partners, S.A. and Coca-Cola Erfrischungsgetränke AG that was recalculated after the Merger.
(B) Total CCEP sales. Does not include coffee, alcohol, beer or freestyle. Low-calorie beverages ≤20kcal/100ml. Zero calorie beverages <4kcal/100ml.
(C) 2019 enhanced Action on packaging commitments.
(D) Water use ratio, litres of water per litre of finished product produced.
(E) Absolute carbon reduction target, irrespective of business growth. Core business operations includes manufacturing, cold drink equipment and transportation.
(F) We'll do this through our global Supplier Guiding Principles and Human Rights Policies.

Action on drinks

03 > GOOD HEALTH AND WELLBEING

Too much sugar isn't good for anyone. By evolving our portfolio, we're helping consumers manage the amount of sugar they consume and make more informed choices about their diets.

Our strategy

Today, people are looking for a broader variety of drink options, including low and no calorie drinks, to fit a greater range of moments and occasions. Working with TCCC and other franchisors, we're evolving our business in line with these changes.

We're rethinking many of our recipes to reduce sugar across our brands. At the same time we're expanding our portfolio to include many other types of drinks like RTD teas and coffees, juices and purified water. We're committed to ensuring that 50% of our sales come from low and no calorie drinks by 2025.

We're also making it easier for consumers to cut down on sugar by providing straightforward product information, and by making smaller and more convenient pack sizes more readily available.

We're shifting our marketing spend to make people more aware of our low and no sugar options, while continuing to ensure we never advertise to children under 12.

Our actions

We're continuing to make progress in reducing sugar across our portfolio through portfolio innovation and reformulation, launching 169 low and no calorie drinks to the market in 2019. These included Aquarius Hydration, a functional water drink launched in France, GB, Germany and Sweden that couples simple hydration with essential mineral intake. We also reformulated our Capri-Sun Tropical, Multivitamin and Orange range in France. In Belgium we introduced Chaudfontaine Sensation, a low-calorie water flavoured with fruit juice.

> **"WE CONSTANTLY STRIVE TO OFFER THE BEST PRODUCTS TO OUR SHOPPERS, WITH A WIDE RANGE OF CHOICE. WITH THE INCREASING DEMAND FOR LOW AND NO CALORIE BEVERAGES, WE SEE CCEP HAS BEEN LEADING THE WAY BY CONTINUOUSLY INTRODUCING GREAT TASTING DRINKS THAT MEET OUR CONSUMER NEEDS."**
>
> Roderick Rasquin – Lead Category manager Albert Heijn – The Netherlands

To ensure that 50% of our sales come from low and no calorie drinks by 2025, we also continue to increase investments in marketing to raise consumer awareness of our range of new reduced sugar drinks.

In 2019, to diversify our portfolio and to offer consumers a greater choice of drinks, we expanded our presence in the dynamic energy drink category with Coke Energy. This complements our existing Monster range of energy drinks, which we expanded further with the launch of Monster Reign, a range of performance energy drinks with zero calories. In France and Belgium we launched Tropico, a newly acquired still juice brand.

To help consumers make informed choices, we're committed to providing clear nutrition information about our drinks. We support schemes that promote a consistent approach to labelling across markets and align with EU legislation, and we're encouraged to see growing support for colour based interpretive labelling across the EU. We are closely monitoring developments related to the EU-led process underway for front of pack nutrition labelling.

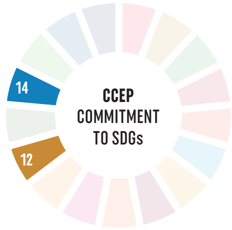
We are also making smaller and more convenient pack sizes more readily available, with increased activation focus in all our territories.

To ensure we do not market to children under 12, we inform and train our sales and marketing teams with clear operational guidelines to meet our external commitments.

READ MORE AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-DRINKS

Our progress	2019	2018
Reduction in average sugar per litre in our soft drinks portfolio since 2015	12.9%	11.1%
Reduction in average sugar per litre in our soft drinks portfolio since 2010	17.6%	15.8%
Products sold that are low or no calorie	46%	45%

Action on packaging



The world has a major packaging waste problem. We're taking action to ensure that we collect 100% of our packaging so that none of it ends up as litter or in the oceans.

12 > RESPONSIBLE CONSUMPTION AND PRODUCTION

14 > LIFE BELOW WATER

Our strategy

We're committed to leading the way towards a circular economy where 100% of our packaging is collected, reused or recycled. At CCEP we see this as one of our most urgent sustainability priorities, and in 2019 we announced enhanced packaging targets to accelerate delivery, together with TCCC.

Through these enhanced targets, we have committed to eliminating all unnecessary or hard to recycle plastic from our portfolio. We've also brought forward the deadline to increase the level of recycled content in our plastic bottles to at least 50% from 2025 to 2023, aiming to reach 100% recycled or renewable plastic in the future. By 2025, all of our packaging will be 100% recyclable.

We continue to work with TCCC to use our brands to encourage consumers to recycle more, as well as working with customers, local governments and other stakeholders to improve local collection and recycling rates.

We also continue to invest in sustainable packaging innovations, including exploring refillable and packaging free delivery models. Finally, to improve transparency on our packaging performance, we have committed to reporting annually on our packaging footprint.

Our actions

In 2019, we developed a Sustainable Packaging Office (SPO), a cross system working model that streamlines all the technical and exploratory sustainable packaging work across our geographies, accelerates our innovation in this area and supports our progress towards our enhanced packaging targets.

To support our commitments to make 100% of our packaging recyclable or reusable by 2025, we announced that we would replace hard to recycle shrink wrap with 100% recyclable cardboard packaging for multi pack cans. This will remove around 4,000 tonnes of single use plastic per year across our territories. We also changed the colour of our plastic Sprite bottles from green to clear, making them easier to recycle bottle to bottle.

During the year, we announced that we would support well designed deposit return schemes across Western Europe, where an effective alternative doesn't already exist. This supports our goal to collect a bottle or can for every one we sell by 2025.

We also stepped up our efforts to increase the recycled content in our packaging. From 2020 onwards, all our Honest, GLACÉAU Smartwater, Chaudfontaine and ViO bottles will be made from 100% recycled plastic, removing 9,000 tonnes of virgin plastic from our portfolio per year. In addition, from 2020, all our plastic bottles produced in Sweden will be made from 100% rPET – a global first for the Coca-Cola system.

Innovation continues to play a vital role. In 2019, we unveiled our first ever sample bottle made using 25% recycled marine plastics. Developed through a partnership between Ioniqa Technologies, Indorama Ventures, Mares Circulares and TCCC, the marine bottle demonstrates that one day, even ocean debris could be used in recycled packaging for food or drinks.

We recognise that cross sector alliances play an important role in creating a circular economy for our packaging. Together with TCCC and the Coca-Cola Hellenic Bottling Company, we have joined the Circular Plastics Alliance, an initiative bringing public and private stakeholders together to support the EU's target of ensuring that 10 million tonnes of recycled plastics are used to make products in Europe in 2025.

READ MORE AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-PACKAGING

"OUR RECYCLING PROGRAMME AT BRUSSELS AIRPORT IN PARTNERSHIP WITH CCEP SUPPORTS THEIR AMBITION TO COLLECT EVERY BOTTLE THEY PUT ON THE MARKET. WITH THIS PROJECT WE ARE RESPONDING TO EVER INCREASING ON THE GO CONSUMPTION, AIMING FOR AN INCREASE IN PACKAGING WASTE COLLECTION AND ITS RECYCLING RATE."

Patrick Laevers – Managing Director Fost Plus – Belgium

Our progress

	2019	2018
Primary packaging that is recyclable or reusable	98.3%	97.9%
Recycled plastic in our PET bottles	30.5%	27.6%

Action on society

CCEP COMMITMENT TO SDGs

05 > GENDER EQUALITY

08 > DECENT WORK AND ECONOMIC GROWTH

We're determined to make a positive difference in society by promoting inclusion, diversity and economic development, both in our workplaces and in our local communities.

Our people

Our strategy

Our success is only possible with the passion and commitment of the 23,300 talented people who work with us. We believe that diversity is a key driver of innovation and growth. Our vision is to be an organisation where people feel they belong, and where different life experiences and perspectives are valued. Promoting gender equality is an important part of this, and to ensure we're moving in the right direction we have a target for at least 40% of leadership positions at CCEP to be held by women by 2025.

Being a great place to work also means providing a safe, healthy working environment. We have strong programmes designed to eliminate accidents in the workplace, along with a range of other benefits supporting our people's health and wellbeing.

Our actions

To build the right culture for growth and align our approach across our territories, we introduced our people strategy in 2019. This includes an employee facing brand that defines the kind of experience we want everyone to have at CCEP. Me@CCEP is built on the idea that "everything starts with me" and is about being well, connected, valued, developed, rewarded and inspired.

FIND OUT MORE ABOUT ME@CCEP ON PAGE 21

"WE ARE PLEASED THAT WE WERE ABLE TO AWARD CCEP, A LGBT+ DIVERSITY CHAMPION, WITH THE PRIDE 500 EMPLOYER SEAL. WITH ITS INTERNAL AND EXTERNAL COMMITMENT, THE COMPANY SETS AN EXAMPLE FOR MORE EQUAL OPPORTUNITIES FOR LESBIANS, GAYS, BISEXUAL, TRANSGENDER/ TRANSSEXUAL PLUS PEOPLE IN THE WORKPLACE."

Stuart B. Cameron – CEO & Founder UHLALA Group – Germany

Fostering an inclusive, diverse working culture is integral to our strategy. To support this, we set up a new CCEP wide Inclusion and Diversity Centre of Expertise in 2019. A new CCEP wide Inclusion and Diversity Policy was approved by the Board in 2019. It will be launched in 2020 and explains the importance of inclusion and diversity to CCEP's future, and sets out our expectations in this area.

Promoting gender equality and empowering women continues to be a key priority. We aim to support women at senior levels and improve the gender balance in our talent pipelines through a range of training programmes and other initiatives.

Industry wide partnerships and pledges have an important role to play in building a more diverse retail sector. In 2019, our CEO Damian Gammell, along with TCCC Chairman and CEO James Quincey, signed the LEAD Network pledge, an industry wide commitment to accelerating gender parity and inclusion across our sector. In January 2020, we also signed the Valuable 500 pledge, joining other companies and business leaders who have committed to putting disability inclusion on their business leadership agenda.

For the second year running, our business in Germany was awarded the Pride 500 Seal for its efforts in promoting LGBT+ inclusiveness. Activities in 2019 included taking an active role in a range of LGBT+ conferences and job fairs, hosting CCEP's first European LGBT+ workshop, and producing 100,000 "Love" cans to show our support for the LGBT+ community.

We have a safety road map in place to drive a harmonised approach to mitigating safety risks and create a culture of continuous improvement. CCEP manufacturing sites celebrating safety milestones in 2019 included our Morpeth and Edmonton sites in GB, which have seen no lost time incidents for ten years and seven years respectively. In Norway, our Robsrud site marked four years without injuries causing a leave of absence.

READ MORE AT
WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-SOCIETY-OUR-PEOPLE

Our progress	2019	2018[(A)]
Management positions at CCEP held by women	35.5%	35.2%

(A) Restated – read full footnote on page 22

04 > QUALITY EDUCATION

11 > SUSTAINABLE CITIES AND COMMUNITIES

Our community investment and volunteering

Our strategy

Many of our communities face significant social challenges, including high levels of youth unemployment and social exclusion. We want to act as a force for good by supporting local community partnerships and by helping disadvantaged young people gain the employability, skills and confidence they need to succeed.

We also help address these issues across our territories by offering our people the opportunity to dedicate up to two paid working days a year to volunteer in local community programmes.

Our actions

In 2019, we contributed €8.8 million, or 0.60% of pre-tax profit, to community initiatives. This included a range of programmes and partnerships to support young people from disadvantaged backgrounds. In France we launched new partnerships with Les Restaurants du Cœur and Eloquentia. We continue to work with the Foundation of Integration in Germany, UK Youth's Reach Up programme in GB, JINC in the Netherlands, Mentor in Sweden and the Red Cross in Norway and Iceland. In Spain our GIRA Jóvenes programme continues to promote employability and skills development amongst young people.

To inform and educate our young leaders about the social and environmental challenges faced by society, 27 delegates from CCEP attended the One Young World summit in London in 2019. The summit provides a unique opportunity to build a community of talented young people who are ready to engage, learn, challenge and tackle the most important sustainability issues the world faces, covering topics from climate change to poverty alleviation.

> **"OVER THE LAST TWO YEARS, CCEP VOLUNTEERS HAVE WORKED ALONGSIDE YOUTH WORKERS, SUPPORTING OUR PROGRAMME AND GIVING MORE THAN 150 YOUNG PEOPLE THE CHANCE TO EXPLORE THEIR POTENTIAL AND UNDERSTAND THE JOURNEY INTO EMPLOYMENT."**
>
> **Patrick Shaw-Brown** – Director of National Programmes UK Youth – GB

In 2019, we also launched Support my Cause, an initiative which enables our employees to nominate causes that are close to their hearts and vote to select the charities or causes that CCEP should support. In 2019, we launched the programme in Bulgaria, France, GB, Germany and Spain, donating €195,000 to local charities and community groups. In 2020, we plan to expand the programme across our other territories.

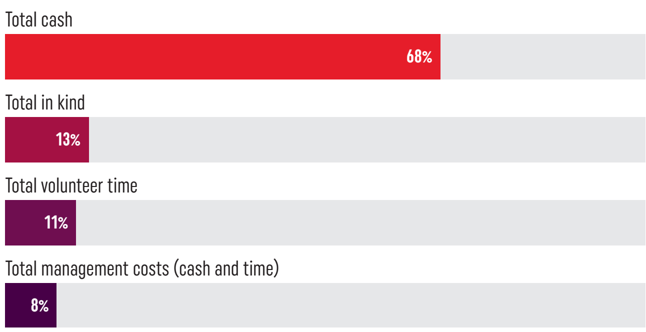
As part of our volunteering programme, we organised our first ever Group wide volunteering week in June 2019. More than 1,000 people from across our territories took part in litter clean up activities in coastal areas and public places, collecting more than 1,000 bags of litter.

In addition, our people also supported local community groups and charities including 165 colleagues in GB who volunteered 201 days to support Reach Up, volunteers in Spain who focused on mentoring GIRA participants over a two month period and volunteers in Germany who volunteered at food banks. In 2019, our people dedicated 25,839 hours of volunteering time, an increase of 116% since 2018.

We are also developing a new metrics toolkit to enhance our understanding of the impact of our community investments. We piloted the toolkit in France, GB, Germany and Spain in 2019 and expect to roll this out across all our territories in 2020.

READ MORE AT
WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-SOCIETY-OUR-COMMUNITY

Our €8.8 million community contribution



Action on water

6 > CLEAN WATER AND SANITATION

Water is the main ingredient in our products and essential to our manufacturing processes. To ensure a sustainable supply of water, we're working to reduce the amount of water we use in our operations and protect local water sources for future generations.

Our strategy

CCEP depends on a sustainable supply of water. And yet deteriorating water quality in our supply chain and water scarcity, caused by over exploitation, poor water management and the impacts of climate change, have become major issues for our business in Western Europe.

To address these challenges and take care of our water resources, we take a value chain approach to water management. We're aiming to reduce the water we use in our manufacturing operations by 20% by 2025, as well as addressing water impacts within our supply chain. We're also aiming to replenish 100% of the water we use in areas of water stress through community based partnerships.

Our actions

In 2020, we plan to further strengthen our approach to water stewardship by aligning with TCCC's new 2030 water strategy. The strategy adopts a context based approach to water security, allowing us to focus on local areas which are most at risk from water stress. Together with TCCC we have undertaken detailed analysis of the water related risks that we face. We use a water risk management framework, which identifies and prioritises water related risks in two ways. Firstly, our enterprise water risk assessment maps our exposure to water stress risks across our own manufacturing sites and our agriculture supply chain. This is supported by source water vulnerability assessments (SVAs) which are undertaken at a local level to identify the long-term sustainability of the water sources which we rely upon.

"OUR EFFORTS IN THE CAMARGUE ARE PAYING OFF. FISH, BIRD AND PLANT SPECIES ARE FLOURISHING AND SEVERAL BILLION LITRES OF FRESH WATER HAVE RETURNED TO THIS UNIQUE NATURAL HERITAGE SITE. PROJECTS SUCH AS THESE PLAY A VITAL ROLE IN HALTING THE DECLINE IN BIODIVERSITY."

Isabelle Autissier – President WWF – France

Our manufacturing sites carry out SVAs every five years. These assessments inform our source water protection plans (SWPPs). In 2019, all of our manufacturing sites had SVAs and SWPPs in place to mitigate the risks.

Based on our 2019 enterprise water risk assessment, we created a water stress map identifying which of our manufacturing sites are most exposed to water stress risks. The map showed that 27 of our 47 manufacturing sites are in areas currently affected by water stress.

We're continuing to invest in water saving systems to make our manufacturing and cleaning processes more water efficient. For example, in 2019 we optimised water treatment plants in Belgium, Germany, GB and Spain, saving up to 50,000m^3 water per year. As a result of these and other initiatives, our water use ratio was 1.60 in 2019 – a reduction of 12.14% since 2010.

Together with TCCC, we continue to replenish the water we use in areas of water stress in partnership with local NGOs and community groups. In 2019, we managed 15 community based water replenishment projects in Western Europe. As a result, we were able to replenish 160% of the water we sourced to make our drinks in areas affected by water stress.

In 2019, we celebrated the fifth year of our water replenishment programme in the Camargue, supported by WWF France and the Coca-Cola Foundation. The aim of the programme is to restore the hydrology and biodiversity of the Étangs et Marais des Salins de Camargue, a protected coastal area of lagoons and salt marshes covering over 6,500 hectares.

READ MORE AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-WATER

Our progress	2019	2018
Water use ratio (litres of water/litre of product produced)	1.60	1.61
Amount of replenished water we used in our drinks, where sourced from areas of water stress	160%	141%

Action on climate

07 > AFFORDABLE AND CLEAN ENERGY

13 > CLIMATE ACTION

Climate change is the world's most urgent environmental challenge. We are committed to playing our part in global efforts to address the climate crisis by reducing carbon emissions across our value chain, in line with the Paris Agreement.

Our strategy

In Europe, consumers continue to rank climate change as the number one sustainability challenge. We are taking significant steps to decarbonise our business across our entire value chain.

We have set a target to halve greenhouse gas (GHG) emissions from our core operations (manufacturing, distribution and cold drink equipment) by 2025. Across our value chain, we aim to cut GHG emissions by 35%, by encouraging our suppliers to adopt carbon reduction initiatives and through changes in our packaging, such as moving to 100% recycled materials. These targets are aligned with climate science and have been validated by the Science Based Targets initiative (SBTi).

CCEP is a member of The Climate Group's RE100 initiative, a coalition of companies committed to purchasing 100% renewable electricity by 2020. As a member of the European Corporate Leaders Group, we support a significant increase in the EU GHG emissions reduction target for 2030, in line with the EU's goal to become carbon neutral by 2050.

Our actions

In 2019, together with TCCC, we completed a climate risk scenario assessment, in line with guidance from the Task Force on Climate-related Financial Disclosures (TCFD). The assessment identified the physical and transition risks we could face as a result of climate change. The findings are informing our strategic decisions and helping us prepare for the potential impacts of climate change. In 2020, we will carry out further work to assess how our business may be impacted in the longer term from climate related risks, with a particular focus on our manufacturing sites and the availability of key ingredients in our value chain.

"CCEP IN SWEDEN HAS HAD A CONTINUOUS INTEREST IN NEW SOLUTIONS WHEN IT COMES TO ENERGY EFFICIENCY AND COLLABORATION TO LOWER THEIR CLIMATE FOOTPRINT. I AM VERY PROUD OF OUR PARTNERSHIP AND OF THE FACT THAT WE CAN SUPPORT THEIR AMBITIONS TO BECOMING FOSSIL FUEL FREE."

Branislav Slavic – Head of Customers & Solutions, Vattenfall Norden – Sweden

In 2019, we continued to reduce GHG emissions from our core operations and our emissions have reduced by 52% since 2010. For example, our Jordbro manufacturing site in Sweden reduced its total energy consumption by 10% by modernising the heating, ventilation and air conditioning across the site. The site aims to be fossil fuel free by 2030, and in 2019 signed a new agreement for climate neutral electricity, including offsets for any unavoidable GHG emissions. In GB, we are currently in negotiations to extend the solar farm at our Wakefield manufacturing site. The investment will increase the farm's energy output and improve its energy storage.

Transport continues to play a vital role in our carbon reduction strategy. In Germany, we doubled our use of rail transport for our ViO beverages from our Lüneburg manufacturing site, saving around 879 tonnes of CO_2 emissions per year.

We continue to make investments in improving the energy efficiency of our cold drink equipment, for example, we added smart devices to optimise energy consumption in our iCool 300 equipment. In 2019, the total energy consumption of our cold drink equipment fleet fell by 4.2% compared with the previous year. Over the same period, our fleet grew by 1.8%.

We are reducing the carbon impact of our value chain in a number of ways.

SEE OUR ACTION ON PACKAGING ON PAGE 37 AND OUR ACTION ON SUPPLY CHAIN ON PAGE 43

In 2019, CCEP joined the EU initiative Step Up Now, a coalition of businesses, investors, cities and regions calling for more EU action on climate change. Through our membership, we're encouraging European leaders to take the steps necessary to shift to a climate neutral, competitive and sustainable European economy by 2050.

READ MORE ABOUT OUR CLIMATE SCENARIO ANALYSIS AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-CLIMATE

Our progress	2019	2018
Energy use ratio (MJ/litre of product produced)	0.317	0.315
Electricity purchased from renewable sources	100%	100%

Action on climate continued

GHG emissions (Scope 1, 2 and 3)

Details of our Scope 1, 2 and 3 GHG emissions in tonnes of CO_2 equivalent (stated as CO_2e) from our core business operations and our value chain during 2019 are set out in table 1. Our Scope 1 and 2 emissions are independent of any GHG trades, and our Scope 2 emissions are calculated using the market based approach.

We consider our core business operations to include our manufacturing, distribution and cold drink equipment. Details about our Scope 3 GHG emissions in our value chain (including our ingredients and packaging), are also reported below. Additional Scope 3 figures will also be included in our 2020 CDP response.

Our carbon footprint is calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Standard, using an operational control approach to determine organisational boundaries.

In 2019, our Scope 1 and 2 emissions increased by 2.8% compared to 2018, however this represents a 58% reduction in Scope 1 and 2 emissions compared to 2010, using a market based Scope 2 approach.

Our total Scope 1, 2 and 3 GHG emissions (full value chain) have reduced by 30.5% since 2010.

Intensity ratios

GHG emissions (Scope 1 and 2) per litre of product produced (market based Scope 2 approach): 19.25g/litre of product produced.

GHG emissions (Scope 1 and 2) per euro of revenue (market based Scope 2 approach): 20.35g/euro of revenue.

Note on sources of data and calculation methodologies

Under the WRI/WBCSD GHG Protocol, we measure our emissions in three scopes, except for CO_2e emissions from biologically sequestered carbon, which is reported separately outside these scopes. Our 2010 baseline incorporates data from the bottlers from which CCEP was formed, prior to the Merger. Some data for 2018 has been restated due to more accurate data becoming available.

Data is consolidated from a number of sources across our business and is analysed centrally. We use a variety of methodologies to gather our emissions data and measure each part of our operational carbon footprint, including natural gas and purchased electricity data, refrigerant gas losses, CO_2 fugitive gas losses and transport fuel, water supply, wastewater and waste management. We use emission factors relevant to the source data including UK Department for Business, Environment and Industrial Strategy (BEIS) 2019 and IEA 2017 emission factors.

Scope 1 figures include direct sources of emissions such as the fuel we use for manufacturing and our own vehicles plus our fugitive emissions.

Scope 2 figures include indirect sources of emissions such as the purchased electricity we use at our sites. We report against this on both a location based and a market based approach. Commitments and KPIs are tracked using the market based approach.

Scope 3 figures include the emissions associated with the packaging we put on the market and the ingredients we use in our products. It also includes indirect sources associated with the electricity used by our cold drink and coffee equipment at our customers' premises, our employee business travel by rail and air, emissions related to the supply of water and treatment of wastewater, emissions from the treatment of waste, fuel used by our third party distributors, and other energy related emissions not already accounted for under Scope 1 and 2 (for example, emissions from well to tank and transmission and distribution).

Emission factors used include industry and supplier data, Defra/BEIS 2019 and IEA 2017 emission factors. 1.04% of our core business operations carbon footprint is based on estimated emissions (e.g. leased offices where energy invoices or the square metre footage size of the site is not available). The figures for 2019 in table 1, along with selected information on our website, are subject to independent assurance by DNV GL in accordance with the ISAE 3000 standard. The full assurance statement with DNV GL's scope of work, and basis of conclusion, will be published on our website in May 2020.

Table 1

GHG emissions (tonnes CO_2e)

		2019	2018[A]
Scope 1	Direct emissions (e.g. fuel used in manufacturing, own vehicle fleet, as well as process and fugitive emissions)	238,046	232,630
Scope 2 (market based approach)	Indirect emissions (e.g. electricity)	6,573	5,382
Scope 2 (location based approach)		169,971	173,203
Scope 3	Third party emissions included in our core business operations, including those related to our cold drink equipment, third party transportation and distribution, and business travel	949,319	988,770
Total Scope 1, 2[B] and 3 (Core business operations)		**1,193,938**	**1,226,782**
Scope 3	Third party emissions related to our ingredients and packaging	2,538,033	2,528,956
Total GHG emissions Scope 3 (Ingredients, packaging and core business operations)		**3,487,352**	**3,517,726**
Total GHG emissions Scope 1, 2 and 3 (Full value chain)		**3,731,971**	**3,755,738**

(A) Restated – as described above.
(B) Market based approach only.

Action on supply chain

02 > ZERO HUNGER

08 > DECENT WORK AND ECONOMIC GROWTH

10 > REDUCED INEQUALITIES

Population growth, increased demand for food products and climate change are putting our supply chains under increasing pressure. We're committed to sourcing our agricultural ingredients and raw materials sustainably and responsibly.

Our strategy

To make our drinks, we have to ensure that all the ingredients we use, including water, sugar beet, sugar cane, coffee, tea and fruit juices, are of high quality and sourced sustainably. We also rely on other raw materials such as pulp and paper to make our packaging. We've made a joint commitment with TCCC to ensure that 100% of our main agricultural ingredients and raw materials are sourced sustainably.

We also have a duty to respect and protect the human rights of everyone working across our entire supply chain. We aim to ensure our suppliers respect our Code of Conduct and make a positive impact on society, in line with the United Nations' Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations' Global Compact.

Our actions

We track our progress by measuring compliance with our Supplier Guiding Principles (SGPs), which apply to all our suppliers, and our Sustainable Agriculture Guiding Principles (SAGPs), which apply to our suppliers of key agricultural ingredients and raw materials. We've made a commitment to ensure that all our suppliers comply with these principles by 2020. In 2019, 97% of our spend was with suppliers which are covered by our SGPs. In addition, 96% of our sugar and 100% of our paper and pulp was sourced sustainably from suppliers that comply with our SAGPs.

We evaluate the performance and sustainability of our suppliers through our supplier relationship management process. For our Tier 1 suppliers that are most critical, we carry out an assessment based on financial value, efficiency, innovation, risk and sustainability. The sustainability component is rated by independent evaluation company EcoVadis, which evaluates suppliers against criteria including environment, carbon management, human rights and fair business practices.

In 2019, we conducted a category risk mapping exercise with EcoVadis to better understand any risks associated with a particular supplier or ingredient. We focused on sugar, coffee and tea and have subsequently developed a sustainability risk management strategy.

Following a Global Water Risk Assessment, conducted by TCCC in 2018, we are working with our suppliers to further evaluate the water stress and quality data in the key sourcing regions for our agricultural ingredients. As a result, we have developed management and response plans which have been integrated into our sustainable agriculture programme.

Together with TCCC, we are developing sourcing guidelines to provide transparent criteria for our ingredient suppliers to outline the sustainability standards they should meet and the pathways by which they can do so. In 2019, in partnership with Ailimpo, the interprofessional organisation of lemon farmers in Murcia, Spain, we hosted a stakeholder visit to the organic lemon groves that we began working with seven years ago. Farmers are encouraged to care for the natural environment and protect biodiversity and are now one of the largest suppliers of organic lemons in Europe, supporting the production of our Honest Organic Lemonade.

In 2019, we conducted a Human Rights Risk Assessment based on salient issues identified during a series of workshops in 2018. These helped us to identify what we mean by human rights and formed the basis of our new Human Rights Action Plan.

> "AT OUR FIRST MEETING, SEVEN YEARS AGO, TCCC CONTINUED TO INSIST THAT SUSTAINABILITY AND ORGANIC PRODUCTS ARE THE FUTURE. OUR COLLABORATION HAS GIVEN A BOOST TO SUSTAINABLE AND ORGANIC LEMON FARMING IN MURCIA."
>
> **José Antonio Garcia Fernandez – Director of Ailimpo – Spain**

READ MORE AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-SUPPLY-CHAIN

Our progress	2019	2018
Our spend with suppliers that are covered by our SGPs	97%	91%
Sugar sourced from suppliers that comply with our SAGPs	96%	88%

Principal risks

This section looks at the principal risks we face as a business and how we manage them.

Our approach to risk

Our decisions are informed by an understanding of the risks we face as a business. Through our enterprise wide risk management programme, we identify, measure and manage risk, and embed a strong risk culture across our business.

CCEP's risk management framework looks at both risks and opportunities. As well as supporting the management of risks, it also guides how we can capitalise on opportunities.

Assessing risk

To gain an understanding of the risks CCEP faces, we assess risk top down and bottom up.

Our annual enterprise risk assessment gives us a top down, strategic view of risk at the enterprise level. During this assessment we carry out a risk survey with our top leaders, followed by interviews with Board and Audit Committee members and members of our Executive Leadership Team (ELT) to identify both current and emerging risks. This risk assessment is reviewed and updated periodically. In 2019, we received feedback from our top 100 leaders.

To gain a bottom up view of risk from an operational perspective, we carry out risk assessments at a business unit (BU) and functional level. Each business unit has a local compliance and risk committee reporting to its leadership team. The committees review and update risk assessments on a quarterly basis, ensuring that risk management is incorporated into day to day business operations.

This work is overseen by our CCEP wide compliance and risk committee. Every quarter, the committee holds a meeting in which local risk owners are invited to share updates on key risks and how they are being managed. During these meetings, risk owners are invited to share updates on how risks are being managed, such as water scarcity, data privacy and cybersecurity.

In 2019, we included CCEP's functions in our bottom up risk assessment process for the first time. The assessments covered areas such as supply chain, environmental, finance shared service centre and product quality risks. These functional risk assessments are now integrated in our annual business planning routine. In 2020, we plan to continue a targeted programme of deep dives into risk.

We also completed targeted risk assessments and management projects for topical issues such as Brexit.

Measuring and managing risk

Once risks have been identified through our risk assessment process, we analyse them to understand their likelihood and potential impact. We also consider how we are managing the risks and what action plans we put in place.

In 2019, we continued to identify key risk indicators to more accurately monitor changes in risk. We also conducted further scenario analysis and planning to better understand how key risks could impact us. Examples include water scarcity and climate change. These scenarios have been documented, and we have developed action plans for how we would respond to them.

SEE DETAILS OF OUR CLIMATE CHANGE RISK ASSESSMENT ON OUR WEBSITE AT WWW.COCACOLAEP.COM/ASSETS/SUSTAINABILITY/DOCUMENTS/4553E2E717/UNDERSTANDING-OUR-CLIMATE-RELATED-RISKS.PDF

Much of our scenario planning work is focused on understanding and managing current risks. We continue to integrate scenario analysis in our long range planning.

Risk appetite

The Board considers the level of risk it is prepared to accept to deliver CCEP's strategic objectives.

In 2019, we continued to develop a more detailed understanding of risk appetite and plan to embed this further into CCEP's decision making processes.

Risk governance

Our risk management programme is coordinated by CCEP's enterprise risk management (ERM) function. This is led by the Chief Compliance Officer, who reports to the General Counsel and Company Secretary. They provide advice, support and expertise to all business units and functions across the organisation.

The Chief Compliance Officer also manages business continuity (BCM) and incident management, ethics and compliance (E&C), corporate security and data privacy, and therefore has oversight of risk management across our business.

In 2019, we started to establish a One Risk approach to provide the business with best in class risk management. This ensures that all risk management functions are working seamlessly together. The target operating model will be implemented in 2020.

Principal risks

Our principal risks are those that have been identified as most impactful to our business by our enterprise risk assessment. CCEP defines these as risks that could materially and adversely affect our business, or could cause our actual results to differ materially from those given in the forward-looking statements within this report and other public statements we make.

In addition to risks previously identified, coronavirus (COVID-19) is likely to have an impact. CCEP has mitigation plans in place and continues to adapt these as the situation evolves.

CCEP has a strong process in place to manage the mitigation of these risks through robust business continuity capabilities.

The following pages set out a summary of our principal risks based on the findings of our most recent enterprise risk assessment.

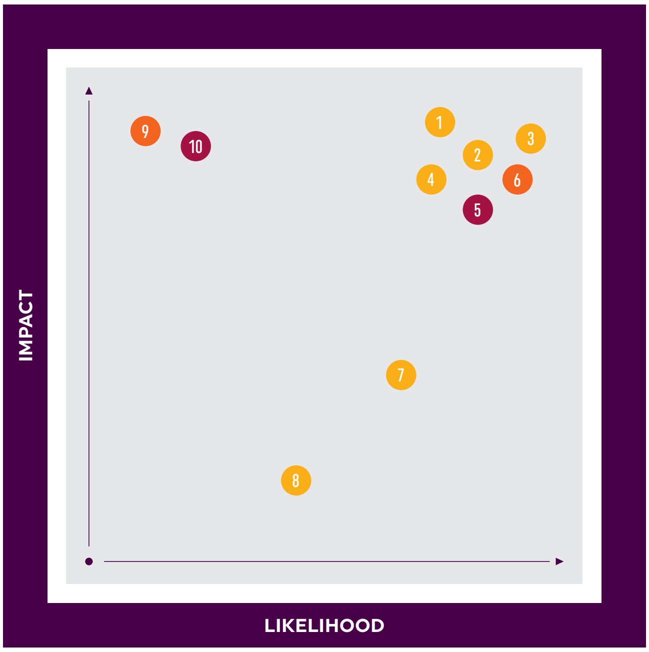
The Directors have carried out a robust assessment of these principal risks. However, this summary is not intended to include all risks that could ultimately impact our business and is presented in no particular order.

Risk factors

Beyond our principal risks, CCEP faces other operational risks that we manage as part of our daily routines, such as employee health, safety and wellbeing and human rights. We cover both our principal risks and other risks in more detail in the Risk factors section of this report.

READ ABOUT OUR RISK FACTORS ON PAGES 186-194

Principal risk map[(A)] [(B)]



PRINCIPAL RISKS

1. Packaging
2. Perceived health impact of our beverages and ingredients, and changing consumer preferences
3. Legal, regulatory and tax change
4. Market
5. Cyber and social engineering attacks
6. Competitiveness and transformation
7. Climate change and water
8. Economic and political conditions
9. Relationships with TCCC and other franchisors
10. Product quality

(A) Risk map based on the latest enterprise risk assessment results.
(B) See pages 46-47 for full summary of principal risks.

EXTERNAL
External opportunities and risks, such as macroeconomic, socio/political and competition risks, that could fundamentally impact business strategy. Typically managed by teams that respond to significant shifts in government relations, consumer or supplier behaviour.

OPERATIONAL
Opportunities and risks that could impact day to day operations in areas such as production, logistics or sales. Managed across all business areas through controls embedded in processes and procedures.

STRATEGIC
Internal opportunities and risks that could impede the achievement of strategic objectives and targets, such as poor resource allocation or decision making. Typically managed by senior leaders responsible for delivering strategic initiatives.

EXTREME EVENTS
Opportunities and risks that would have an extreme impact on the business (such as cyber attack, global financial crisis, natural disasters, etc.). These can materialise in any part of the business and may coincide with other risks in particular scenarios.

Note: extreme events could occur in any principal risk and are, therefore, not allocated to any single specific category.

Principal risks continued

Table 1

Risk change legend: ↑Increased ↓Decreased →Stayed the same

Summary of current principal risks

Principal risk	Definition and impact	Key mitigation	Change
1 Packaging	Due to our stakeholders' and our concerns about the environmental impacts of litter, our packaging (especially single use plastic packaging) is under increasing scrutiny from regulators, consumers and customers, and NGOs. As a result, we may have to change our packaging strategy and mix over both the short and long term. This could result in a reduction in demand for single use plastic packaging, and we may be liable for increased costs related to the design, collection, recycling and littering of our packaging. We may be unable to respond in a cost effective manner and our reputation may be adversely impacted.	• Continued sustainability action plan focused on packaging, including our commitments to: – Ensure that 100% of our primary packaging is recyclable or refillable – Drive higher collection rates, aiming to ensure that 100% of our packaging is collected for recycling – Ensure that by 2023 at least half of the material we use for our PET bottles comes from recycled plastic • Work with TCCC to explore alternative sources of rPET and innovative new packaging materials • Work with TCCC to encourage consumers to recycle their packaging using existing collection infrastructure • Establishment of a cross functional SPO with a dedicated focus on packaging collection • Support for well designed deposit return schemes across our markets as a route to 100% collection and increased availability of rPET • Work to expand delivery mechanisms that do not rely on single use packaging, for example refillable packaging and dispensed delivery	↑
2 Perceived health impact of our beverages and ingredients, and changing consumer preferences	We make and distribute products containing sugar and alternative sweeteners. Healthy lifestyle campaigns, increased media scrutiny and social media have led to an increasingly negative perception of these ingredients among consumers. This exposes us to the risk that we will be unable to evolve our product and packaging choices quickly enough to satisfy changes in consumer preferences. As a result, we could experience sustained decline in sales volume, which could impact our financial results and business performance.	• Reducing the sugar content of our soft drinks, through: – Product and pack innovation and reformulation – Managing our product mix to increase low and no calorie products • Making it easier for consumers to cut down on sugar by providing straightforward product information and smaller pack sizes • EU wide soft drink industry calorie reduction commitment with the Union of European Soft Drinks Associations (UNESDA) • Adopting calorie and sugar reduction commitments at country level • Dialogue with government representatives, NGOs, local communities and customers • Employee communication and education • On pack communication of product and nutritional information enhanced • Responsible sales and marketing codes	→
3 Legal, regulatory and tax change	Our daily operations are subject to a broad range of regulations at EU and national level. These include regulations covering manufacturing, the use of certain ingredients, packaging, labelling requirements, and the distribution and sale of our products. This exposes us to the risk of legal, regulatory or tax changes that may adversely impact our business. As a result, we could face new or higher taxes, higher labour and other costs, stricter sales and marketing controls, or punitive or other actions from regulators or legislative bodies that negatively impact our financial results, business performance or licence to operate. We expect Brexit to lead to increased diversity of regulation and consequent costs of compliance including inability to or difficulties in standardising product and process.	• Working with regulators and industry partners in our territories to implement deposit return schemes • Continuous monitoring of new or changing regulations and appropriate implementation of adequate mitigations • Dialogue with government representatives and input to public consultations on new or changing regulations • Effective compliance programmes and training for employees • Measures set out elsewhere in this table in relation to legal, regulatory and tax changes with respect to any of the other principal risks, and in particular in relation to (1) Packaging and (2) Perceived health impact of our beverages and ingredients, and changing consumer preferences	→
4 Market	Our success in the market depends on a number of factors. These include actions taken by our competitors, route to market, and our ability to build strong customer relationships and realise price increases, which could be affected by customer consolidation, buying groups, and the changing customer landscape. This exposes us to the risk that market forces may limit our ability to execute our business plans effectively. As a result, we may be unable to expand margins, increase market share, or negotiate with customers effectively in 2020, coronavirus (COVID-19) may also adversely impact the market.	• Shopper insights and price elasticity assessments • Pack and product innovation • Promotional strategy • Commercial policy • Collaborative category planning with customers • Growth centric customer investment policies • Business development plans aligned with our customers • Diversification of portfolio and customer base • Realistic budgeting routines and targets • Investment in key account development and category planning • Continuous evaluation and updating of mitigation plans	→
5 Cyber and social engineering attacks	We rely on a complex IT landscape, using both internal and external systems. These systems are potentially vulnerable to adversarial and accidental security and cyber threats, as well as user behaviour. This threat profile is dynamically changing as potential attackers' skills and tools advance. This exposes us to the risk of unauthorised data access, compromised data accuracy and confidentiality, the loss of system operation or fraud. As a result, we could experience disruption to operations, financial loss, regulatory intervention, or damage to our reputation.	• Proactive monitoring of cyber threats and implementing preventive measures • Business awareness and training on information security and data privacy • Business continuity and disaster recovery programmes • A programme to identify and resolve vulnerabilities • Third party risk assessments • Corporate security business intelligence	→

Principal risk	Definition and impact	Key mitigation	Change
6 Competitiveness and transformation	We are continuing our strategy of assessing potential opportunities for continuous improvements that would enable us to stay competitive in the future. This includes technology transformation, continuous supply chain improvements and improvements in the way we work with our partners and franchisors. This exposes us to the risk of ineffective coordination between business units and central functions, change fatigue in our people and social unrest. As a result, we may not create the expected value from these initiatives or execute our business plans effectively. We may also experience damage to our corporate reputation, a decline in our share price, industrial action and disruption to our operations. PLEASE REFER TO COMPETITIVENESS AND TRANSFORMATION SECTION IN RISK FACTORS FOR FURTHER DETAILS ON PAGE 189	• Regular competitiveness reviews ensuring effective steering, high visibility and quick decision making • Dedicated programme management office and effective project management methodology • Continuation of governance routines • Regular ELT and Board reviews and approvals of progress and issue resolution	→
7 Climate change and water(A)	Political and scientific consensus indicates that increased concentrations of carbon dioxide and other GHGs are causing climate change and exacerbating water scarcity. Such GHG emissions occur across our entire value chain including our manufacturing operations, cold drink equipment and transportation. GHG emissions also occur as a result of the packaging we use and ingredients we rely on. Our ingredients and production facilities also rely heavily on the availability of water. This exposes us to the risk of negative impacts related to our ability to produce or distribute our products, or the availability and price of agricultural ingredients and raw materials as a result of increased water scarcity. Failure to address these risks may cause damage to our corporate reputation or investor confidence, a reduction in consumer acceptance of our products and potential disruption to our operations.	• Set science based carbon reduction targets for our core business operations and our value chain • Carbon reduction plans for our manufacturing operations, distribution and cold drink equipment • Transition to 100% renewable electricity • External policy leadership and advocacy to support a transition to a low-carbon economy • Life cycle analysis to assess carbon footprint of packaging formats • Use of recycled materials for our packaging, which have a lower carbon footprint • SVAs and SWPPs to protect future sustainability of local water sources • Supplier engagement on carbon reduction and sustainable water use Assessment on climate related risks and future climate scenario planning • Comprehensive disclosure of GHG emissions across our value chain in line with GHG Protocol SEE MORE AT WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-CLIMATE AND WWW.COCACOLAEP.COM/SUSTAINABILITY/THIS-IS-FORWARD/ACTION-ON-WATER	↑
8 Economic and political conditions	Our industry is sensitive to economic conditions such as commodity price volatility, inflation, and political instability (for example, Brexit) or the impact of the widespread outbreak of infectious disease such as coronavirus (COVID-19). This exposes us to the risk of an adverse impact on CCEP and our consumers, driving a reduction of spend within our category. As a result, we could experience reduced demand for our products, fail to meet our growth priorities and our reputation could be adversely impacted.	• Diversified product portfolio and the geographic diversity of our operations assist in mitigating our exposure to any localised economic risk • Our flexible business model allows us to adapt our portfolio to suit our customers' changing needs during economic downturns • We regularly update our forecast of business results and cash flows and, where necessary, rebalance capital investments	→
9 Relationships with TCCC and other franchisors	We conduct our business primarily under agreements with TCCC and other franchisors. This exposes us to the risk of misaligned incentives or strategy, particularly during periods of low category growth. As a result, TCCC or other franchisors could act adversely to our interests with respect to our business relationship.	• Clear agreements govern the relationships • Incidence pricing agreement • Aligned long-range planning and annual business planning processes • Ongoing pan-European and local routines between CCEP and franchise partners • Positive relationships at all levels	→
10 Product quality	We produce a wide range of products, all of which must adhere to strict food safety requirements. This exposes us to the risk of failing to meet, or being perceived as failing to meet, the necessary standards, which could lead to compromised product quality. As a result, our brand reputation could be damaged and our products could become less popular with consumers.	• TCCC standards and audits • Hygiene regimes at plants • Total quality management programme • Robust management systems • ISO certification • Internal governance audits • Quality monitoring programme • Customer and consumer monitoring and feedback • Incident management and crisis resolution	→

(A) Climate and water has been identified as a separate principal risk during the enterprise risk assessment.

Principal risks continued

One risk – target operating model for risk management

GOVERNANCE

OPERATIONAL
Regular risk forums across BUs/functions

MANAGEMENT
Monthly One Risk Office meeting

EXECUTIVE
Compliance and risk committee/ Audit Committee

ORGANISATIONAL STRUCTURE

ONE RISK COMMUNITY(A)

One Risk Office(B) (Centre of Excellence)

- ERM
- BCM
- E&C
- Data Privacy
- Regulatory/SPO
- Corporate Security
- QESH(C)
- Risk Management and Insurance
- Internal Controls
- PACS(C)
- BPT(C)
- Legal

Risk representatives

- BU Iberia
- BU Northern Europe(D)
- BU Germany
- BU France
- BU Great Britain
- Procurement
- Strategy
- Commercial
- People and culture
- Finance
- Supply chain
- Legal

Corporate Audit Services

DATA & REPORTING

INTEGRATED ONE RISK DATA SET

Riskonnect (GRC)(C) and other systems

CULTURAL CHANGE

- BUs/functions working seamlessly together
- Risk performance targets implemented
- Risk appetite and behaviours embedded

PRINCIPLES

- Replicate what's working well e.g. crisis management
- Collaborate with other Coca-Cola entities, e.g. quarterly ERM system calls and annual meetings

(A) One Risk Community is an extended circle of representatives from remaining functions and BUs addressing risks/opportunities and serving as key contacts for risk management covering all parts of CCEP.
(B) One Risk Office is a circle of representatives from risk functions that drives and guides the business to best practice in risk management.
(C) Quality, environmental, safety and health (QESH), public affairs, communications and sustainability (PACS), business process and technology (BPT), governance, risk and compliance (GRC).
(D) Northern Europe BU is made up of Belgium, Netherlands, Luxembourg, Iceland, Norway and Sweden.

Internal control procedures and risk management

CCEP's internal controls are designed to manage rather than eliminate risk, and aim to provide reasonable but not absolute assurance against material misstatement.

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 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 PAGE 86

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code (the UKCGC), 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 free cash flow. The Directors considered the maturity dates for 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 income and free cash flow. Among other considerations, these scenarios incorporated the potential downside impact of the Group's principal risks, including those related to:

- Changing consumer preferences and the health impact of soft drinks
- Legal and regulatory intervention, including in relation to plastic packaging
- The risk of a significant product quality issue or recall
- The risk of cyber and social engineering attacks
- Adverse changes in relationships with large customers

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 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 information can be found in the pages of this Strategic Report stated in the table. These pages contain, where appropriate, details of our policies and approach to each matter.

Non-financial information	Pages
Environmental matters	Action on packaging on page 37, Action on water on page 40 and Action on climate on pages 41-42
Employee matters	Our people on pages 20-23 and Section 172(1) statement on pages 52-55
Social matters	Action on society on pages 38-39
Human rights	Operating with integrity on pages 24-25
Anti-corruption and anti-bribery matters	Operating with integrity on pages 24-25
Our business model	Business model on pages 18-19
Risk and principal risks	Principal risks on pages 44-49 and Risk factors on pages 186-194
Non-financial performance indicators	Performance indicators on pages 2-3

Section 172(1) statement from the Directors

During 2019, we acted in good faith to promote the long-term success of CCEP.

To deliver our strategy successfully, we need to understand our operating environment, and the relationships between our organisation and the stakeholders we impact. In 2019, we reviewed and revised the list of CCEP's key stakeholders and further developed our stakeholder engagement matrix to consider the inputs, engagement and outcomes of the relationships between CCEP and each of its stakeholder groups. During the year, the Board, individual Directors and Committees of the Board engaged directly with some key stakeholders. Where direct engagement was not possible, regular reports from senior management provided stakeholder perspectives to inform decision making. Some examples of the way this worked in practice in 2019 are set out in table 1.

Throughout the year we have, directly or through CCEP more widely, worked with our suppliers, franchisors and other partners to drive our strategy and growth. It is through our approach to communication and collaboration that we are confident we can deliver increased shareholder value over the long term, in ways that are sustainable, responsible and innovative.

A minority of our Non-executive Directors were appointed by major shareholders of CCEP. However, each of the Directors understands his or her responsibility under the Companies Act to act fairly as between members of the Company. In line with the Shareholders' Agreement, the Board supervises the profitable operation and development of CCEP so as to maximise its equity value, without regard to the individual interests of any shareholder.

We oversee a corporate governance framework that enables the right people to take the right decisions at the right time. This includes our CoC and a structure of delegated authorities. Through regular communication with senior management, we have monitored, assessed and challenged CCEP's progress against our annual business plan and sustainability targets. There are further details about this throughout this Integrated Report.

We acknowledge that all of our decisions may affect CCEP's shareholders through their impact on the future success of the business and confirm our due regard in this respect. Key Board decisions in 2019, which have directly impacted our investors, are set out in table 1.

FOR MORE INFORMATION ABOUT OUR PEOPLE SEE PAGES 20-23

SEE OUR GOVERNANCE FRAMEWORK ON PAGE 69

READ MORE ABOUT HOW WE INTERACT WITH OUR STAKEHOLDERS ON PAGES 18-19

READ MORE ABOUT THE ACTIVITIES OF THE BOARD ON PAGES 70-71

FOR INFORMATION ABOUT DIRECTOR INDUCTION AND TRAINING SEE PAGES 70-71

Table 1

Summary of key stakeholder engagement

Our people		Further information
Areas of interest	• People strategy • Remuneration and benefits	
Board engagement and information flows	• The Chairmen of the Remuneration and Nomination Committees have responsibility for championing and reporting to the Board on all Group wide people related matters as appropriate and are considered to be our designated Non-executive Directors for engagement with our people • The Nomination Committee is responsible for a range of people matters and reports to the Board as appropriate • The Remuneration Committee is responsible for remuneration policy and strategy across the whole Group and reports to the Board as appropriate • Following positive feedback from our inaugural, CCEP wide town hall event in 2018, we held our second town hall in May 2019. Our people across the organisation had the opportunity to submit questions to be answered by the Directors at the event. The responses to all questions were made available to everyone afterwards • The results of the 2019 annual survey measuring the engagement of our people were presented to the Board in October 2019. Year on year comparison of these results gives the Board an indicator of the effectiveness of our people strategy and highlights areas for action and improvement • Communications from our CEO were shared regularly across the organisation to update our people on the Group's key financial, social and sustainability news • Directors meet employees during market visits and factory tours. These take place throughout the year in different locations • Our delegates from the One Young World forum met the Directors in an informal setting to discuss their views and takeaways from the 2019 One Young World summit in October • Directors attend the annual BU and supply chain kick off meetings • The Chairman, Chairman of the Remuneration Committee and CEO attended an Accelerate Performance session for senior leaders from across CCEP • Members of the ELT attended European Works Council meetings and reported back to the Board on key topics and developments	SEE MORE ABOUT OUR PEOPLE ON PAGES 20-23 SEE MORE ABOUT THE WORK OF THE NOMINATION COMMITTEE ON PAGES 77-80 SEE MORE ABOUT THE WORK OF THE REMUNERATION COMMITTEE ON PAGES 87-107
Impact of stakeholder group on Board agenda, discussion or decisions	• The Board approved a proposal to restructure the Remuneration and Nomination Committees. Through the restructuring, the Chairman of each Committee has a seat on the other to ensure a complete and joined up approach to people matters, including engagement • CCEP introduced a new employee share plan to give all GB employees the opportunity to be involved in CCEP's performance through investment in CCEP Shares • The Remuneration Committee endorsed proposals and encouraged management to implement an all employee share purchase plan in 2020, across all countries in our territories in which we do not already operate one. The plan will give our people the opportunity to purchase CCEP Shares and have a stake in CCEP's performance • The Nomination Committee endorsed management's plans for progress towards implementing our people strategy in 2019 and reported key steps to the Board • The Directors considered and approved CCEP's new Inclusion and Diversity Policy	SEE MORE ABOUT OUR PEOPLE ON PAGES 20-23 SEE OUR REMUNERATION POLICY ON PAGES 89-96

Section 172(1) statement from the Directors continued

Table 1 continued

Summary of key stakeholder engagement continued

Customers		Further information
Areas of interest	• Customer service • Product demand and availability • Our portfolio	
Board engagement and information flows	• The Board receives regular updates from management regarding customer relationships, development and engagement • In September 2019, CCEP invited the Institute of Grocery Distribution to present to the Board and give Directors a broader understanding of major trends affecting the grocery sector and the challenges and opportunities facing our retail customers • The Board participates in regular market visits, which include time spent with our customers and in point of sale outlets	READ MORE ABOUT BOARD ACTIVITIES ON PAGE 71
Impact of stakeholder group on Board agenda, discussion or decisions	• The Directors recognise that there are always opportunities to improve our customer account management to ensure that our customers remain at the heart of our business. For example, the Board attended a session in March 2019, led by TCCC in Atlanta, to discuss and share innovations and strategies for collaboration with customers • In line with our strategic imperative to be a customer centric business, the Board received regular updates on matters relating to and affecting our customers, such as digital innovations, customer facing capabilities and value growth	FOR MORE INFORMATION ON OUR STRATEGY SEE PAGES 16-17

Suppliers		Further information
Areas of interest	• Ingredients and materials • Long-term relationships • Collaboration	
Board engagement and information flows	• In December 2019, senior management presented a deep dive into CCEP's customer service and supply chain strategy to the Board. Topics included long-term network planning. digital improvements and sustainability • The Audit Committee received regular updates from the internal audit team on relevant processes, such as indirect procurement, and reported these to the Board as appropriate	READ ABOUT OUR SUPPLY CHAIN ON PAGE 43
Impact of stakeholder group on Board agenda, discussion or decisions	• The Board sets CCEP's long-term strategy, which includes a commitment to long-term buying contracts in appropriate circumstances, to enable suppliers to invest in advancing their technology and processes • The Board reviewed the application of our Supplier Guiding Principles and our Sustainable agriculture Guiding Principles throughout the year	READ ABOUT OUR SUPPLY CHAIN ON PAGE 43

Franchisors		Further information
Areas of interest	• Relationships • Our portfolio • Innovation	
Board engagement and information flows	• The Chairman and CEO engage directly with senior leadership at our key franchisors • The Board and the Affiliated Transaction Committee are presented with updates from the business on key franchisor relationships, and proposed developments and future engagement • In March 2019, the Board met with the leadership of TCCC in Atlanta • The Directors invited senior leaders of TCCC to present to the Board at regular intervals throughout the year	SEE OUR BUSINESS MODEL ON PAGES 18-19
Impact of stakeholder group on Board agenda, discussion or decisions	• CCEP has negotiated and maintains exclusive rights to manufacture, sell and distribute certain beverages in our territories • In 2019, the Board approved capability developments that will improve our franchisor offerings in line with our business plan	SEE OUR BUSINESS MODEL ON PAGES 18-19

Investors		Further information
Areas of interest	• Our environmental, social and governance agenda • Consultation • Shareholder returns	
Board engagement and information flows	• The Directors were available to shareholders at the 2019 AGM. Proposed resolutions were distributed six weeks in advance of the meeting to give shareholders time to consider their stewardship duties • The Chairman and Senior Independent Director are available for consultation with investors during the year • The CEO, CFO and investor relations team attend conferences with investors throughout the year, including webcast, group and one to one meetings. The CFO presents regular reports to the Board following any engagement with current and potential investors • The investor relations team gives the Board regular updates on analyst consensus, recommendations and post-earnings release market reaction and commentary • The Remuneration Committee Chairman consulted shareholders on proposals for the new remuneration policy, including the possibility of introducing a sustainability metric into the Long-Term Incentive Plan (LTIP)	SEE OUR CORPORATE GOVERNANCE REPORT ON PAGES 67-76 READ ABOUT OUR STRATEGY ON PAGES 16-17
Impact of stakeholder group on Board agenda, discussion or decisions	• The Board considered and endorsed the introduction of a new sustainability metric into the LTIP performance criteria • In 2019, we moved our UK listing from Euronext London to London Stock Exchange to provide further access to international investors and increased liquidity to support our business plan • The Board approved the continuation of the buyback programme and two dividend payments during the year	SEE OUR REMUNERATION POLICY ON PAGES 89-96

Consumers		Further information
Areas of interest	• Our portfolio of drinks • Product quality and safety • Sustainability	
Board engagement and information flows	• The Board received updates on consumer needs and attitudes from the CEO and the CSR Committee. In 2019, this included the impact of initiatives in our markets that affect our consumers, such as deposit return schemes, and current changes and trends in consumer tastes • In March 2019, the CSR Committee presented the results of a survey of CCEP consumers' opinions on pollution and packaging to the Board as part of a wider discussion of CCEP's packaging strategy	READ ABOUT OUR SUSTAINABILITY STRATEGY ON PAGES 34-35
Impact of stakeholder group on Board agenda, discussion or decisions	• Consumer feedback directly informed the CSR Committee's decisions for the strategic path of our sustainable packaging strategy in 2019 • The Board endorsed the development of CCEP's investment fund, CCEP Ventures, as part of CCEP's future competitiveness imperative in the 2019 annual business plan. This led to investment in KOL, an innovative, on demand, direct to consumer delivery service, and further exploration into other customer experience solutions in 2019 • Portfolio diversification and development continues to be a major focus for CCEP, in line with our strategy for growth	SEE MORE ABOUT OUR SUSTAINABLE PACKAGING STRATEGY ON PAGE 37

Communities		Further information
Areas of interest	• Sustainability, including the environment • Our impact on local communities	
Board engagement and information flows	• The CSR Committee is regularly updated on community activities, the impact of our people in our communities and other social responsibility topics	READ ABOUT OUR SUSTAINABILITY STRATEGY ON PAGES 34-35
Impact of stakeholder group on Board agenda, discussion or decisions	• The Board sets and reviews progress against This is Forward, our sustainability action plan • During the year the CSR Committee has driven the This is Forward agenda with our partners, including TCCC, which has included the creation of the Sustainable Packaging Office • The CSR Committee considered and approved our Human Rights Action Plan • The Audit Committee and the Board approved several capital investments for adapting our production processes in line with our sustainability agenda	READ MORE ABOUT OUR LOCAL COMMUNITIES ON PAGE 39 SEE OUR APPROACH TO HUMAN RIGHTS ON PAGE 25

The Company's Strategic Report is set out on pages 2-55. The Strategic Report was approved by the Board on 16 March 2020 and signed on its behalf by

Damian Gammell Chief Executive Officer

Governance and Directors' Report

Chairman's introduction

"OUR GOVERNANCE FRAMEWORK AIMS TO EMBED GOOD CORPORATE GOVERNANCE THROUGHOUT CCEP."

Dear Shareholder

I am pleased to introduce our Governance and Directors' Report for 2019. At Coca-Cola European Partners (CCEP), we place corporate governance at the top of our agenda. I believe this is the foundation to delivering sustainable growth as we continue our journey to become one of the world's leading consumer goods companies, while creating a better future for our business and the planet.

There is a brief summary of the Board's activities during 2019 in table 1 on page 71, with some more details on specific activities elsewhere in this report. This year, as well as our normal agenda we focused on:

- Accelerating our progress on our This is Forward sustainability commitments, particularly in relation to packaging and climate
- Developing our stakeholder engagement to give the Board a clearer understanding of our stakeholders and all our interactions with them
- The transfer of our listing on Euronext London to London Stock Exchange
- Implementing our people agenda with a focus on inclusion and diversity
- Refining our corporate governance

Our governance framework

The 2018 UK Corporate Governance Code (the UKCGC) applies to accounting periods beginning on or after 1 January 2019.

During 2018, we took steps to apply the requirements of the new UKCGC early. We amended the terms of reference for our Audit, Nomination and Remuneration Committees to meet and support the requirements of the UKCGC. We also included certain disclosures regarding the UKCGC early in our 2018 Integrated Report and Form 20-F. We voluntarily applied the UKCGC on a comply or explain basis during 2019.

Our governance framework on page 69 aims to embed good corporate governance throughout CCEP. As best practice for corporate governance continues to evolve, we continue to enhance our governance practices.

Looking to the future

The Board is responsible for leading CCEP and overseeing the Group's governance, by setting its culture, values and standards, while keeping our stakeholders' interests front of mind. Along with its regular schedule of topics, the Board has the following activities planned for 2020:

Culture

Culture is the most powerful driver of good corporate governance. Among other things, an inclusive environment fosters cohesion and belonging and drives success. Through the Nomination Committee we will continue to oversee the embedding of our strong, positive and inclusive culture.

Succession planning and diversity

At CCEP we value diversity and remain committed to building a leadership that is diverse in gender, background and cognitive skills.

We are constantly reviewing and assessing whether the Board has the required skills and experience needed to support CCEP's future success. During 2019, we refreshed the Board with three new Directors bringing digital, retail and finance expertise.

Through our Inclusion and Diversity Policy, we will continue to ensure our commitment to diversity at the top is mirrored in nurturing and developing diverse talent through the Group.

Sustainability

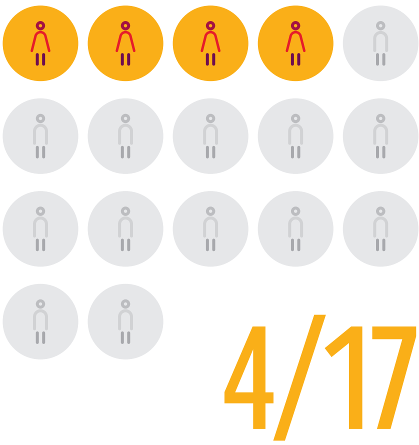
In our Directors' remuneration report from page 87 you can read how our proposed remuneration framework for 2020 will align management's long-term incentives to sustainability metrics. I am proud to be Chairman of a company committed to sustainable growth.

Sol Daurella
Chairman
16 March 2020

Board of Directors

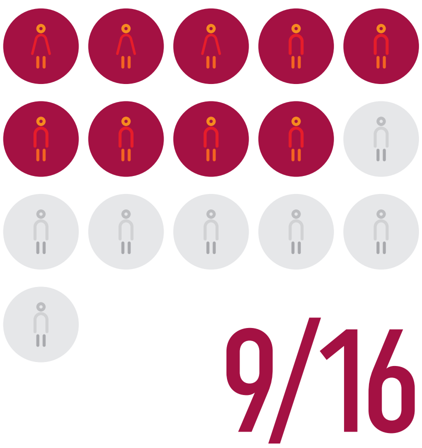
Our Board of Directors is diverse, experienced and knowledgeable, bringing together the skills needed for our long-term success in line with our skills matrix.

Women on the Board[A]

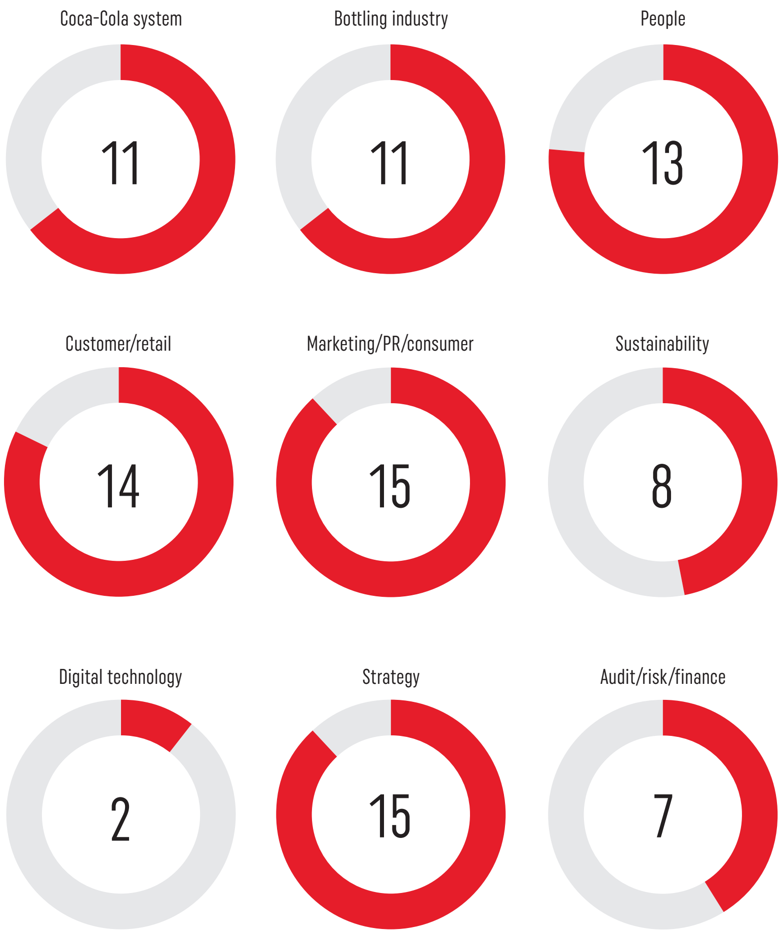


Independent Directors on the Board[A]

(excluding the Chairman)



Directors' skills and experience[A]



(A) Number shown is number of Directors.

Directors' biographies

Sol Daurella
Chairman

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:
- Experienced director of public companies operating in an international environment
- A deep understanding of FMCG and our markets
- Extensive experience at Coca-Cola bottling companies
- Strong international strategic and commercial skills

Key external commitments:
Co-Chairman and member of the Executive Committee of Cobega, S.A., Executive Chairman of Olive Partners, S.A., Co-Chairman of Grupo Cacaolat, S.L., director of Equatorial Coca-Cola Bottling Company, S.L., director and a member of the Appointments, Remuneration and Responsible Banking, Sustainability and Culture Committees of Banco Santander

Previous roles:
Various roles at the Daurella family's Coca-Cola bottling business, director of Banco de Sabadell, Ebro Foods and Acciona

Damian Gammell
Chief Executive Officer

Date appointed to the Board: December 2016
Independent: No

Key strengths/experience:
- Strategy development and execution experience
- Vision, customer focus and transformational leadership
- Developing people and teams
- Over 25 years of leadership experience and in depth understanding of the NARTD industry and within the Coca-Cola system

Key external commitments:
N/A

Previous roles:
A number of senior executive roles in the Coca-Cola system, also Managing Director and Group President of Efes Soft Drinks, and President and CEO of Anadolu Efes S.K.

Key

- AT Affiliated Transaction Committee
- A Audit Committee
- C Corporate Social Responsibility Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chairman

Jan Bennink
Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:
- Chairman/CEO of multinational public companies
- Extensive experience in FMCG, including the food and beverage industry
- Thorough understanding of global and Western European markets
- Strong strategic, marketing and sales experience relevant to the beverage industry

Key external commitments:
N/A

Previous roles:
Executive Chairman of Sara Lee Corporation, CEO of Royal Numico N.V., Chairman and CEO of DE Masterblenders 1753 N.V., director of Kraft Foods Inc., Boots Company plc and Dalli-Werke GmbH & Co KG and a member of the Advisory Board of ABN Amro Bank

José Ignacio Comenge
Non-executive Director

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:
- Extensive experience of the Coca-Cola system
- Broad board experience across industries and sectors
- Knowledgeable about the industry in our key market of Iberia
- Insights in formulating strategy drawn from leadership roles in varied sectors

Key external commitments:
Director of Olive Partners, S.A., ENCE Energía y Celulosa, S.A., Compañía Vinícola del Norte de España, S.A., Ebro Foods S.A., Barbosa & Almeida SGPS, S.A., and Ball Beverage Can Ibérica, S.L.

Previous roles:
Senior roles in the Coca-Cola system, AXA, S.A., Aguila and Heineken Spain, Vice-Chairman and CEO of MMA Insurance

Francisco Crespo Benítez
Non-executive Director

Date appointed to the Board: March 2018
Independent: No

Key strengths/experience:
- Extensive experience of working in the Coca-Cola system
- Deep understanding of integrated global marketing and corporate strategy
- Proven track record of leading customer and commercial teams
- Possesses a strong network at The Coca-Cola Company (TCCC)
- Seasoned operator in charge of profit and loss

Key external commitments:
Senior Strategic Advisor at TCCC

Previous roles:
Senior Vice President and Chief Growth Officer of TCCC, President of TCCC's Mexico and South Latin business units, President of the Coca-Cola Foundation in Chile, director and Vice President respectively of the American Chambers in Chile and Argentina, and also served on the boards of Zurich and Zurich Compañía de Seguros, S.A. in Mexico

Christine Cross
Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:
- In depth experience working in the food and beverage industry
- Consults on international business strategy, marketing and business development
- Global perspective on CCEP's activities
- Experience of chairing remuneration committees

Key external commitments:
Director of Christine Cross Ltd, Hilton Food Group plc and Pollen Estate and member of the Supervisory Board of Zooplus AG

Previous roles:
Director of Brambles Limited, Fenwick Limited, Kathmandu Holdings Limited, Next plc, Woolworths (Au) plc, Sobeys (Ca) plc, Plantasgen, Fairmont Hotels Group plc, Sonae – SGPS, S.A., Premier Foods plc and Taylor Wimpey plc

Directors' biographies continued

Javier Ferrán
Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:
- Extensive experience in consumer brands and sales and marketing within the beverage industry
- Broad strategic understanding of the sector
- Deep experience of international commercial matters
- Financial and operational background

Key external commitments:
Chairman of Diageo plc, director of International Consolidated Airlines Group and Senior Advisor to BlackRock Long Term Private Capital

Previous roles:
Partner at Lion Capital LLP, President and CEO of Bacardi Limited, Senior Independent Director and director of Associated British Foods plc and director of SABMiller plc and William Grant & Sons Ltd

Irial Finan
Non-executive Director

Date appointed to the Board: April 2016
Independent: No

Key strengths/experience:
- Extensive international management experience
- Strong track record of growing businesses
- Extensive experience of working in the Coca-Cola system
- International strategy
- Possesses a strong network at TCCC

Key external commitments:
Director of Coca-Cola Bottlers Japan Holdings Inc., Fortune Brands Home & Security, Inc. and the Smurfit Kappa Group plc

Previous roles:
Director and senior roles in the Coca-Cola system throughout his career including as CEO of Coca-Cola HBC AG, President of Bottling Investments Group, Executive Vice President of TCCC and director of Coca-Cola Amatil, Coca-Cola Enterprises, Inc., G2G Trading, Coca-Cola East Japan and Coca-Cola FEMSA

Nathalie Gaveau
Non-executive Director

Date appointed to the Board: January 2019
Independent: Yes

Key strengths/experience:
- Successful tech entrepreneur
- Expert in e-commerce and digital transformation, mobile, data and social marketing
- International consumer goods experience

Key external commitments:
Partner and Managing Director BCG Digital Ventures, Non-executive director of Calida Group and HEC Paris

Previous roles:
Founder and CEO of Shopcade, Interactive Business Director of the TBWA Tequila Group, Asia Pacific E-business and CRM Manager for Club Med, co-founder and Managing Director of Priceminister, Financial Analyst for Lazard

Álvaro Gómez-Trénor Aguilar
Non-executive Director

Date appointed to the Board: March 2018
Independent: No

Key strengths/experience:
- Broad knowledge of working in the food and beverage industry
- Extensive understanding of the Coca-Cola system, particularly in Iberia
- Expertise in finance and investment banking
- Strategic and investment advisor to businesses in varied sectors

Key external commitments:
Director of Olive Partners, S.A., Global Omnium (Aguas de Valencia, S.A.) and Sinensis Seed Capital SCR de RC, S.A.

Previous roles:
Various board appointments in the Coca-Cola system, including as President of Begano, S.A., director and Chairman of the Audit Committee of Coca-Cola Iberian Partners, S.A., as well as key executive roles in Grupo Pas and Garcon Vallvé & Contreras

Orrin H. Ingram II
Non-executive Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:
- Executive experience in the wholesale, distribution, consumer goods and transportation services industries
- A broad perspective on CCEP's operations
- Former director of a global distributor
- Strong strategic understanding

Key external commitments:
President and Chief Executive Officer of Ingram Industries Inc., Chairman and Chief Executive Officer of Ingram Marine Group and director of FirstBank

Previous roles:
Various positions with Ingram Materials Company, Ingram Barge Company and Co-President of Ingram Industries, a director of Ingram Micro Inc. and Coca-Cola Enterprises, Inc.

Thomas H. Johnson
Non-executive Director and Senior Independent Director

Date appointed to the Board: May 2016
Independent: Yes

Key strengths/experience:
- Chair and CEO of international public companies
- Manufacturing and distribution expertise
- Extensive international management experience in Europe
- Investment experience

Key external commitments:
Chief Executive Officer of The Taffrail Group, LLC and director of Universal Corporation

Previous roles:
Chairman and CEO of Chesapeake Corporation, President and CEO of Riverwood International Corporation, director of Coca-Cola Enterprises, Inc., GenOn Corporation, Mirant Corporation, ModusLink Global Solutions, Inc., Superior Essex Inc. and Tumi, Inc.

Dagmar Kollmann
Non-executive Director

Date appointed to the Board: May 2019
Independent: Yes

Key strengths/experience:
- Expert in finance and international listed groups
- Thorough understanding of capital markets and mergers and aquisitions
- Extensive commercial and investor relations experience
- Strong executive and senior leadership experience in global businesses
- Risk oversight and corporate governance expertise

Key external commitments:
Deputy Chairman of the Supervisory Board of Deutsche Pfandbriefbank, a non-executive director of Unibail-Rodamco-Westfield, Deutsche Telekom and KfW IPEX Bank, and Commissioner in the German Monopolies Commission

Previous roles:
CEO and Country Head in Germany and Austria for Morgan Stanley, member of the board of Morgan Stanley International Ltd in London and Associate Director of UBS in London

Alfonso Líbano Daurella
Non-executive Director

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:
- Developed the Daurella family's association with the Coca-Cola system
- Detailed knowledge of the Coca-Cola system
- Insight to CCEP's impact on communities from experience as trustee or director of charitable and public organisations
- Experienced corporate social responsibility committee chair

Key external commitments:
Vice Chairman and member of the Executive Committee of Cobega, S.A., director of Olive Partners, S.A., Chairman of Equatorial Coca-Cola Bottling Company, S.L., director of Grupo Cacaolat, S.L., Vice-Chairman of MECC Soft Drinks JLT, director of The Coca-Cola Bottling Company of Egypt, S.A.E, Chair of the Polaris Committee and member of the Ambassadors' Circle of the Family Business Network and member of the board of the American Chamber of Commerce in Spain

Previous roles:
Various roles at the Daurella family's Coca-Cola bottling business, director and Chairman of the Quality & CRS Committee of Coca-Cola Iberian Partners, S.A.

Directors' biographies continued

Lord Mark Price
Non-executive Director

Date appointed to the Board: May 2019
Independent: Yes

Key strengths/experience:
- Extensive experience in the retail industry
- A deep understanding of international trade
- Strong strategic and development skills

Key external commitments:
Member of the House of Lords, Founder of Engaging Works, Member of Council at Lancaster University, Chair of Trustees of the Fairtrade Foundation UK and President Elect of the Chartered Management Institute

Previous roles:
Managing Director of Waitrose and Deputy Chairman John Lewis Partnership, Non-executive Director and Deputy Chairman of Channel 4 TV and Minister of State for Trade and Investment and Trade Policy, Chair of Business in the Community and The Prince's Countryside Fund

Mario Rotllant Solá
Non-executive Director

Date appointed to the Board: May 2016
Independent: No

Key strengths/experience:
- Deep understanding of the Coca-Cola system
- Extensive international experience in the food and beverage industry
- Experience of dealing with regulatory and political bodies
- Experience of chairing a remuneration committee

Key external commitments:
Vice-Chairman of Olive Partners, S.A., Co-Chairman and member of the Executive Committee of Cobega, S.A., Chairman of the North Africa Bottling Company, Chairman of the Advisory Board of Banco Santander, S.A. in Catalonia and a director of Equatorial Coca-Cola Bottling Company, S.L. and Copesco Sefrisa, S.A.

Previous roles:
Second Vice-Chairman and member of the Executive Committee and Chairman of the Appointment and Remuneration Committee of Coca-Cola Iberian Partners, S.A.

Garry Watts
Non-executive Director

Date appointed to the Board: April 2016
Independent: Yes

Key strengths/experience:
- Extensive business experience in Western Europe and the UK, including as CEO of a global consumer goods business
- Served as executive and non-executive director in a broad variety of sectors and previously chaired the Audit Committee of a sizeable company
- Financial expertise, experience and skills
- Formerly an auditor

Key external commitments:
Chairman of Spire Healthcare Group plc and Senior Independent Director of Circassia Pharmaceuticals plc

Previous roles:
Audit partner at KPMG LLP, CFO of Medeva plc, CEO of SSL International, director of Coca-Cola Enterprises, Inc., Deputy Chairman and Audit Committee Chairman of Stagecoach Group plc and Protherics plc and Chairman of BTG plc and Foxtons Group plc

Board members that stepped down during the year were:
- L. Phillip Humann, who resigned effective 29 May 2019
- Curtis Welling, who resigned effective 29 May 2019

Senior management

The senior management and Damian Gammell together constitute the members of the Executive Leadership Team (ELT).

Nik Jhangiani
Chief Financial Officer

Appointed May 2016

Nik has more than 25 years of finance experience, including 18 years within the Coca-Cola system, latterly as Senior Vice President and CFO for Coca-Cola Enterprises, Inc.. Nik started his career in New York at accountancy firm Deloitte & Touche before spending two years at Bristol-Myers Squibb as International Senior Internal Auditor. He then joined the Colgate-Palmolive Company in New York where he was appointed Group Financial Director for the Nigerian operations, before moving to TCCC in Atlanta. He is a Certified Public Accountant.

José Antonio Echeverría
Chief Customer and Supply Chain Officer

Appointed September 2019

José Antonio leads CCEP's end to end supply chain. He is focused on creating a superior experience for our customers, while delivering an expanded and sustainable portfolio of drinks and packaging. He has been a part of the Coca-Cola system since 2005, serving as Vice President of Strategy and Transformational Projects for the Iberia business unit, and Vice President, Strategy and Coordination for Supply Chain across Coca-Cola European Partners.

Lauren Sayeski
Chief Public Affairs, Communications and Sustainability Officer

Appointed May 2016

Lauren leads CCEP's strategic engagement with media, policymakers, civil society and community stakeholders. Lauren has worked in the Coca-Cola system for over 12 years in roles across the spectrum of public affairs and communications. She has served on transaction teams for the 2010 sale of Coca-Cola Enterprises' North American operations to TCCC and, most recently, on the Merger to create CCEP.

Clare Wardle
General Counsel and Company Secretary

Appointed July 2016

Clare leads legal, risk, compliance, security and company secretariat. Prior to joining CCEP, she was Group General Counsel at Kingfisher plc, Commercial Director, General Counsel and Company Secretary at Tube Lines and held senior roles at the Royal Mail Group. She began her career as a barrister before moving to Hogan Lovells. Clare is non-executive chairman of Basketball England, non-executive director of The City of London Investment Trust plc and senior independent director of Modern Pentathlon GB.

Peter Brickley
Chief Information Officer

Appointed November 2016

Peter leads the business solutions, support services and technology infrastructure at CCEP, including steering CCEP's investments in technology solutions. Peter has over 20 years' experience leading technology for global businesses including Heineken, Centrica and BAT. More recently, he was Global CIO and Managing Director of Global Business Services at SABMiller. Peter is also non-executive chairman of Newbury Building Society.

Victor Rufart
Chief Strategy Officer

Appointed October 2016

Victor leads business strategy and business transformation. Prior to joining CCEP, he was CEO of Coca-Cola Iberian Partners, S.A. and spent 25 years at Cobega, S.A.. While with Cobega, S.A., he held a number of senior roles including Director of New Business, Head of Finance, advisor in the formation of the Equatorial Coca-Cola Bottling Company and Head of Tax Planning.

Senior management continued

Nick Wall
Chief People and Culture Officer

Appointed September 2016

Nick heads CCEP's people and culture function and has been working within the Coca-Cola system for over 30 years. He started his career in his native Ireland, before progressing through international positions, based in Austria, Turkey, USA, Zimbabwe and Swaziland. Before joining CCEP, Nick was Senior Vice-President HR for TCCC's Bottling Investment Group – with more than 80,000 employees in 25 countries around the world. Prior to that, he was Group Head of HR for Europe, Eurasia and Middle East for TCCC. He worked for a Pfizer Inc. company before joining Coca-Cola.

Frank Molthan
General Manager, Germany Business Unit

Appointed May 2016

Frank leads CCEP's business unit in Germany and has over 30 years' experience in Germany's Coca-Cola system. He started his career at Coca-Cola bottling operations in Schleswig-Holstein and North Rhine-Westphalia. He has held a range of regional and commercial leadership roles, latterly as HR Director for Coca-Cola Germany. He was also Managing Director of Coca-Cola Deutschland Verkauf GmbH and Co. KG.

Ben Lambrecht
General Manager, France Business Unit

Appointed May 2016

Ben is responsible for CCEP's business unit in France, having worked in the Coca-Cola system in various leadership positions for more than 20 years, latterly as Vice President and General Manager France of Coca-Cola Enterprises, Inc.. Ben's career began at KPMG, followed by several years in other companies including Biscuits Delacre. Ben is a director of the French Soft Drinks Association (Boissons Rafraîchissantes de France) and of the French Food Association (Association Nationale de l'Industrie Alimentaire).

Leendert den Hollander
General Manager, Great Britain Business Unit

Appointed May 2016

Leendert is responsible for CCEP's business unit in Great Britain, having been Vice President and General Manager of Coca-Cola Enterprises Great Britain. Previously, he was CEO of Young's Seafood and Managing Director at Findus Group Ltd. Earlier in his career, Leendert spent 15 years at Procter & Gamble in senior marketing positions. Leendert is President of the British Soft Drinks Association and a member of the Leadership Council of IGD (the Institute of Grocery Distribution).

Francesc Cosano
General Manager, Iberia Business Unit

Appointed May 2016

Francesc leads CCEP's business unit in Spain, Portugal and Andorra. He was previously the Operations Director then Managing Director of Coca-Cola Iberian Partners, S.A.. Francesc has been part of the Coca-Cola system for over 30 years, and involved in a number of sales management positions, ultimately as Sales Director then Deputy General Manager. He has also worked as Regional Director for the Leche Pascual, S.A. group, in Anglo Española de Distribución, S.A..

Stephen Moorhouse
General Manager, Northern Europe Business Unit

Appointed May 2016

Stephen is responsible for CCEP's business unit in Northern Europe and has 17 years' experience in the Coca-Cola system, leading operations and supply chain in Belgium, Luxembourg, the Netherlands, Sweden, Norway and Iceland. Stephen has held a number of other senior executive roles throughout Europe. Prior to joining, he worked overseas for the Swire Group in the US and Asia Pacific region.

Corporate governance report

Statement of compliance

The governance framework of the Company is set out in its Articles of Association (the Articles) and the Shareholders' Agreement. These provide a high level framework for the Company's affairs, governance and relationship with its stakeholders and its shareholders. The Articles are available on the Company's website at www.cocacolaep.com/about-us/governance.

Statement of compliance with the UK Corporate Governance Code

We follow the UKCGC on a comply or explain basis. CCEP is not subject to the UKCGC as it only has a standard listing of ordinary shares on the Official List. However, we have chosen to apply the UKCGC to demonstrate our commitment to good governance as an integral part of our culture. This Corporate governance report explains how we have applied the UKCGC during the year ended 31 December 2019.

We took steps in 2018 to ensure we were well positioned to follow the new UKCGC from 1 January 2019.

The instances where CCEP's practices vary from the principles and provisions of the UKCGC are set out below. Save as set out below, CCEP complies with the UKCGC.

A copy of the UKCGC is available on the FRC's website: www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.

Chairman

UKCGC provision 9

The Chairman, Sol Daurella, was not independent on either her appointment or election, within the meaning of the UKCGC. However, we benefit from her vast knowledge of, and long-term commitment to, the Coca-Cola system and her extensive experience and leadership skills, gained from her roles as director and CEO of large public and private institutions across many different sectors.

Annual re-election

UKCGC provision 18

Sol Daurella, the Chairman, will not be subject to re-election during her nine year tenure following the completion of the Merger. Her extended term recognises the importance of her extensive experience and knowledge of the beverage industry, and the significant shareholding of Olive Partners, S.A. (Olive Partners) in the Company.

To provide stability, none of the Independent Non-executive Directors (INEDs) were put up for election at an Annual General Meeting (AGM) before the AGM in 2019. At this AGM, three INEDs were put up for election and three additional INEDs will be put up for election at the AGMs in 2020 and 2021. Therefore, in total six INEDs will be put up for election or re-election at the 2020 AGM (Jan Bennink, Nathalie Gaveau, Thomas H. Johnson, Dagmar Kollmann, Lord Mark Price and Dessi Temperley). From the point of their first election at an AGM, an INED will be subject to annual re-election. This arrangement is in place to ensure effective representation of public shareholders and to retain INEDs' influence over the Company's strategic direction and operation, following the completion of the Merger.

Remuneration

UKCGC provision 32

The Remuneration Committee is not comprised solely of INEDs, although it is comprised of a majority of INEDs. The Shareholders' Agreement requires that the Remuneration Committee comprises at least one Director nominated by:

- Olive Partners, for as long as it owns at least 15% of the Company
- European Refreshments (ER), a subsidiary of TCCC, for as long as it owns at least 10% of the Company

The Remuneration Committee, and its independent chairman, benefit from the nominated Directors' extensive understanding of the Group's market.

Remuneration

UKCGC provision 33

The Remuneration Committee is not solely responsible for setting the remuneration of the Chairman, CEO and Non-executive Directors (NEDs). Instead, the Board (excluding any Director whose remuneration is linked to the decision) determines their remuneration on the recommendation of the Remuneration Committee and following rigorous analysis and debate. To date, the Board has followed all of the Remuneration Committee's recommendations.

Corporate governance report continued

Differences between the UKCGC and the New York Stock Exchange (NYSE) corporate governance rules (the NYSE Rules)

The Company is classed as a Foreign Private Issuer (FPI). It is therefore exempt from most of the NYSE Rules that apply to domestic US listed companies, because of its voluntary compliance with the UKCGC. However, under the NYSE Rules, the Company is required to provide an annual written affirmation to the NYSE and disclose significant differences between its corporate governance practices and those followed by domestic US companies listed on the NYSE. The significant differences are summarised below.

Director independence

The NYSE Rules require a majority of the Board to be independent. The UKCGC requires at least half of the Board (excluding the Chairman) to be independent. The NYSE Rules contain different tests from the UKCGC for determining whether a director is independent. The independence of CCEP's NEDs is reviewed by the Board on an annual basis, taking into account the guidance contained in the UKCGC and criteria established by the Board. It has determined that a majority of the Board is independent, without explicitly taking into consideration the independence requirements outlined in the NYSE Rules.

Board Committees

CCEP has a number of Committees whose purpose and composition are broadly comparable in purpose and composition to those required by the NYSE Rules for domestic US companies. However, other than the Audit Committee, the Committee members are not all INEDs, although in all cases the majority are. Each Committee has its own terms of reference (broadly equivalent to a charter document) which can be found on our website at www.cocacolaep.com/about-us/governance/committees. A summary of the terms of reference, roles and activities of the Audit Committee and the Remuneration Committee can be found in the Committees' respective reports. The Remuneration Committee's terms of reference include responsibility for matters relating to remuneration policy, share-based incentive plans, employee benefit plans and implementation of the remuneration policy.

Audit Committee

More information about the Audit Committee is set out in its report, including compliance with the requirements of Rule 10A-3 under the US Securities Exchange Act of 1934, as amended, and Section 303A.06 of the NYSE Rules. The Audit Committee is comprised only of INEDs (complying with the NYSE Rules). However, the responsibilities of the Audit Committee (except for applicable mandatory responsibilities under the Sarbanes-Oxley Act) follow the UKCGC's recommendations rather than the NYSE Rules, although they are broadly comparable. One of the NYSE's similar requirements for the Audit Committee states that at least one member of the Audit Committee should have accounting or related financial management expertise. The Board has determined that Garry Watts possesses such expertise and is therefore deemed the audit committee financial expert as defined in Item 16A of Form 20-F.

Corporate governance guidelines

The NYSE Rules require relevant domestic US companies to adopt and disclose corporate governance guidelines. There is no equivalent recommendation in the UKCGC. However, the Nomination Committee reviews the Board's governance guidelines, as required by its terms of reference.

Shareholder approval of equity compensation plans

The NYSE Rules for domestic US companies require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. CCEP complies with UK requirements that are similar to those of the NYSE Rules. However, the Board does not explicitly take into consideration the NYSE's detailed definition of "material revisions".

Code of Conduct

The NYSE Rules require relevant domestic US companies to adopt and disclose a code of business conduct and ethics for their directors, officers and employees. CCEP has a Code of Conduct (CoC) that currently applies to all Directors and the senior financial officers of the Group. If the Board amends or waives the provisions of the CoC, details of the amendment or waiver will appear on the website. No such waiver or amendment has been made or given to date.

SEE WWW.CCEPCOKE.ONLINE/CODE-OF-CONDUCT-POLICY

Our CoC applies to all our people. We also expect all third parties who work on our behalf, such as suppliers, vendors, contractors, consultants, distributors and agents, to act in an ethical manner consistent with our CoC and in compliance with our Supplier Guiding Principles.

The CoC covers issues such as share dealing, anti-bribery, data protection, environmental regulation, human rights, health, safety, wellbeing and respect for others. It aligns with the UN Global Compact, the US Foreign Corrupt Practices Act, the UK Bribery Act, the UKCGC, the EU General Data Protection Regulation, the Spanish and Portuguese Criminal Codes and Sapin II. CCEP considers that the CoC and related policies address the NYSE Rules on the codes of conduct for relevant domestic US companies.

We received no fines for CoC violations in 2019.

SEE DETAILS OF COC REPORTING ON PAGE 25

NED meetings

The NYSE Rules require NEDs to meet regularly without management and independent directors to meet separately at least once a year. The UKCGC requires NEDs to meet without the Chairman present at least once annually to appraise the Chairman's performance. The NEDs have regular meetings without management present. There are also meetings of the INEDs as required and at least once a year.

Our corporate governance framework is summarised below with further detail provided on the following pages.

Governance framework

STAKEHOLDERS

(INCLUDING OUR PEOPLE, CUSTOMERS, SUPPLIERS, FRANCHISORS, INVESTORS, CONSUMERS AND COMMUNITIES)

ACCOUNTABILITY

DELEGATION

BOARD OF DIRECTORS

Provides overall leadership, independent oversight of performance and is accountable to shareholders for the Group's long-term success

Affiliated Transaction Committee
Has oversight of transactions with affiliates and makes recommendations to the Board (affiliates are holders of 5% or more of the securities or other ownership interests of CCEP).

Audit Committee
Monitors the integrity of the Group's financial statements and results announcements, the effectiveness of internal controls and risk management, as well as managing the external auditor relationship.

SEE PAGES 81-86 FOR MORE DETAILS

Corporate Social Responsibility (CSR) Committee
Oversees performance against CCEP's strategy and goals for CSR, reviews CSR risks facing CCEP, including health and safety and climate change risks, and the practices by which these risks are managed and mitigated, approves sustainability commitments and targets, and monitors and reviews public policy issues that could affect CCEP.

SEE PAGES 34-43 FOR MORE DETAILS

Full sustainability performance data for 2019 will be published on our website in May 2020

Nomination Committee
Sets selection criteria and recommends candidates for appointment as INEDs, reviews Directors' suitability for election/re-election by shareholders, considers Directors' potential conflicts of interest, oversees development of a diverse pipeline for senior management and Director succession, and oversees wider people matters for the Group, including culture, diversity, succession, talent and leadership.

SEE PAGES 77-80 FOR MORE DETAILS

Remuneration Committee
Recommends remuneration policy and framework to the Board and shareholders, recommends remuneration packages for members of the Board to the Board, approves remuneration packages for senior management, reviews workforce remuneration and related policies and principles, and governs employee share schemes.

SEE PAGES 87-107 FOR MORE DETAILS

Additional Director led Committees
- Disclosure Committee
- Capital Allocation Framework Committee

Values
(INCLUDED IN OUR CODE OF CONDUCT, WAYS OF WORKING AND OUR CULTURE)

Our Strategy
(GUIDED BY FIVE KEY STRATEGIC IMPERATIVES TO ENSURE WE GENERATE SUSTAINABLE SHAREHOLDER RETURNS)

CEO: Empowered by authority of the Board to put agreed strategy into effect and run CCEP on a day to day basis

ELT: Members report to and support the CEO within their defined areas of responsibility

Our people

Corporate governance report continued

Board leadership and company purpose

Role of the Board

The Board is primarily responsible for the Group's strategic plan, risk appetite, systems of internal control and corporate governance policies, to ensure the long-term success of the Group, underpinned by sustainability. To retain control of key decisions and ensure there is a clear division of responsibilities, there is a formal schedule of matters reserved to the Board, which sets out the structure under which the Board manages its responsibilities, and provides guidance on how it discharges its authority and manages its activities. Key matters include:

- Strategic decisions
- Approval of annual and long-term business plans
- Suspension, cessation or abandonment of any material activity of the Group
- Material acquisitions and disposals
- Approvals relating to listings
- Change of the Company's country of incorporation
- Amendment or repeal of the constitution of the Company
- Material commitment or arrangement of the Group outside the normal course of business and/or not specifically identified in the annual business plan

The Board, through the Nomination Committee, assesses and monitors the Group's culture to ensure it aligns with the Group's purpose, values and strategy set by the Board.

READ MORE ABOUT OUR STRATEGY ON PAGES 16-17

SEE OUR NOMINATION COMMITTEE'S REPORT ON PAGES 78-80

Stakeholders

The Board recognises the importance of stakeholders to CCEP – both their inputs to our business and our impact on them. We use a matrix to help ensure Directors have the right engagement and information to enable them to consider stakeholders' interests in their decision making.

Regular engagement with both existing and potential shareholders is important to the Board. On behalf of the Board, our CEO, CFO and the investor relations team engage with investors and analysts throughout the year. The Board receives regular updates on the views of shareholders and the investor relations programme.

The Board expanded the terms of reference and remit of the Remuneration Committee to include remuneration policy and strategy at all levels across the Group. Likewise, the Nomination Committee's terms of reference were expanded to include other key people issues such as culture, succession planning and diversity. The Chairmen of these two Committees are responsible for championing and reporting back on these matters and sit on each other's Committees to ensure seamless coverage of the full range of people matters. The Board also takes the opportunity to engage with our people directly.

READ MORE IN THE NOMINATION COMMITTEE REPORT ON PAGE 78

Our people are able to raise any concerns they have in confidence through Speak Up, the Group's whistleblowing hotline. The Board amended the Audit Committee terms of reference so that it reports to the Board on whistleblowing arrangements, reports and investigations.

READ MORE IN THE AUDIT COMMITTEE REPORT ON PAGE 82

SEE A SUMMARY OF OUR STAKEHOLDER ENGAGEMENT ON PAGES 52-55

Board activities during the year

The Chairman sets the Board agenda, which consists of the following discussion matters:

- Updates from the CEO, the CFO and other key senior executives on the business performance and key business initiatives
- Governance matters
- Strategy, diversity, sustainability, material expenditure and other Group matters

The key areas of focus for the Board's activities and topics discussed during the year are set out in table 1 on page 71.

Strategy remained a key focus for the Board throughout the course of the year. It held a separate strategy session in September 2019, which was attended by members of the ELT. At the event the Directors and members of the ELT considered progress since our 2018 strategy session and debated our future strategy, focusing on our portfolio, customers, competitors and our operating model and culture.

Training and development

Training and development opportunities are regularly provided to Directors following their induction to ensure they continue to provide constructive challenge to management. The programme for 2019 is set out in table 2 on page 71.

Conflicts of interest

The UK Companies Act 2006 (the Companies Act), the Articles and the Shareholders' Agreement allow the Directors to manage situational conflicts (situations where a Director has an interest that conflicts, or may conflict, with our interests). The Nomination Committee considers issues involving potential situational conflicts of interest of Directors.

Each Director is required to declare any interests that may give rise to a situational conflict of interest with CCEP on appointment and subsequently as they arise. Directors are required to review and confirm their interests annually.

The Board is satisfied that the systems for the reporting of situational conflicts are operating effectively.

Table 1

Board activities in 2019

Strategic imperative (SI)/ area of focus	Discussion topics
Top line revenue growth (SI)	• Increasing consumer choice by innovating on flavours and growing our portfolio of products and monitoring performance of innovations • Assessing acquisitions opportunities • Progress of the digital transformation programme • Long-term industry trends and opportunities • Enterprise risk management, including introduction of one risk operating model and risk assessment
Customer and execution centric business (SI)	• Route to market development • Front line sales strategy • CCEP Ventures, our innovation investment fund • Retail environments and customer challenges • Strategic review of cold drink equipment • Customer capabilities and world class key account management
Competitiveness (SI)	• Cybersecurity and risk mitigation • The 2019 and 2020 annual business plans, including strategic priorities • Long-range planning • Progress of transformation initiatives • Capital allocation and expenditure • Operating framework • Debt structure including bond programme and revolving credit facility with sustainability linked measures • Share buyback programme • Treasury matters including delegations of authority to management • Competitor review and analysis • External landscape review
Sustainability and stakeholder equity (SI)	• Sustainable packaging strategy • Deposit return schemes • Demand for low and no calorie products and product reformulation • Climate change risk and carbon reduction commitments • Engagement with CCEP's key and other stakeholders • The move from Euronext London to London Stock Exchange • Brexit planning • Approval of 2018 Modern Slavery Statement, published in May 2019 • Approval of tax strategy • Our investor engagement plan
Culture and capability (SI)	• People strategy including performance acceleration, employee engagement, talent, diversity and inclusion, learning and development • Group culture and its role in supporting the strategy • Wider workforce remuneration • Attendance at Group wide workforce town hall with the whole Board
Corporate governance	• Approval of financial results and associated viability and going concern statements • Approval of trading updates • Approval of interim dividend payments • Approval of Integrated Report and Form 20-F for 2018, subject to final sign off by a sub committee • Approval of Notice of AGM, subject to final sign off by a sub committee • Board evaluation feedback and action plan • Approval of amended Articles of Association, subject to approval by shareholders • Reviewing and updating the governance guidelines for our Directors • Consideration of new reporting requirements affecting CCEP • Succession planning for the Board • Approval of policies and of policy governance and framework • Approval of new Director appointments: Dagmar Kollmann and Lord Mark Price

Table 2

Director training and development programme

Form of training	Purpose	Subject
Briefings	Focused on in depth studies of matters of topical interest to CCEP as well as on relevant commercial, legal and regulatory developments	Separate deep dives regarding: • Business process and technology and digital • Northern Europe and Belgian operations • Finance • Legal • Customer service and supply chain
Development sessions	To address requests from Directors	• Category and consumer outlook, portfolio performance and plans • Competitive strategy • Customer growth perspectives • TCCC Innovation Lab Tour, Atlanta, USA
Site visits	Visits to Group businesses, factories and commercial outlets to enhance knowledge of CCEP operations and meet employees, suppliers and customers	• Digital Market Tour • Brussels, Belgium • London, GB • Opportunity to attend annual kick off meetings in business units and supply chain taken up by some Directors
External speakers	To receive insights from experts and engage with stakeholders	• Jim Dinkins, President of Coca-Cola North America • Tim Brett, President of TCCC's Western Europe business unit • Aedamar Howlett, Marketing Director of TCCC's Western Europe business unit • Bjorn Jensen, Strategy and Insights Director of TCCC's Western Europe business unit • Jon Wright, Head of Insights – EMEA, IGD • Jon Cummings, Senior Partner, McKinsey • Pavlos Exarchos, Senior Partner, McKinsey • Simon Land, Partner, McKinsey

Corporate governance report continued

Division of responsibilities

Governance structure

The Board, led by the Chairman, is responsible for the management of the Group. While both the Executive Director and NEDs have the same duties and constraints, they have different roles on the Board (see table 3). There is a clear, written division of responsibilities between the Chairman and the CEO.

The Board has approved a framework of delegated authority to ensure an appropriate level of Board contribution to, and oversight of, key decisions and the management of daily business that support its long-term sustainable success. This framework has been designed to enable the delivery of the Company's strategy and is outlined in our governance framework on page 69.

The Board delegates certain matters to its Committees. Each of the five Committees has its own written terms of reference, which are reviewed annually. These are available at www.cocacolaep.com/about-us/governance/committees.

The CEO with the ELT manages the day to day business. All decisions are made in accordance with our chart of authority, which defines our decision approval requirements and ensures that all relevant parties are notified of decisions impacting their area of responsibility.

The NED terms of appointment are available for inspection at the Company's registered office and at each AGM. Among other matters, these set out the time commitment expected of NEDs. On appointment, the Board took into account the other demands on the time of Nathalie Gaveau, Dagmar Kollmann and Lord Mark Price. The Board is satisfied that the other commitments of all Directors do not interfere with their ability to perform their duties effectively.

SEE THE COMMITMENTS OF OUR DIRECTORS IN THEIR BIOGRAPHIES ON PAGES 60-64

Board and Committee meetings

The Board held six formal meetings during 2019, with additional ad hoc meetings with Board and Committee members held in line with business needs. Directors and Committee members are expected to attend every meeting. If a Director is unable to attend a meeting, the relevant meeting papers are provided to that Director in advance of the relevant meeting so that comments can be given to the Chairman or Committee Chairman, as applicable, who relays them at the meeting. After the meeting, the Chairman or Committee Chairman, as applicable, also briefs the Director on the matters discussed.

Under the previous Articles, for a Board meeting to be quorate there had to be, among other things, a sufficient number of INEDs present to constitute a majority of the Directors present at the meeting. As a result, given the current Board composition whereby all INEDs constitute a simple majority, if an INED was unable to attend a Board meeting where all other Directors were in attendance, that meeting would not have been quorate.

While we expect each Director to devote appropriate time and attention to fulfil their duties as a Director, there may be occasions where a Director is unable to attend a meeting. At the 2019 AGM, the Articles were therefore amended to give Directors the ability to appoint another Director (provided that an INED may only appoint another INED) as their alternate in a situation where they are unable to attend a meeting.

Attendance during 2019 is set out in table 4. The Chairman attends most Committee meetings. The Chairman of the Audit Committee sits on the Remuneration Committee. This helps ensure remuneration outcomes align with the underlying performance of CCEP. The Chairman of the Nomination Committee sits on the Remuneration Committee and the Chairman of the Remuneration Committee sits on the Nomination Committee. This reflects CCEP's joined up approach to investing in and rewarding our people.

Table 3

Roles on the Board

Role	Responsibilities
Chairman	• Operating, leading and governing the Board • Setting meeting agendas, managing meeting timetables • Promoting a culture of open debate between Directors and encouraging effective communication during meetings • Creating the conditions for overall Board and individual Director effectiveness
CEO	• Leading the business • Implementing strategy approved by the Board • Overseeing the operation of the internal control framework
Senior Independent Director (SID)	• Advising and supporting the Chairman by acting as an alternative contact for shareholders and as an intermediary to NEDs
NEDs	• Providing constructive challenge, strategic guidance, external insight and specialist advice to the Board and its Committees • Hold management to account • Offering their extensive experience and business knowledge from other sectors and industries
Company Secretary	• Assisting the Chairman by ensuring that all Directors have full and timely access to relevant information • Advising the Board on legal, compliance and corporate governance matters • Organising the induction and ongoing training of Directors

Cross membership between Committees enables active collaboration and liaison across Committees. Committee cross membership is set out on the Company's website at www.cocacolaep.com/about-us/governance/committees.

At the end of most Board meetings, two sessions are held: one that all Directors attend, without management present, and the other that all the NEDs attend, without management or the CEO present. Directors may raise any matter they wish for discussion at these sessions.

Board support

Board meetings are scheduled at least one year in advance, with ad hoc meetings arranged to suit business needs. These meetings are held in a variety of locations, reflecting our engagement with all aspects of our international business.

The agenda of Board meetings follows our annual Board programme. This sets out the standing items at each meeting, such as periodic activities (including results and AGM documentation), business plan and the assessment of Board evaluation results.

Before the Board meeting, the Chairman, CEO and Company Secretary agree the final agenda. This covers discussion items such as the status of ongoing projects and stakeholder considerations. Comprehensive briefing papers are circulated electronically to all Directors, to allow time to review the matters which are to be discussed.

Throughout the year Directors have access to the advice and services of the Company Secretary and independent professional advice, at the Company's expense.

Independence of Non-executive Directors

The Board reviewed the independence of all the NEDs against the UKCGC and also considered the requirements of SEC Rule 10A-3 in relation to the Audit Committee. It determined that Jan Bennink, Christine Cross, Javier Ferrán, Nathalie Gaveau, L. Phillip Humann (until his resignation), Orrin H. Ingram II, Thomas H. Johnson, Dagmar Kollmann (from her appointment), Lord Mark Price (from his appointment), Garry Watts and Curtis R. Welling (until his resignation) are independent and continue to make effective contributions. The Board recognises that seven of CCEP's NEDs, including the Chairman, cannot be considered independent. However, they continue to demonstrate effective judgement when carrying out their roles and are clear on their obligations as Directors, including under section 172 of the Companies Act.

Our CEO, Damian Gammell, is not considered independent because of his executive responsibilities to the Group.

Consequently, the majority of the Directors and the NEDs are independent.

Composition, succession and evaluation

Board diversity and composition

The composition of the Board and its Committees is set out in table 4 on page 74. This includes details of appointments and resignations during 2019.

As their biographies on pages 60-64 show, our Board members have a range of backgrounds, skills, experiences and nationalities, demonstrating a rich cognitive diversity beyond gender.

SEE AN OVERVIEW OF OUR DIRECTORS' SKILLS AND EXPERIENCE ON PAGE 59

Our commitment to diversity begins at the top, with clear leadership from our Board, and is embedded at every level of our business through our Inclusion and Diversity Policy, This is Forward and the CoC. Our Board is taking steps to ensure women make up 33% of its Directors in 2020. The Nomination Committee is committed to overseeing a diverse pipeline for senior management and Director positions.

READ MORE ABOUT SUCCESSION PLANNING ON PAGE 78

SEE THE BOARD'S DIVERSITY POLICY IN THE CRITERIA FOR SELECTION OF INEDS AT WWW.COCACOLAEP.COM/ABOUT-US/GOVERNANCE

READ MORE ABOUT THE GROUP'S APPROACH TO DIVERSITY ON PAGES 20-23

Board evaluation

In line with best practice, we conduct an external Board evaluation at least once every three years. The last time we did this was in 2018.

Given the depth and breadth of the 2018 evaluation exercise, the Board determined that a more concise evaluation process was appropriate in 2019. The Board appointed Lintstock to support a questionnaire based exercise, alongside interviews of all Directors by the SID. Lintstock has no other connection with CCEP or any individual Director.

The questionnaire and interview responses were collated and reports produced on the performance and effectiveness of the Board, each Committee and the Directors. The Board discussed the results openly and constructively. Overall, the Board confirmed that it continued to work effectively. Board composition, expertise and dynamics were highly rated but some areas for further improvement were identified. These are set out in table 5 on page 75.

Corporate governance report continued

Table 4

Meeting attendance by Board and Committee members[A]

	Independent or nominated by Olive Partners or ER[B]	Board of Directors	Affiliated Transaction Committee	Audit Committee	CSR Committee	Nomination Committee	Remuneration Committee
Chairman							
Sol Daurella	Nominated by Olive Partners	6 (6)	5 (5)			5 (5)	
Executive Director							
Damian Gammell	CEO	6 (6)					
Non-executive Directors							
Jan Bennink	Independent	6 (6)	4 (5)[E][I]		2 (2)[K]	2 (2)[K]	
José Ignacio Comenge	Nominated by Olive Partners	6 (6)	5 (5)				
Francisco Crespo Benítez	Nominated by ER	6 (6)			4 (4)		
Christine Cross	Independent	6 (6)		4 (4)[K]		3 (3)[K]	6 (6)[E]
Javier Ferrán	Independent	5 (6)[G]	5 (5)	5 (6)[G]			
Irial Finan	Nominated by ER	5 (6)[J]				4 (5)[J]	5 (6)[J]
Nathalie Gaveau	Independent	6 (6)			4 (4)		
Álvaro Gómez-Trénor Aguilar	Nominated by Olive Partners	6 (6)					
L. Phillip Humann[D]	Independent	2 (2)				2 (2)[F]	
Orrin H. Ingram II	Independent	6 (6)		6 (6)		2 (2)[K]	
Thomas H. Johnson	SID	6 (6)			2 (2)[K]	3 (3)[F]	6 (6)
Dagmar Kollmann[C]	Independent	4 (4)	3 (3)[K]	2 (2)[K]			
Alfonso Líbano Daurella	Nominated by Olive Partners	6 (6)			4 (4)[E]		
Lord Mark Price[C]	Independent	4 (4)			2 (2)[K]	3 (3)[K]	
Mario Rotllant Solà	Nominated by Olive Partners	6 (6)					6 (6)
Garry Watts	Independent	5 (6)[H]		6 (6)[E]			5 (6)[H]
Curtis R. Welling[D]	Independent	2 (2)	2 (2)[K]		2 (2)[K]		

(A) The maximum number of meetings in the period during which the individual was a Board or Committee member is shown in brackets.
(B) Nominated pursuant to the Articles of Association and terms of the Shareholders' Agreement.
(C) Dagmar Kollmann and Lord Mark Price were appointed as INEDs on 29 May 2019.
(D) L. Phillip Humann and Curtis R. Welling stepped down on 29 May 2019.
(E) Chairman of the Committee.
(F) L. Phillip Humann was chairman of the Nomination Committee until he stepped down on 29 May 2019, when Thomas H. Johnson became chairman of the Nomination Committee.
(G) Javier Ferrán missed one day of the December 2019 Board meeting and one meeting of the Audit Committee in April 2019 due to prior engagements. Javier appointed Garry Watts as his alternate for the December 2019 Board meeting.
(H) Garry Watts missed the October 2019 Board and Remuneration Committee meetings due to a prior engagement. Garry appointed Javier Ferrán as his alternate for the October 2019 Board meeting.
(I) Jan Bennink missed the October 2019 Affiliated Transaction Committee meeting due to unforeseen illness and appointed Thomas H. Johnson as his alternate. Javier Ferrán chaired the Affiliated Transaction Committee in Jan's absence.
(J) Irial Finan missed the July 2019 Board, Nomination Committee and Remuneration Committee meetings due to unforeseen family circumstances.
(K) When refreshing the Board during 2019, we took the opportunity to make changes so Committee membership best reflected the Directors' skills and experience. On 29 May 2019, Dagmar Kollmann replaced Curtis R. Welling as a member of the Affiliated Transaction Committee and Christine Cross as a member of the Audit Committee. On 29 May 2019, Thomas H. Johnson and Curtis R. Welling were replaced as members of the CSR Committee by Jan Bennink and Lord Mark Price. On 29 May 2019, Jan Bennink and Orrin H. Ingram were replaced as members of the Nomination Committee by Christine Cross and Lord Mark Price.

Election and re-election of Directors

The Board has determined that all Directors, subject to continued satisfactory performance, shall stand for re-election at each AGM with the exception of the Chairman and some of the INEDs, as explained on page 75. All Directors appointed by Olive Partners (other than the Chairman) and ER plus Nathalie Gaveau, Dagmar Kollmann and Lord Mark Price will submit themselves for re-election at the 2020 AGM. Jan Bennink, Thomas H. Johnson and Dessi Temperley will stand for election at the 2020 AGM. Following its performance assessments of Directors, the Board is confident that each continuing Director will carry on performing their duties effectively and remain committed to CCEP.

Audit, risk and internal control and Remuneration

Disclosures of compliance with provisions of the Audit, risk and internal control and Remuneration sections of the UKCGC are located elsewhere in this Integrated Report. These disclosures include descriptions of the main features of CCEP's internal control and risk management systems as required by rule 7 of the Disclosure Guidance and Transparency Rules (DTRs). Table 6 sets out where each respective disclosure can be found.

Table 5

2019 Board evaluation findings and actions

	Board focus	Governance	Induction
2019 findings	Improve time management and prioritisation at meetings, focusing more on strategy and outcomes for stakeholders	Board and Committee governance to be reviewed to support UKCGC compliance and reflect changed Board membership	Enhance the existing induction for new Directors to ensure they are able to contribute effectively as quickly as possible
Actions undertaken in 2019	• Further improved the format for Board papers to ensure the required information is available to facilitate discussion • Board agendas reviewed to ensure appropriate time allocation for strategic matters • Held a separate Board strategy day • Enhanced the stakeholder engagement matrix to ensure appropriate consideration of stakeholder interests	• Reviewed and updated Committee membership to reflect revised Board composition, skills and experience • Nomination Committee Chairman to sit on Remuneration Committee and vice versa to ensure seamless coverage of all people matters	• Established Directors to mentor new Directors to enhance understanding of CCEP and, where appropriate, provide guidance on being a director of a UK listed company • New NEDs during the year to provide feedback on their induction processes and suggestions for improvement

Table 6

Disclosure of compliance with provisions of the Audit, risk and internal control and Remuneration sections of the UKCGC

Items located elsewhere in the 2019 Integrated Report	Page(s)
Directors' responsibilities statement	111
Directors' statement that they consider the Integrated Report and financial statements, taken as a whole, to be fair, balanced and understandable	111
Going concern statement	110
Assessment of the Group's principal risks	44-48
Viability statement	50
Risk management and internal control systems and the Board's review of their effectiveness	49
Audit Committee report	82-86
Directors' remuneration report	87-107

Corporate governance report continued

Annual General Meeting

The AGM continues to be a key date in our annual shareholder engagement programme. In 2019, members of the Board and the ELT attended the AGM to discuss the resolutions in the Notice of AGM, the business, and to answer shareholders' questions. We were pleased that all resolutions were passed by more than 80% of those voting.

The 2020 AGM of the Company will be held in May at Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom. The Notice of AGM will set out a full description of the business to be conducted at the meeting. This will be available on our website from the time of its posting to shareholders in April 2020.

As with last year, the Chairman, SID and Committee Chairmen plan to attend the AGM to give shareholders an opportunity to ask them questions about the Group and its business, either during the AGM or informally afterwards. They are also available to shareholders for discussion throughout the year to discuss any matters under their areas of responsibility, by contacting the Company Secretary.

READ MORE ABOUT OUR ENGAGEMENT WITH INVESTORS IN OUR S172(1) STATEMENT ON PAGES 52-53

Sol Daurella
Chairman
16 March 2020

Nomination Committee Chairman's letter

"WE WILL CONTINUE TO DEDICATE TIME TO PROMOTE DIVERSITY, SUCCESSION AND TALENT POLICIES AND PRACTICES THAT ARE IN LINE WITH OUR PURPOSE AND VALUES AND SUPPORT OUR DESIRED CULTURE."

Dear Shareholder

Having taken over as Nomination Committee Chairman from L. Phillip Humann, I am pleased to report on the work of the Nomination Committee during 2019. This year, our activities have focused on INED and senior management succession; embedding our culture; and our people, including developing a people reporting dashboard. A brief summary of these activities is provided in table 1 on page 78. We give more details about some of these activities throughout the rest of the Nomination Committee report.

I would like to thank my predecessor, L. Phillip Humann, for his valuable contribution in chairing the Nomination Committee until he stood down as a Director at the AGM in May 2019.

Expanding our people remit

As our Chairman explains in her introduction to the Governance and Directors' Report, the 2018 UK Corporate Governance Code applies to accounting periods beginning on or after 1 January 2019. The Committee's terms of reference were widened to include specific responsibilities regarding culture and our people on a formal basis to ensure compliance with the new UKCGC.

In 2019, we changed our Committee composition so that the Remuneration Committee Chairman, Christine Cross, now sits on the Nomination Committee and I sit on the Remuneration Committee. This allows us to keep informed and ensure, between us, that we champion and report back to the Board on all people matters. We are considered to be CCEP's designated NEDs for engagement with our people.

Looking forward to 2020

We will continue to dedicate time to:

- Promote diversity, succession and talent policies and practices that are in line with our purpose and values and support our desired culture
- Oversee the development of a diverse pipeline for senior management positions as well as the Board
- Provide input to the leadership talent development programmes
- Assess and monitor the Group's culture on behalf of the Board
- Support the rollout of the capability development programme to all employees
- Monitor the implementation of our people reporting framework
- Ensure the voice of our people is heard, understood and considered by the Board in its decision making
- Safeguarding governance

Availability to shareholders

I will be available at our 2020 Annual General Meeting to answer any questions about the work of the Committee.

Thomas H. Johnson
Chairman of the Nomination Committee
16 March 2020

Nomination Committee report

Nomination Committee role

The key duties and responsibilities of the Nomination Committee are set out in its terms of reference. These are available at www.cocacolaep.com/about-us/governance/committees. They cover the following areas:

- Corporate governance
- Director selection, re-election and review
- Potential conflicts of interest
- Evaluations of the Board and succession planning
- Culture and workforce

Activities of the Nomination Committee during the year

The Nomination Committee has a process for planning its future meeting agendas and topics to be considered. Table 1 sets out the matters considered by the Committee during 2019. More detail about some of these matters is provided in the rest of this report.

The Committee met five times during the year.

SEE DETAILS OF ATTENDANCE AT MEETINGS ON PAGE 74

Succession

Independent Non-executive Director succession

We continue to focus on maintaining a well balanced Board with the right mix of individuals who can apply their wider business knowledge and experience to overseeing and guiding the delivery of the Group's strategy. To support this, we use a matrix of skills required on the Board to support the Group's future plans, which we keep under review. Also, our INED selection criteria reflect the importance of selecting candidates who can give voice to stakeholder interests effectively, particularly to help discharge the Board's duties under section 172 of the Companies Act 2006.

SEE OUR CRITERIA FOR THE SELECTION OF INEDS AT WWW.COCACOLAEP.COM/ABOUT-US/GOVERNANCE

To ensure we maintain the right balance of skills and experience on the Board, we continue to plan for the managed succession of INEDs. We have drawn up INED candidate specifications based on our existing selection criteria, our stated diversity targets and the gaps identified through our skills matrix.

We engaged MWM Consulting, a firm of external recruitment consultants, to identify a potential INED candidate. From the initial list of potential candidates, a shortlist was identified for interview by members of the Committee, the Chairman and other Board members. They were assessed objectively against the candidate specifications.

MWM Consulting supported some of CCEP's specialist recruitment activities in 2017. It has no other connection to CCEP and has no connection to any individual Director. It is a signatory to the UK's Standard Voluntary Code of Conduct for Executive Search Firms.

Table 1

Matters considered by the Nomination Committee during 2019

Meeting date	Key agenda items
March 2019	• Talent management • Bringing the voice of our people to the Board • Director succession, particularly INEDs • Committee evaluation
May 2019	• Succession planning for ELT and senior management • People strategy • Committee governance and people agenda • Review of the Board's governance guidelines
July 2019	• Culture development • Employee wellbeing • Succession planning for ELT and senior management • Director succession, particularly INEDs
October 2019	• Culture development • Employee wellbeing • Succession planning for ELT and senior management • Director succession, particularly INEDs
December 2019	• Inclusion and diversity • Director succession, particularly INEDs • Board evaluation process • Bringing the voice of our people to the Board

We announced on 11 March 2020 that Dessi Temperley would, subject to her election at the AGM in May 2020, succeed Orrin H. Ingram. Dessi brings deep financial expertise, commercial insight and knowledge of European markets. She will also undertake a detailed induction programme.

Appointments during the year

Nathalie Gaveau was appointed to succeed Véronique Morali with effect from 1 January 2019. She brings valuable digital and international experience to the Board, along with broad business experience.

Dagmar Kollmann and Lord Mark Price were appointed to succeed L. Phillip Humann and Curtis R. Welling with effect from 29 May 2019. In addition to their wide business expertise Dagmar brings a wealth of experience in finance and international listed groups to the Board, while Mark brings his substantial experience in retail.

Induction

All new Directors receive a suite of induction materials explaining:

- Their role and responsibilities
- Attributes of an effective board
- Their legal duties and responsibilities, including in relation to section 172 of the Companies Act
- The calendar of Board and Committee meetings
- Governance documents, policies and procedures
- Committee terms of reference
- Our CoC
- Our share dealing code
- Background information about the Group

Established Directors mentor new Directors. Meetings with members of the Board and the ELT and site visits in a number of our markets are also arranged.

Nathalie, Dagmar and Mark each undertook a comprehensive induction programme. This was tailored to their individual requirements and phased to allow feedback and further customisation of meetings and other development activities.

Executive Leadership Team

During 2019 we considered succession plans for the Group's ELT. Ron Lewis departed as Chief Supply Chain Officer at the end of August 2019. José Antonio Echeverría was appointed to succeed him as Chief Customer and Supply Chain Officer, with an expanded brief including driving great service for our customers. This reflects our goal of delivering world class customer service, every day.

Evaluation

At the end of each year, we recommend the process to be used to evaluate the performance of the Board and its Committees at the start of the following year.

We recommended to the Board that a concise evaluation process be undertaken in early 2020 similar to that undertaken in 2019. The Board accepted our recommendation and appointed Lintstock to support a questionnaire based exercise, alongside interviews of all Directors by the SID.

READ MORE ABOUT THE 2019 EVALUATION EXERCISE ON PAGE 73

Diversity

Diversity on the Board

Cognitive diversity is important to good decision making, and we have paid particular attention to this in our succession planning. This is driven by diversity of background, including gender and ethnic diversity. It is part of the INED selection criteria, and supports the Board's stated target to ensure that 33% of its Directors are women by 2020 and take into account the recommendations of the Parker Review. Diversity is a key consideration in considering potential INED candidates.

During 2019, one female INED replaced another female INED who stood down, one female INED was appointed in place of a male INED who stepped down and one male INED who stepped down was replaced by another male INED. As a result, female representation on the Board increased to 23.5% in 2019 compared to 17.6% in 2018. It will increase to 29.4%, subject to Dessi Temperley's election at the AGM.

READ MORE ABOUT OUR APPROACH TO DIVERSITY ON PAGES 58-59

Inclusion, diversity and talent

We are committed to fostering an inclusive environment and building diverse talent within the Group embedded through our Inclusion and Diversity Policy. We received updates on the progress of inclusion and diversity initiatives, in particular the target to have 40% of our management positions held by women by 2025.

In 2018, we launched a new inclusive approach to talent and succession. In 2019, we have operationalised that approach, to review employee potential, agree critical roles, update succession plans and identify early in career emerging leaders.

READ MORE ABOUT OUR APPROACH TO DIVERSITY ON PAGES 20-21

Nomination Committee report continued

Our people

We oversee the approach to culture, succession planning and talent management, including diversity, for the whole Group.

In 2019, we scrutinised the Group's new people reporting dashboard to ensure we receive accurate data and actionable insights about our people. Metrics include female leadership headcount, annual voluntary turnover, engagement score, safety performance and promotion rate. These were chosen based on external benchmarks, best practice, business relevance and availability of accurate data.

Engagement

In 2019, we conducted the Group's second engagement survey, built around our agreed ways of working. We considered the results and action plans with management. We were pleased that the results showed engagement overall had increased since the 2018 engagement survey. Our people continue to feel safe at work, empowered to make decisions and that personal growth and inclusion and diversity have improved.

Response rates were up by 9% and we received almost 21,000 written comments, showing a real appetite to participate in the survey.

As in 2018, our people identified some areas for improvement. We are reassured that management remains committed to take action on and improve scores in decision making, leadership and communications, personal growth and customer focus.

READ MORE ABOUT HOW WE ENGAGE WITH OUR PEOPLE ON PAGE 19

Capability

We believe that building our leadership capability is a key differentiator for performance. In 2017, our top 500 leaders took part in our leadership development programme, Accelerate Performance. Since then Accelerate Performance has evolved and training was rolled out to reach all employees across CCEP. In 2019, Accelerate Performance 2 was launched, the next phase to continue accelerating performance among our top 500 leaders.

Independence

SEE THE LIST OF NON-EXECUTIVE DIRECTORS DETERMINED TO BE INDEPENDENT ON PAGE 74

Thomas H. Johnson
Chairman of the Nomination Committee
16 March 2020

Audit Committee Chairman's letter

"WE REMAIN COMMITTED TO A THOROUGH AND ROBUST APPROACH TO RISK MANAGEMENT, GOVERNANCE AND INTERNAL CONTROL."

Dear Shareholder

I am pleased to present the report of the Audit Committee for 2019. During the year we have carried out our responsibilities in accordance with the UKCGC and have continued to provide support and advice to the Board on the matters set out in the Committee's terms of reference, and on other matters at the request of the Board. Further information on the Committee's role is set out on page 82.

The Committee's remit was amended in 2018 to reflect the UKCGC, which took effect from 1 January 2019. The Board now has overall responsibility for whistleblowing matters. However, the Committee continues to receive and consider reports related to whistleblowing and provides the Board with key information for its consideration as appropriate.

The Committee's extended remit includes responsibility for enabling relevant effective stakeholder engagement. Our agenda this year included the review and approval of policies affecting, among others, our people, our suppliers and our external auditors. A key milestone for the Group this year was the move of CCEP's UK listing from Euronext London to London Stock Exchange to improve visibility and market access for investors. The Committee supported the Board in its oversight of this move.

We remain committed to a thorough and robust approach to risk management, governance and internal control. Our 2019 agenda covered a range of topics, with a focus on accounting and reporting, risk and internal controls, internal and external audits, ethics and compliance, business continuity management, enterprise risk management (ERM) and data privacy and cybersecurity.

We continue to oversee the Group's internal control and risk management framework to ensure that all material control processes, including the audits of those processes, are robust and fit for purpose. Further information about the Committee's involvement in respect of our internal control systems is available in the Audit Committee report.

This year, we dedicated significant time to overseeing the implementation of the new accounting standard, IFRS 16, "Leases". We asked management for regular reports to assess the effectiveness of the newly implemented systems and controls and we have spent time reviewing management's statements and assumptions in this area. We are confident that the transitional impacts of IFRS 16 have been effectively evaluated and reported during the year.

Continuing data privacy considerations, including the General Data Protection Regulation, and the inherent risks that come with advances in technological processes, have ensured that IT and cybersecurity were high on the Committee's agenda this year. We received regular and detailed reports from management on their continued assessment of the risks associated with our use of technology. The Committee took these risks into consideration as part of its oversight of the Group's wider ERM strategy and business continuity planning.

Availability to shareholders

I will be available at our 2020 AGM to answer any questions on the work of the Committee.

Garry Watts
Chairman of the Audit Committee
16 March 2020

Audit Committee report

Main responsibilities of the Audit Committee

The role and responsibilities of the Audit Committee are set out in its terms of reference, which are available on the Company's website at www.cocacolaep.com/about-us/governance/committees. Key responsibilities include:

- Monitoring the integrity of the Group's annual audited financial statements and other periodic financial statements and reviewing any key judgements contained in them
- Reviewing the adequacy and effectiveness of the Group's internal control processes
- Oversight of the Group's compliance, operational and financial risk assessments as part of the broader ERM programme
- Review and assessment of the scope, operation and effectiveness of the internal audit function
- Making recommendations to the Board regarding appointment, reappointment or removal of the external auditor
- External auditor terms of engagement, remuneration and independence
- Supporting the Board in relation to specific matters including oversight of the annual and long-term business plans, dividend and capital structure and capital expenditure

The Committee Chairman provided updates to the Board on the Committee's activities during the year.

Composition of the Audit Committee

The Group follows UK corporate governance practices, as allowed by the NYSE Rules for FPIs. In accordance with the UKCGC, the Committee comprised four NEDs in 2019, each of whom the Board has deemed to be independent. The Board is satisfied that each member of the Committee has competence relevant to the fast moving consumer goods sector in which the Group operates.

In accordance with SEC Rules, as applicable to FPIs, the Group's Audit Committee must fulfil the independence requirements set out in SEC Rule 10-3A. The Board has determined that the Audit Committee satisfies these requirements and that the Committee Chairman, Garry Watts, may be regarded as an audit committee financial expert as defined in Item 16A of Form 20-F.

READ MORE ABOUT THE AUDIT COMMITTEE MEMBERS ON PAGES 60-64

Matters considered by the Audit Committee during 2019

The Committee met six times during the year. Reports from the internal and external auditors were presented as standing agenda items, along with reports from senior management on the following topics in the Committee's remit:

- Accounting and reporting matters
- Legal matters
- Ethics and compliance matters, including whistleblowing and CoC breaches
- Business continuity management
- ERM
- Capital projects review and approval

The Committee's interactions with the internal audit function and the external auditor during the year are discussed in more detail later in this report. A summary of key matters considered by the Audit Committee in 2019, in addition to standing items, is set out in table 1 on page 83.

SEE DETAILS OF ATTENDANCE AT MEETINGS ON PAGE 74

Financial reporting, significant financial issues and material judgements

As mentioned in the 2018 Integrated Report, the Group adopted a significant new accounting standard, IFRS 16, "Leases", with effect from 1 January 2019. This standard has a significant impact on the Group's reporting of its assets and liabilities, as well as on the classification of cash flows relating to lease contracts. To govern its implementation, the Group established a steering committee in 2018, which presented its progress reports to the Committee during 2019. The Committee monitored the Group's approach to IFRS 16 disclosures during the year, ensuring consistency with the new accounting model.

READ MORE ABOUT THE TRANSITIONAL IMPACT OF IFRS 16 IN NOTE 2 TO THE FINANCIAL STATEMENTS ON PAGE 132

In line with the practice of many of CCEP's peers in Europe, we moved away from announcing our full financial results every quarter in 2019. Instead, we published full financial results half yearly, and at the end of quarters one and three we published higher level trading updates. The Committee undertook a formal review of each of the Group's financial results, associated earnings announcements and trading updates. For each statement, the Committee considered the significant accounting principles, policies and practices applied along with their appropriateness and the significant judgements made. Details regarding the significant reporting matters identified and the related Committee considerations are set out in table 2 on page 84.

SEE OUR VIABILITY STATEMENT ON PAGE 50

Table 1

Matters considered by the Audit Committee during 2019

Meeting date(A)	Key matters considered in addition to standing agenda items(B)
February 2019	• 2018 preliminary Q4 and full year results, including significant estimates and judgements • IAS 36, "Impairment" • Tax matters
March 2019	• 2018 Integrated Report, including the viability and going concern statements, accounting policies and related significant judgements and estimates • IFRS 16, "Leases" update • Sarbanes-Oxley Act (SOX) section 404 (s404) compliance • 2019 internal audit plan • 2019 ethics and compliance plan and objectives • Move of London standard listing from Euronext London to London Stock Exchange, including the summary prospectus • Treasury matters • Audit Committee evaluation
April 2019	• 2019 Q1 trading update • 2019 Q2 interim dividend
May 2019	• IFRS 16, "Leases" reporting • Spain VAT reimbursement • Accounting policy manual update • IT/cybersecurity update • Treasury matters • Synergy audit and certification update • Anti-bribery and corruption policy • Regulatory and audit reform matters
July 2019	• 2019 half year results, including significant estimates and judgements • FPI status • Revolving credit facility • Cold drink equipment optimisation • SOX s404 compliance
December 2019	• Pay for performance • IAS 36, "Impairment" • SOX s404 compliance

(A) In lieu of an Audit Committee meeting in October 2019, standing agenda matters (including the review of the 2019 Q3 trading update and proposed interim dividend) were considered by the Board. Further information on the matters considered by the Board at this meeting and during the year can be found on page 71.

(B) During February and March 2020, the Committee discussed matters regarding the year ended 31 December 2019, which included:
- Reviewing the 2019 preliminary Q4 and full year results and the 2019 Integrated Report, including its significant estimates and judgements, accounting policies, viability and going concern statements
- Advising the Board on whether, in the Committee's opinion, the 2019 Integrated Report is fair, balanced and understandable
- Independent auditor's report on the full year results
- Approval of this Audit Committee report

Audit Committee assessment of the 2019 Integrated Report

The Committee undertook a review of a developed draft of the 2019 Integrated Report and provided its feedback, which was applied.

The Committee considered whether the Group's position, strategic approach and performance during the year were accurately and consistently portrayed throughout the 2019 Integrated Report. As part of its review, the Committee referred to the management reports it had received and considered during the year, together with the findings and judgements of the internal and external auditors.

The estimates and judgements made on the significant financial reporting matters regarding financial statements are summarised in table 2 on page 84. The Committee reviewed these in depth, along with management's assessment of the Group as a going concern and the statement of long-term viability contained in the Strategic Report. The Committee concluded that they are appropriate and acceptable in light of the risks facing the business and all significant matters brought to the Committee's attention during the year. The 2019 Integrated Report is, in the opinion of the Committee, fair, balanced and understandable and provides the information necessary for shareholders to assess CCEP's performance, business model and strategy.

Audit Committee report continued

Table 2

Significant reporting matters in relation to financial statements considered by the Audit Committee during 2019

Accounting area	Key financial impacts	Audit Committee considerations
Deductions from revenue and sales incentives	Cost of customer marketing programmes in 2019: €3.2 billion Accrual at 31 December 2019: €701 million	The Group participates in various programmes and arrangements with customers designed to increase the sale of products. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. For customer incentives that must be earned, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts earned. Under IFRS 15, these types of variable consideration are deducted from revenue. There are significant estimates used at each reporting date to ensure an accurate deduction from revenue has been recorded. Actual amounts ultimately paid may be different from these estimates. At each reporting date, the Committee received information regarding the amount of customer marketing spend of the Group along with period end accruals. The Committee also discussed and challenged management on key judgements and estimates applied during the period and any relevant information on significant or abnormal movements in accrual balances, if applicable.
Tax accounting and reporting	2019 book tax expense: €364 million 2019 cash taxes: €270 million 2019 effective tax rate: 25.0%	The Group evaluated a number of tax matters during the year, including legislative developments across tax jurisdictions, risks related to direct and indirect tax provisions in all jurisdictions, the deferred tax inventory and potential transfer pricing exposure and the implementation of IFRIC 23. Throughout the year, the Committee received information from management on the critical aspects of tax matters affecting the Group, considered the information received, and gained an understanding of the level of risk involved with each significant conclusion. Additionally, the Committee continued to receive updates on the Group's outstanding VAT receivable in Spain, of which €126 million was refunded during 2019. The Committee agreed with management's conclusion that, in light of the continued delay in the meeting of the Arbitration Committee, it remained appropriate to treat the amount subject to arbitration, €201 million, as a non-current asset. The Committee also considered and provided input on the Group's disclosures regarding these and other tax matters. SEE FURTHER INFORMATION IN NOTE 20 TO THE FINANCIAL STATEMENTS ON PAGE 161
Asset impairment analysis	Franchise intangible assets with indefinite lives: €8.2 billion Goodwill: €2.5 billion	The Group performs an annual impairment test of goodwill and intangible assets with indefinite lives, or more frequently if impairment indicators are present. The testing is performed at a cash generating unit (CGU) level, which for the Group are based on geography and generally represent the individual territories in which the Group operates. The Group did not record any impairment charges as a result of the tests conducted in 2019. The Committee received information from management on the impairment analysis performed, focusing on the most critical assumptions such as the terminal growth rate and the discount rate, as well as changes from the prior year, including the impact of IFRS 16. The Committee reviewed and challenged a sensitivity analysis provided by management to understand the impact of changes in key assumptions, primarily the discount rate. The Committee was satisfied with the assumptions used by the Group and also considered and reviewed the Group's disclosures about its impairment testing.
Restructuring accounting	Restructuring cost recorded in 2019: €130 million Restructuring provision at 31 December 2019: €168 million	During 2019 the Group commenced new restructuring initiatives, including a transformation project relating to our cold drink equipment operations. The Committee has been regularly updated by management on the nature of such initiatives and key assumptions underpinning the related provision in the financial statements. The integration and synergy programme was completed in the first half of 2019, on which the Committee continued to receive regular updates from management on the status, including cost incurred and synergy tracking. The Committee received programme assurance from a third party audit regarding the validation of synergies captured. The Committee also reviewed the Group's restructuring provision balance as at 31 December 2019 and was in agreement that it does not contain significant estimation uncertainty. The Committee was satisfied with the appropriateness of the restructuring accounting during the year and the disclosures included in the financial statements.

External audit

Effectiveness of the external audit process

The Committee has responsibility and oversight of the Group's relationship with its external auditor, Ernst & Young LLP (EY) and for assessing the effectiveness of the external audit process. EY was appointed as the external auditor in 2016 and the lead audit partner is Karl Havers. The Committee confirms voluntary compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority.

In 2019, the Committee agreed the approach and scope of the audit work to be undertaken by EY for the financial year. It also reviewed EY's terms of engagement and agreed the appropriate level of fees payable in respect of audit and non-audit services.

SEE DETAILS OF THE AMOUNTS PAID TO THE EXTERNAL AUDITOR IN NOTE 17 TO THE ACCOUNTS ON PAGE 158

The audit of CCEP's Integrated Report for the year ended 31 December 2018, performed by EY, was chosen by the FRC for an audit quality review as part of its routine quality monitoring process. The Audit Committee received a full copy of the findings and discussed these with EY to consider the point raised by the review. The Audit Committee is satisfied that the matter raised does not give it concerns over the quality, objectivity or independence of the audit.

EY provided the Committee with regular reports on the status of the audit, its assessment of the agreed areas of audit focus and findings and conclusions to date. The Committee reviewed the experience and expertise of the audit team, the fulfilment of the agreed audit plan and any variations to it, feedback from the Group's businesses and the contents of the external audit report. The Committee confirmed its satisfaction with the effectiveness of the external auditor.

External auditor independence

The continued independence of the external auditor is important for an effective audit. The Committee has developed and implemented policies that govern the use of the external audit firm for non-audit services and limit the nature of the non-audit work that may be undertaken. The external auditor may, with pre-approval from the Committee, undertake specific work for which its expertise and knowledge of CCEP are important. It is precluded from undertaking any work that may compromise its independence or is otherwise prohibited by any law or regulation.

The Committee received a statement of independence from EY in March 2020 confirming that, in its professional judgement, it is independent and has complied with the relevant ethical requirements regarding independence in the provision of its services. The report described EY's arrangements to identify, manage and safeguard against conflicts of interest.

The Committee reviewed the scope of the non-audit services proposed by EY to ensure there was no impairment of judgement or objectivity, and subsequently monitored the non-audit work performed to ensure it remained within the agreed policy guidelines. It also considered the extent of non-audit services provided to the Group. The Committee determined, based on its evaluation, that the external auditor was independent.

Reappointment of the external auditor

The Committee has responsibility for making a recommendation to the Board regarding the reappointment of the external auditor. Based on its continued satisfaction with the audit work performed to date and EY's continued independence, the Committee has recommended to the Board, and the Board has approved, that EY be proposed for reappointment by shareholders as the Group's external auditor at CCEP's 2020 AGM.

Internal audit

The internal audit function provides an independent and objective assessment of the adequacy and effectiveness of the Group's integrated internal control framework, which combines risk management, governance and compliance systems. The internal audit function reports directly to the Audit Committee and comprises approximately 25 full time, professional audit staff based in London, Berlin, Madrid and Sofia with a range of business expertise working across multiple disciplines.

Effectiveness of the internal audit function

At the start of the year, the Committee reviewed and approved the internal audit plan for 2019 and agreed its budget and resource requirements. A significant proportion of internal audit's resources were allocated to extensive testing of the Group's internal control systems, particularly the design and operating effectiveness of financial reporting controls in accordance with SOX requirements. The effectiveness of the internal audit function was continually monitored against the approved plan through reports received by the Committee during the year. These provided key internal audit observations and described proposed improvement measures and related timeframes given to management. The Chief Audit Executive attended the scheduled meetings of the Committee during 2019 to present the function's reports and raise any key matters with the Directors. Senior management confirmed to the Committee that there was no known impairment to the internal audit function's independence or objectivity in undertaking the internal audit work performed during 2019.

Management undertook a post-audit completion survey of internal stakeholders for the prior year to gauge satisfaction with the internal audit function. Senior management, and others involved directly in the internal audit process, were asked to rate the quality of the audit team and the audit process and the results were presented to the Committee.

As per CCEP's Internal Audit Charter, the Committee plans to engage an independent third party in 2020, to review the effectiveness of the internal audit function against the Institute of Internal Auditors' standards.

Internal control and risk management

The Group depends on robust internal controls and an effective risk management framework to successfully deliver its strategy. The Audit Committee is responsible for monitoring the effectiveness of the Group's internal control systems, which includes its compliance with relevant sections of the UKCGC and the requirements of SOX, specifically sections 302 and 404, as it applies to US FPIs.

Effectiveness of the internal control and risk management systems

The Committee continued to have responsibility for monitoring the effectiveness of the Group's material internal controls during 2019. Reports were presented to the Committee on the continued harmonisation of the internal control framework and the remediation of any identified control deficiencies. The Committee was asked to consider proposed risk mitigation actions and the implications of the Group's business capability programme.

In 2019, management undertook a top down assessment of business unit (BU) and functional risk systems, in conjunction with an independent assessor. The results of this assessment were presented to the Committee at the end of the year. The Committee reviewed the findings and confirmed that the subsequent approach proposed by management to further enhance the Group's ERM systems was satisfactory.

The Group's internal control of financial reporting was deemed to be designed and operating effectively as at 31 December 2019.

FURTHER INFORMATION ABOUT THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES IS SET OUT ON PAGE 49

Whistleblowing

In each of our territories, we have established ways for employees to raise concerns. These include channels for employees to contact a line manager or people and culture representative, or to share information through our dedicated, independent and confidential Speak Up channels. In accordance with the CoC, retaliation against anyone for making a genuine report, or for cooperation in an investigation, is prohibited.

The Committee reviews the adequacy and security of the Group's Speak Up channels and other arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, which may include breaches of the CoC. An overview of all reported incidents is presented to the Committee. The Committee reports on these matters, as appropriate, to the Board, which has overall responsibility for oversight of whistleblowing matters.

Investigations into potential breaches of our CoC are overseen in each BU by the BU's CoC committee, chaired by the BU's Vice President, Legal. All potential CoC breaches and corrective actions are overseen by the Group CoC committee, which is a sub committee of the Group compliance and risk committee and is chaired by the Chief Compliance Officer. The Group CoC committee also:

- Ensures that all reported cases have been recorded, investigated in a timely manner and a conclusion reached
- Evaluates trends
- Ensures consistent application of the CoC across CCEP

As required under the Spanish Criminal Code, the Iberia BU has an ethics committee formed of members of the Iberia BU leadership team. It is responsible for any ethics and compliance activities, including overseeing the local crime prevention model. It reports to the board of the Iberia BU and the Chief Compliance Officer.

The Committee reviewed all whistleblowing matters brought to its attention in 2019 and determined that there were no matters that required Board attention during the year.

SEE DETAILS OF COC REPORTS ON PAGE 25

Garry Watts
Chairman of the Audit Committee
16 March 2020

Statement from the Remuneration Committee Chairman

> "OUR REMUNERATION POLICY AND OUTCOMES REFLECT A STRONG EMPHASIS ON PERFORMANCE RELATED PAY, ALIGNED TO SHAREHOLDER INTERESTS AND OUR STRATEGIC AIMS."

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for CCEP (or the Group) for the year ended 31 December 2019. This includes a revised remuneration policy which shareholders are asked to formally approve at our 2020 AGM. This replaces our first remuneration policy which was approved by shareholders at our 2017 AGM. We have also set out our Annual report on remuneration (ARR), which will be subject to an advisory vote at our 2020 AGM.

Revised remuneration policy

We have reviewed our remuneration policy during 2019 to ensure that it remains aligned with our key objectives of being:

- Simple, transparent and aligning the interests of management and shareholders
- Focused on delivering our business strategy
- Aligned with the latest corporate governance guidelines, legislative requirements and best practice
- Able to be cascaded through the organisation and applicable to the wider workforce

As part of this process we engaged with our largest 15 shareholders and representative bodies and had a number of productive meetings which provided the Remuneration Committee with valuable feedback.

Shareholders we engaged with were aligned with our view that the current remuneration policy continues to meet our key objectives and that no fundamental changes to the remuneration policy are required.

However, we have made some minor changes to the remuneration policy to further align with best practice, particularly in the context of the UKCGC, and to formally enshrine current practices into the remuneration policy.

These include the implementation of a two year post-vesting holding period for Long-Term Incentive Plan (LTIP) awards, which was first applied to awards made in 2019, and the explicit inclusion of Remuneration Committee discretion to adjust formulaic incentive outcomes to ensure they reflect underlying business performance.

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.

Context for executive remuneration at CCEP – business performance

The remuneration policy provides alignment with shareholders through a significant focus on variable remuneration. Both the annual bonus and LTIP are subject to stretching performance targets which are matched to our key financial performance indicators.

SEE OUR PERFORMANCE INDICATORS ON PAGES 2-3

2019 was another year of solid performance. The business continued to deliver profitable revenue growth through managing price and mix across our portfolio, delivering solid in market execution and a step up in innovation. This also resulted in market value share gains across all our geographies.

Remuneration outcomes for 2019

Annual bonus

The solid performance outlined above has been reflected through the annual bonus, with an overall Business Performance Factor of 98% of target being achieved. Combined with the Individual Performance Factor applied to the CEO, this has resulted in a total bonus payment to Damian Gammell of 43.7% of maximum, or 157% of salary.

Statement from the Remuneration Committee Chairman continued

Long-term incentives

Damian Gammell received his first CCEP LTIP award in March 2017, which will vest on 27 March 2020. This award was subject to earnings per share (EPS) and return on invested capital (ROIC) performance conditions over the three year period to 31 December 2019 (see the ARR for full definitions of EPS and ROIC).

Performance over the last three years has been strong, resulting in an overall vesting level of 118% of target. This is estimated to have a final vesting value of £6.89 million. Over 26%/£1.8 million of the value of this award is a result of the significant share price growth over the period, which has delivered over £2.3 billion of value to shareholders.

Once this award has vested, Damian Gammell will have a shareholding significantly in excess of the 300% of salary shareholding guideline under the remuneration policy.

CEO pay ratio

The vesting of the LTIP award makes up over two thirds of Damian Gammell's single figure for 2019 and is the main driver behind the CEO pay ratio set out on page 102. Excluding the LTIP, the median pay ratio is 67:1.

Consideration of the wider workforce

As highlighted in my letter last year, the Remuneration Committee's remit was expanded in 2019 and in July we received our first annual report in respect of wider workforce remuneration. This information provided the Committee with great insights to the pay and reward policies throughout CCEP, which helped inform the review of the remuneration policy and its implementation for 2020.

Implementation of remuneration policy in 2020

Our strategic priorities remain unchanged as we continue to focus on delivering low single digit revenue growth and mid single digit operating profit growth. The current remuneration framework continues to support this strategy and therefore the remuneration policy will be operated in 2020 on a very similar basis as it was during 2019.

As discussed with shareholders during the recent consultation process, a key focus of CCEP's long-term strategy is focused around operating the business in a sustainable manner. The Remuneration Committee considers that this should be reflected in the Company's LTIP to further align the remuneration framework with the business strategy. Therefore, for awards made in 2020, a sustainability measure will be included with a 15% weighting.

Taking into account feedback from shareholders and management, the Remuneration Committee determined that the sustainability measure should be focused around the reduction of greenhouse gas emissions (CO_2e) across our entire value chain. This is a measure that incorporates a number of other key sustainability objectives and is one that all LTIP participants can truly influence.

SEE PAGE 42 FOR FURTHER DETAILS IN RESPECT OF THE LINK BETWEEN CHANGES IN OUR PACKAGING AND REDUCTION IN CO_2E

We are in the process of reviewing our overall longer-term commitments in respect of reducing CO_2e emissions to be in line with the ambition to keep the global temperature rise to within 1.5°C. To ensure alignment with our overall business strategy, we intend to set our LTIP targets in line with the proposed trajectory of these new longer-term ambitions over the next three years.

Significant work has been carried out over recent months to ensure these science based targets are suitably stretching. It is important that these targets can be externally verified and this process is currently being finalised. Once this has been completed we will be able to set the specific LTIP targets very shortly and will disclose these targets in full in next year's remuneration report.

Further details are provided on page 105

Remuneration element	2019 implementation	Key terms
Base salary SEE PAGE 104	1.8% increase	Lower than the average UK wider workforce increase
Pension SEE PAGE 104	£30,000 (2.5% of salary)	Payment in lieu of pension – aligned with policy for all other UK employees
Annual bonus SEE PAGE 105 FOR FURTHER DETAILS INCLUDING DEFINITIONS OF FINANCIAL METRICS	Target opportunity of 150% of salary	Subject to financial and individual performance calculated on a multiplicative basis
		Financial measures of operating profit, revenue and operating free cash flow aligned with key financial indicators
LTIP SEE PAGE 105	Target award of 250% of salary	Subject to EPS and ROIC performance each with an equal weighting (42.5%). Final 15% of award subject to reduction in CO_2e emissions
		Additional two year holding period to apply following three year performance 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.

Christine Cross
Chairman of the Remuneration Committee
16 March 2020

Remuneration policy

Our first remuneration policy was approved by shareholders at the AGM on 22 June 2017. 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 2020.

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

The full remuneration policy that shareholders will be asked to approve is set out on pages 89-96.

During 2019, the Remuneration Committee reviewed the remuneration policy to ensure that it continues to:
- Be aligned with our key principles of remuneration
- Incentivise the delivery of the business strategy and value to shareholders
- Remain compliant with all legislative requirements and aligned with best practice
- Be able to be cascaded through the organisation and applicable to the wider workforce

The Remuneration Committee consulted with our largest shareholders and their representative bodies on the remuneration policy and took this 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, three minor changes have been made to further align the remuneration policy with best practice. A summary of these is set out in the table below.

Remuneration element	Change to remuneration policy	Rationale for the change
LTIP holding period	Include a two year post-vesting holding period for Shares acquired (post-tax) in respect of vested LTIP awards for the Executive Directors	Further aligns the Executive Director's interests with those of shareholders A two year holding period was included in the CEO's 2019 LTIP award. This change therefore formally incorporates current practice into the remuneration policy
Use of discretion	More detailed provisions for the Remuneration Committee to use discretion to adjust the formulaic outcome of incentive pay outs to ensure they remain aligned with underlying business performance	Further alignment with 2018 UKCGC The Remuneration Committee already applies this principle in practice and has used downwards discretion in respect of the annual bonus pay out in both 2018 and 2017
Scenario analysis	An additional scenario shows the potential value of maximum LTIP awards with a 50% increase in the share price	Compliance with updated legislation

In reaching its decisions on the new remuneration policy, 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

Remuneration policy continued

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 introduction of a 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 92 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- 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.

Alignment to culture

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

The new remuneration policy is designed to be aligned with this culture, with balanced and stretching short- 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 considered a number of wider workforce themes as part of its review, including workforce demographics, engagement levels and diversity. We encourage our employees to participate in all employee share schemes. In 2019, we introduced a new GB Employee Share Plan and Share Shop Plan and in 2020, we intend to implement an all employee share purchase plan across the whole of CCEP, strengthening our commitment to create an ownership mind set among the workforce.

The following sections set out our new remuneration policy.

The remuneration policy will be disclosed on the Company's website (www.cocacolaep.com/about-us/governance/shareholder-meetings) following the 2020 AGM.

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

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 in cash after year end • The bonus is based on a combination of a Business Performance Factor and an Individual Performance Factor • 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 Business Performance Factor (with a range of 0-200%) and an Individual Performance Factor (with a range of 0-120%) • The maximum bonus opportunity is 360% of salary • 25% of the target Business Performance Factor (37.5% of salary) is payable for threshold business performance. The threshold for the Individual Performance Factor 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

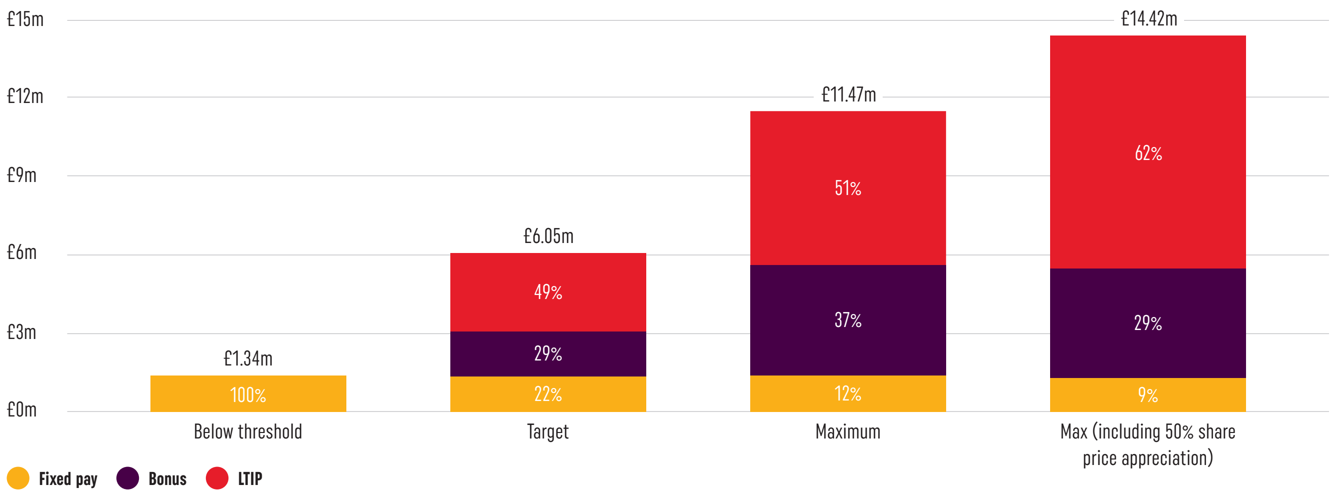
Remuneration policy continued

LTIP	Changes to policy as set out on page 89
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 details	• 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 • Targets are intended to be set at appropriately stretching levels of performance in the context of the strategic plan. Currently, the financial performance measures used are EPS(A) and ROIC(A). For awards made in 2020 a sustainability metric has also been included. 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

(A) For definitions, please refer to the glossary of terms.

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 2020 under four assumed performance scenarios.

	Assumed performance	Assumptions
Fixed pay	All scenarios	Fixed pay consists of : • Base salary of £1,178,787 effective from 1 April 2020 • Pension allowance of £26,000 • Benefits – assumed £127,000, which is the value received in 2019
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.

Share ownership guidelines

The CEO is required to hold 300% of his 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 plans. 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 (as defined in the rules of the LTIP) • 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
LTIPs	• 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 which 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.

Remuneration policy continued

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 discretions 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.

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 pay 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

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	• The service contract for Executive Directors provides for a notice period of 12 months from the Company and 12 months from the individual • New Executive Directors will be appointed on service contracts that have 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
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 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 • Participants in the LTIP who leave the Group to join TCCC or a franchise company of TCCC may receive a cash payment in respect of their awards under the LTIP, which will lapse. 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 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 75 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 September and October 2019 in respect of the proposed changes to the remuneration policy. Shareholders provided helpful feedback, which was taken into account in developing the final policy. However, no major concerns were raised with either the current policy or the proposed changes.

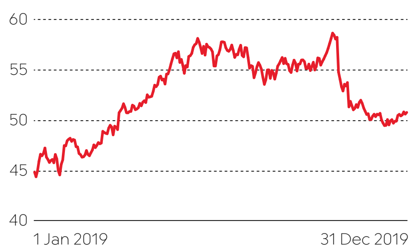
In future, the Remuneration Committee will continue to monitor shareholder views when evaluating and setting ongoing remuneration strategy, and will consult with shareholders prior to any significant changes to our remuneration policy.

Remuneration at a glance

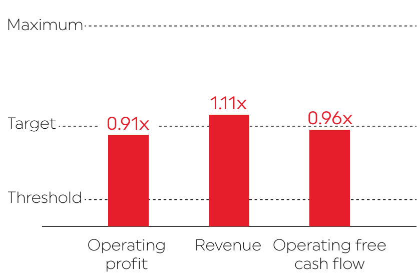
Overview of 2019 remuneration performance

CCEP share price
US$

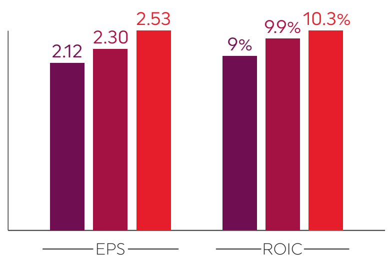
13.2%
GROWTH



Performance vs annual KPIs
Bonus pay out = 44% of maximum
(including IPF of 1.07x)



Performance vs long-term KPIs
● 2017 ● 2018 ● 2019



2019 CEO single figure

● Fixed pay ● Annual bonus ● LTIP

CEO shareholding

● Current shareholding (% salary) ● Shareholding requirement by 31/12/2021

* Once 2017 LTIP award vests in March 2020, CEO shareholding will be significantly in excess of 300% requirement.

READ MORE IN THE ANNUAL REPORT ON REMUNERATION FROM PAGE 98

Overview of 2020 CEO remuneration framework

Fixed pay + **Annual bonus** + **LTIP**

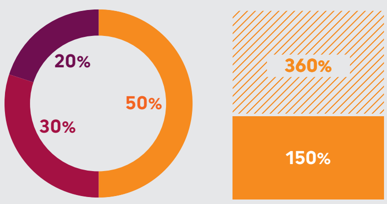
Base salary
Effective from
1 April 2020

£1.18m

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

Pension
Cash in lieu

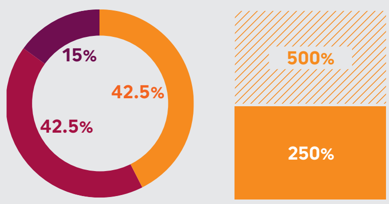
£30k



0x—1.2x
Individual multiplier

- Operating profit
- Revenue
- Operating free cash flow

- Target
- Maximum



- ROIC
- EPS
- Reduction in CO_2e

- Target
- Maximum

READ MORE IN THE ANNUAL REPORT ON REMUNERATION FROM PAGE 98

ALL REFERENCES TO REVENUE, OPERATING PROFIT, OPERATING FREE CASH FLOW, EPS AND ROIC TARGETS AND ACTUALS REFER TO THOSE MEASURES THAT ARE DEFINED WITHIN THE ARR.

Annual report on remuneration

Remuneration outcomes for 2019

The following pages set out details of the remuneration received by Directors for the financial year ending 31 December 2019. Prior year figures have also been shown. Audited sections of the report have been identified.

The Directors' remuneration in 2019 was awarded in line with the remuneration policy which was approved by shareholders at the AGM in June 2017. The remuneration policy operated as intended in 2019.

Single figure table for Executive Directors (audited)

Individual	Year	Salary (£000)	Taxable benefits (£000)	Annual bonus (£000)	Long-term incentives (£000)	Pension (£000)	Total remuneration (£000)
Damian Gammell	2019	1,151	127	1,806	6,894 (B)	26	10,004 (C)
	2018	1,121	128 (A)	2,546	0	26	3,821

(A) Number re-stated from £121,000 as reported in last year's single figure table to correct tax gross up figure in respect of school fee benefit provided.
(B) Estimated value based on three month average share price and exchange rate to 31 December 2019. Number will be restated in next year's single figure table to show the final value on the vesting date of 27 March 2020. Value includes estimated value of Shares and estimated £439,000 cash payment in respect of dividend equivalents to be paid on the vested Shares.
(C) Over two thirds of this figure is from the value of long-term incentives.

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

Base salary

Damian Gammell received a base salary increase of 2.6% from £1,128,600 to £1,157,944 effective from 1 April 2019. This increase was in line with the average increase provided to the wider UK workforce.

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) and family private medical coverage (£7,000).

Pension

The pension provisions that apply to Damian Gammell are aligned to all other UK 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 is less than £30,000 per year).

Annual bonus

Overview of CCEP's annual bonus design

The 2019 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%)
- Operating free cash flow (20%)

REFER TO PAGE 99 FOR DEFINITIONS

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. These included:

- Increase and diversify the revenue and profit pools for CCEP
- Deliver great service internally and externally for our employees and customers
- Improve the competitiveness of CCEP
- Enhance and protect CCEP and its industry licence to operate with our stakeholders
- Improve the engagement, diversity and capability of our workforce

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) x **BPF** (0x to 2.0x) x **IPF** (0x to 1.2x) = **Final bonus outcome** (0% salary to 360% salary)

2019 annual bonus outcome – BPF

Performance in 2019 has been solid, with performance for all three financial measures being delivered around target levels, resulting in an overall BPF of 0.98x.

		Performance targets[(A)]			Performance outcome	
Measures	**Weighting**	**Threshold (0.25x multiplier)**	**Target (1.0x multiplier)**	**Maximum (2.0x multiplier)**	**Actual outcome[(B)]**	**Multiplier achieved**
Operating profit[(C)]	50%	€1,528m	€1,728m	€1,888m	€1,705m	0.91x
Revenue[(D)]	30%	€11,693m	€12,167m	€12,546m	€12,208m	1.11x
Operating free cash flow[(E)]	20%	€1,390m	€1,572m	€1,718m	€1,559m	0.96x
Total	**100%**					0.98x

(A) All targets set on a constant currency basis at budgeted foreign exchange rates.
(B) Actual outcome is provided only to assess performance against performance targets for the purpose of calculating the BPF relating to the annual bonus.
(C) Comparable operating profit is as defined on page 33, at 2019 budgeted foreign exchange rates.
(D) Revenue is as defined on page 33, at 2019 budgeted foreign exchange rates.
(E) This measure is defined as comparable operating profit as set out on page 33 before depreciation and amortisation and adjusting for capital expenditures, restructuring cash expenditures and changes in operating working capital, at 2019 budgeted foreign exchange rates.

2019 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 once again led the business well during 2019 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 1.07x for the year.

Further details of some of the specific objectives achieved are included in the table below:

Objective	**Achievements**
Increase and diversify the revenue and profit pools for CCEP	• Increased value share in sparkling • Increased revenue delivered from non-traditional sparkling • Growth in AfH revenues and new segments • Completed number of projects to support future revenue and profit growth
Deliver great service internally and externally for our employees and customers	• Achieved top five ranking in customer advantage survey in majority of countries • Successful roll out of digital platform and portal for customers • Implemented new commercial segmentation to improve customer service
Improve the competitiveness of CCEP	• Fully executed the competitiveness programme agreed by the Board • Achieved over €100m of productivity
Enhance and protect CCEP and its licence to operate with stakeholders	• Continued development of sustainability agenda – This is Forward 2.0 • Executed plan to increase European shareholder base • Strong collaboration with TCCC on a wide range of strategic projects
Improve the happiness, diversity and capability of our workforce	• Health and safety records improved across all CCEP BUs • Significant increase of females at manager level • Developed new inclusion and diversity policy, philosophy and principles framework as well as an inclusion and diversity centre of expertise

2019 annual bonus outcome – calculation

Based on the level of performance achieved as set out above, this resulted in a bonus payment to Damian Gammell of £1.806 million:

Target bonus (150% of base salary) x **BPF** (0.98x) x **IPF** (1.07x) = **Final bonus outcome** (157% of salary)

Annual report on remuneration continued

Long-term incentives

Awards vesting for performance in respect of 2019

Damian Gammell was granted a conditional award under the CCEP Long-Term Incentive Plan on 27 March 2017. This award was subject to EPS and ROIC performance targets measured over the three year performance period from 1 January 2017 to 31 December 2019.

An overview of the extent to which the performance targets were achieved is set out in the table below:

		Performance targets				
Measure	**Weighting**	**Threshold (25% vesting)**	**Target (100% vesting)**	**Maximum (200% vesting)**	**Actual performance outcome**	**FInal vesting level**
EPS(A)	50%	4.0% p.a.	8.7% p.a.	12.0% p.a.	9.0% p.a.	1.11x
ROIC(B)	50%	8.8%	10.4%	11.5%	10.7%	1.26x
Total vesting level						1.18x

As the award does not vest until 27 March 2020, the final value of the award has been estimated based on the average share price over the three month period from 1 October 2019 to 31 December 2019 of £40.91. This would result in a final pay out of around £6.89 million including the value of the cash payment to be received in respect of dividend equivalents accrued during the performance period. As outlined in the Chairman's letter, over £1.8 million of this value is as a result of the significant increase in share price over the three year performance period, which has delivered over £2.3 billion of value to shareholders over this time. The actual value on the vesting date will be reported in next year's ARR.

Awards granted in 2019

A conditional award was made under the CCEP Long-Term Incentive Plan to Damian Gammell on 1 March 2019, with a target value of 250% of salary. Further details are set out below:

Individual	Date of award	Maximum number of Shares under award	Closing Share price at date of award	Face value	Performance period	Normal vesting date
Damian Gammell	01/03/2019	156,008	$47.65	$7,433,781	1 Jan 2019 - 31 Dec 2021	01/03/2022

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

			Vesting level(C)		
Measure	**Definition**	**Weighting**	**25%**	**50%**	**100%**
EPS(A)	Compound annual growth over the three year period 2019–2021	50%	5.7% p.a.	11.0% p.a.	15.5% p.a.
ROIC(B)	ROIC achieved in the final year of the performance period (2021)	50%	10.9%	12.4%	13.9%

(A) Comparable and on a tax and currency neutral basis. Targets include the impact of share buybacks to provide greater alignment with external expectations. The targets have been set based on current assumptions in respect of share buybacks over the performance period. The final performance targets will be adjusted to reflect the actual value of share buybacks made during the performance period to neutralise any variances and will be fully disclosed at the time of vesting.

(B) ROIC calculated as comparable operating profit after tax, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity less cash and cash equivalents. For the purpose of these awards, invested capital excludes the effect of the Group's adoption of IFRS 16 on 1 January 2019.

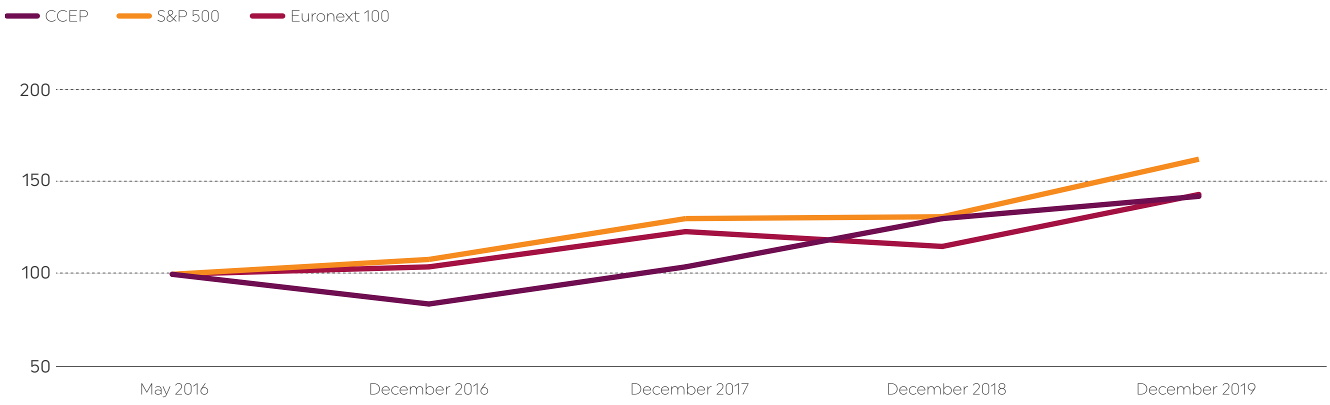
(C) Straight-line vesting between each vesting level (shown).

Any award vesting will be subject to a two year holding period.

Historical TSR performance and Chief Executive remuneration outcomes

The chart below compares the Total Shareholder Return (TSR) performance of CCEP from Admission up until 31 December 2019 with the TSR of both the Euronext 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-day average data: against S&P 500 & Euronext 100



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
CEO single figure of remuneration ('000)	$3,890	£27	£3,716	£3,821	£10,004
Annual bonus pay out (as a % of maximum opportunity)	31.23%	40.6%	60.7%	63.1%	43.7%
LTI vesting (as a % of maximum opportunity)	N/A	N/A	N/A	N/A	59.0%

(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.

Percentage change in CEO remuneration

The table below shows the percentage change in CEO remuneration from 2018 to 2019 compared to the average percentage change in remuneration for all GB employees. The UK population was considered to be the most appropriate as it most closely reflects the reward environment of the CEO.

	CEO	Other employees
Base salary	2.6%	2.6%
Taxable benefits	(0.8)%	2.2%
Annual bonus	(29.1)%	(30.0)%

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 2018 and 2019, along with the percentage change of each.

	2019	2018	% change
Total employee expenditure	€1,771m	€1,768m	0.2%
Dividends	€574m	€513m	11.9%
Share buybacks	€1,005m	€502m	100.2%

Annual report on remuneration continued

CEO pay ratio

The table below shows the ratio of the CEO's single figure of remuneration for 2019 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 67:1.

Year	Method	25th percentile ratio(A)	Median ratio(B)	75th percentile ratio(C)
2019	Option B	320:1	215:1	142:1

(A) The individual used in this calculation received total pay and benefits of £31,300 (of which £28,800 was salary).
(B) The individual used in this calculation received total pay and benefits of £46,500 (of which £34,400 was salary).
(C) The individual used in this calculation received total pay and benefits of £70,600 (of which £53,200 was salary).

The Committee has chosen Option B (hourly gender pay gap information as at 5 April 2019) 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.

The Committee believes the median ratio is consistent with the pay and reward policies for CCEP's UK employees. CCEP is committed to offering an attractive package for all our 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.

Payments to past Directors (audited)

There were no payments to past Directors during the year.

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

As stated above, the CEO is required to hold 300% of his 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 (post-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 2019	Interests in share incentive schemes subject to performance conditions at 31 December 2019(A)(B)	Interests in share incentive schemes not subject to performance conditions at 31 December 2019(A)(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 2019(D)
Damian Gammell	122,415	601,408	N/A	324,643	300%	283%

(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) Count towards achievement of the share ownership guideline on an assumed net of tax basis.
(D) Our share ownership policy stipulates that the Committee will translate the percentage of base salary requirement (300%) into a number of Shares, using base salary (£1.1 million), average of the high and low share price on the NYSE ($31.97), and the currency exchange rate (GBP/USD exchange rate of 1:1.25604) on 1 December 2016. This results in a share ownership requirement for Damian Gammell of 129,651 Shares.

Following the vesting of the 2017 LTIP award on 27 March 2020, Damian Gammell's interest in Shares that count towards his ownership guideline will increase to a level which will be significantly in excess of the 300% of salary guideline.

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 2018	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 2019	End of performance period	Vesting date
Damian Gammell(C)										
05.11.15	PSU(A)	N/A	60,300	—	60,300	N/A	—	—	31.12.16	30.04.19
27.03.17	PSU(B)	N/A	267,400	—	—	N/A	—	267,400	31.12.19	28.03.20
12.03.18	PSU(B)	N/A	178,000	—	—	N/A	—	178,000	31.12.20	12.03.21
01.03.19	PSU(B)	N/A	—	156,008	—	N/A	—	156,008	31.12.21	01.03.22

(A) Performance share unit (PSU) – the performance condition was satisfied at target on 31 December 2016. Award vested on 30 April 2019.
(B) PSU. The number of Shares shown is the maximum number of Shares that may vest if the performance targets are met in full.
(C) In addition the CEO has 324,643 vested but unexercised options with an expiry date of 5 November 2025 and an exercise price of $39.00. No options were exercised by the CEO during the year.

Interests of other Directors

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 2019
Sol Daurella(A)	32,551,890
Jan Bennink	27,200
José Ignacio Comenge Sánchez-Real(A)	7,787,663
Francisco Crespo Benítez	—
Christine Cross	—
Javier Ferrán	—
Irial Finan	—
Nathalie Gaveau	—
Álvaro Gómez-Trénor Aguilar	3,121,908
L. Phillip Humann(B)	51,717
Orrin H. Ingram II	10,000
Thomas H. Johnson	10,000
Dagmar Kollmann(C)	—
Alfonso Líbano Daurella(A)	6,534,845
Lord Mark Price(C)	—
Mario Rotllant Solá	—
Garry Watts	10,000
Curtis R. Welling(B)	10,000

(A) Shares held indirectly through Olive Partners. The numbers of Shares increased slightly during the year as a result of a reduction in Olive Partners' share capital.
(B) Resigned from the Board on 29 May 2019. Share interests stated are as at the date of resignation.
(C) Appointed to the Board on 29 May 2019.

No changes occurred to the Directors' direct beneficial interests in shares between 31 December 2019 and 16 March 2020.

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.

Annual report on remuneration continued

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 2019. Prior year figures are also shown.

	2019 (£'000)				2018 (£'000)			
Individual	Base fee	Chairman/ Committee fees	Taxable benefits(A)	Total fees	Base fee	Chairman/ Committee fees	Taxable benefits(A)	Total fees
Sol Daurella	561	26	1	588	550	25	–	575
Jan Bennink	82	46	6	134	80	45	7	132
José Ignacio Comenge Sánchez-Real	82	15	5	102	80	15	7	102
Francisco Crespo Benítez	82	10	9	101	66	8	7	81
Christine Cross	82	48	4	134	80	50	8	138
Javier Ferrán	82	31	2	115	80	30	1	111
Irial Finan	82	26	8	116	80	25	7	112
Nathalie Gaveau	82	10	3	95	–	–	–	–
Álvaro Gómez-Trénor Aguilar	82	–	7	89	66	–	6	72
L. Phillip Humann(B)	33	8	3	44	80	20	11	111
Orrin H. Ingram II	82	20	10	112	80	25	8	113
Thomas H. Johnson	112	32	15	159	110	25	11	146
Dagmar Kollmann(C)	48	18	6	72	–	–	–	–
Alfonso Líbano Daurella	82	20	3	105	80	20	1	101
Lord Mark Price(C)	48	12	4	64	–	–	–	–
Mario Rotllant Solá	82	15	5	102	80	15	6	101
Garry Watts	82	51	1	134	80	50	1	131
Curtis R. Welling(B)	33	9	3	45	80	25	6	111

(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 transaction.
(B) Resigned from the Board on 29 May 2019.
(C) Appointed to the Board on 29 May 2019.

Implementation of remuneration policy for 2020

Base salary

Damian Gammell will receive a 1.8% salary increase with effect from 1 April 2020. This is lower than the average increase provided to the wider UK workforce of 2.5%.

Individual	2019 salary	2020 salary (effective from 1 April)	% increase
Damian Gammell	£1,157,944	£1,178,787	1.8%

Taxable benefits

No significant changes to the provision of benefits are proposed for 2020. 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 2020 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 99. The financial measures and relative weightings will also remain unchanged.

Measure	Definition	Weighting
Operating profit	Comparable operating profit on a currency neutral basis	50%
Revenue	Revenue on a currency neutral basis	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 currency neutral basis	20%

In determining the IPF for Damian Gammell for 2020, he will be assessed against a number of areas of focus which are aligned to the key longer-term strategic objectives of the business, which include:

Strategic intent	Areas of focus include:
Direct revenue growth	• Value share in sparkling • NPD revenues
Customer experience	• Improve engagement score
Continuous improvement	• Deliver targeted values for competitiveness and productivity
Sustainability and stakeholder equity	• Deliver LRP with franchise partners • Meet commitments in respect of rPET • Execute the investor relations plan and improve diversity
Culture, capability, talent, organisation and employee experience	• Achieve targeted levels in respect of diversity and inclusion • Implement wellbeing initiatives across the organisation • Drive actions to improve areas of focus in engagement survey

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 description of individual performance including specific quantitative measures (where appropriate) will also be disclosed in next year's ARR.

Long-term incentive

Damian Gammell's long-term incentive opportunity for 2020 will be aligned with the limits set out in the remuneration policy. He will be made a target award of 250% of salary and may receive up to two times this target award if the maximum performance targets are achieved.

As outlined in the Chairman's letter, following discussions with shareholders the long-term incentive award for 2020 will include a performance measure focused on the reduction of greenhouse gas emissions (CO_2e) across CCEP's entire value chain. This performance measure will have a 15% weighing and EPS and ROIC will remain as the financial measures with a weighting of 42.5% each.

Sustainability is a key element of our longer-term strategy and the Remuneration Committee is of the view that this should be reflected through management's long-term incentive arrangements alongside the key financial drivers of our long-term performance. The targets for the CO_2e metric will be set in line with our revised long-term ambitions to keep the global temperature rise to within 1.5°C. These will be verified science based targets and are still a work in progress, but will be disclosed in full in next year's ARR.

The financial targets have been set at stretching levels taking into account both our long-term plan and external forecasts. EPS targets for 2020 awards include the impact of share buybacks to provide greater alignment with external expectations. The targets have been set based on a scenario that assumes the continuation of share buybacks over the performance period. The final performance targets will be adjusted to reflect the actual value of any share buybacks made during the performance period to neutralise any variances and will be fully disclosed at the time of vesting.

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

			Vesting level[C]		
Measure	Definition	Weighting	25%	100%	200%
EPS[A]	Compound annual growth over the three year period to FY 2022	42.5%	5.0% p.a.	9.1% p.a.	12.0% p.a.
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2022)	42.5%	11.0%	12.0%	12.6%
CO_2e reduction	Reduction in CO_2e emssions across entire CCEP value chain	15%	To be disclosed in full in next year's ARR		

(A) Comparable and on a currency neutral basis.
(B) ROIC calculated as comparable operating profit after tax, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the total of borrowings and equity less cash and cash equivalents. For the purpose of these awards, invested capital includes the effect of the Group's adoption of IFRS 16 on 1 January 2019.
(C) Straight-line vesting between each vesting level.

Annual report on remuneration continued

Chairman and NED fees

NED fees were increased with effect from 1 April 2019 and no further changes are proposed for 2020.

Role		Current fees
Chairman		£564,250
NED basic fee		£82,000
Additional fee for Senior Independent Director		£30,750
Additional fee for Committee Chairman:	Audit, Remuneration and Affiliated Transaction Committees	£36,000
	Nomination and CSR Committees	£20,500
Additional fee for Committee Membership:	Audit, Remuneration and Affiliated Transaction Committees	£15,500
	Nomination and CSR Committees	£10,250

The Remuneration Committee

The entire Board determines the terms of the compensation of the CEO and fees for the NEDs and Chairman as well as approving the remuneration policy 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 Committee's terms of reference were reviewed during 2018 in the context of the 2018 UKCGC and amendments were approved by the Board on 24 October 2018. They can be found on our website at www.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 60-64. They are three independent NEDs, one Director nominated by Olive Partners and one Director nominated by ER.
The Committee met six times during the year, with attendance as set out in the table on page 74 of the Corporate governance report.

Remuneration Committee key activities

The table below gives an overview of the key agenda items discussed at each meeting of the Committee during 2019:

Meeting date	Key agenda items
February 2019	• Determine performance outcomes for the 2018 annual bonus • ELT individual objectives for 2019 annual bonus • ELT LTIP awards for 2019
March 2019	• Annual base salary review for the ELT • Agree target award levels for 2019 annual bonus • Determination of financial performance targets for the 2019 annual bonus • Agree final performance outcome for legacy German Cash LTIP • Review of 2018 Remuneration Report • Progress report on ELT shareholding requirements • Review of NED fees
May 2019	• Remuneration policy review – initial considerations • Approval of new GB Employee Share Plan and Share Shop • Advisor review • AGM voting update
July 2019	• Wider workforce review • Consideration of all employee share plan • Performance update for 2019 annual bonus and 2017 and 2018 LTIP
October 2019	• Updated on all employee share plan proposals • Shareholder consultation update • Remuneration policy review • Review of LTIP performance measures
December 2019	• Review of first draft of the 2019 ARR • Performance update for 2019 annual bonus and 2017 and 2018 LTIP • Base pay design for 2019 • Annual bonus and LTIP design for 2019 • Remuneration policy review

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 LLP (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 2019, the wider Deloitte firm also provided CCEP with unrelated tax, cyber and access security and consultancy services, including employment tax and digital transformations.

Total fees received by Deloitte in relation to the remuneration advice provided to the Committee during the year amounted to £48,150 based on the required time commitment.

The Chairman, the CEO, the 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 29 May 2019 and the remuneration policy at the AGM held on 22 June 2017:

Resolution	Votes For (%)	Votes Against (%)	Number of votes Withheld
Approval of the ARR	98.63%	1.37%	34,941
Approval of the remuneration policy	90.27%	9.37%	152,723

This Directors' Remuneration Report is approved by the Board and signed on its behalf by

Christine Cross
Chairman of the Remuneration Committee
16 March 2020

Directors' report

The Directors present their report, together with the audited consolidated financial statements of the Group and of the Company, for the year ended 31 December 2019.

This Directors' Report was prepared in accordance with the applicable information disclosure requirements of the following:

- Companies Act
- Listing Rules (LRs) and DTRs
- Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority (with which the Company complies voluntarily)
- Rules promulgated by the US Securities and Exchange Commission

Some of the information and disclosures required under the Companies Act, LRs and DTRs are included elsewhere in this Integrated Report and are incorporated into this Directors' Report by reference, as set out in table 1 below.

This Directors' Report, together with the Strategic Report on pages 1-55, represent the management report for the purpose of compliance with DTR 4.1.5R(2) and 4.1.8R.

Directors

Appointment and replacement of Directors

The Articles set out certain rules that govern the appointment and replacement of the Company's Directors. These are summarised as follows:

- A Director may be appointed by either an ordinary resolution of shareholders or by the Board
- Olive Partners and ER may each appoint a specified number of Directors, up to a set maximum, in accordance with their respective equity holding proportions in the Company
- The Board shall consist of a majority of INEDs
- New INEDs must be recommended to the Board by the Nomination Committee
- Directors (other than the initial Chairman, CEO and INEDs) must retire at each AGM, and may, if eligible, offer themselves for re-election
- The minimum number of Directors (disregarding alternate directors) is two

READ MORE ABOUT THE APPOINTMENT AND REPLACEMENT OF DIRECTORS IN THE CORPORATE GOVERNANCE REPORT ON PAGE 75

Table 1

Information and disclosures included elsewhere in this report

Disclosure	Section of report	Page(s)
Names of Directors during the year	Board of Directors and Nomination Committee report	60-64 and 79
Review of performance, financial position and likely future developments	Strategic Report	1-55
Dividends	Business and financial review and Note 16 to the consolidated financial statements	156 and 157
Principal risks	Principal risks section of the Strategic Report	44-49
Information on share capital relating to share classes, rights and obligations	Note 16 to the consolidated financial statements, and the Nature of trading market and Share capital sections in Other Group information	156-157, 196 and 196-199
Financial instruments and financial risk management	Notes 12 and 24 to the consolidated financial statements	145-148 and 168-170
Cash balances and borrowings	Notes 10 and 13 to the consolidated financial statements	144 and 149-150
Significant events after the reporting period	Note 26 to the consolidated financial statements	171
Information on employment of disabled persons	Our people	20-23
Workforce engagement	Business model, Our people and Section 172(1) statement	18-19, 20-23 and 52-55
Business relationships with suppliers, customers and others	Business model, Operating with integrity and Section 172(1) statement	18-19, 24-25 and 52-55
Greenhouse gas emissions	Action on climate	41-42
Responsibility statement	Directors' responsibilities statement	111

Powers of Directors

The Directors may exercise all powers of the Company, in accordance with and subject to the Company's Articles and any applicable legislation.

READ MORE ABOUT THE ROLES AND RESPONSIBILITIES OF THE BOARD AND THE MAIN COMMITTEES OF THE BOARD IN THE FOLLOWING SECTIONS: CORPORATE GOVERNANCE REPORT (PAGES 69, 70 AND 72), NOMINATION COMMITTEE REPORT (FROM PAGE 78), AUDIT COMMITTEE REPORT (FROM PAGE 82), DIRECTORS' REMUNERATION REPORT (FROM PAGE 87)

Details about the roles and responsibilities of the main Committees of the Board are contained in their terms of reference. These are available at www.cocacolaep.com/about-us/governance/committees.

Directors' indemnity arrangements

Qualifying third party indemnities (as defined in the Companies Act) were in place throughout 2019, and remain in place as at the date of this Integrated Report. Under these indemnities, the Company has agreed to indemnify the Directors of the Company, to the extent permitted by law, against losses and liabilities that may be incurred in executing the powers and duties of their office.

READ MORE ABOUT OUR DIRECTORS ON PAGES 60-64

READ MORE ABOUT DIRECTORS' REMUNERATION AND CONTRACTUAL ARRANGEMENTS IN THE DIRECTORS' REMUNERATION REPORT ON PAGES 87-107 AND THE DIRECTORS AND SENIOR MANAGEMENT SECTION OF OTHER GROUP INFORMATION ON PAGE 195

Political donations

The Group made no political donations or contributions during 2019 (2018: nil). It is our policy to not make political donations or incur political expenditure in the EU. However, there may be uncertainty as to whether some normal business activities fall under the wide definitions of political donations, organisations and expenditure used in the Companies Act. We will therefore continue to seek shareholder approval to make political donations or incur expenditure within the EU as a precaution to avoid any inadvertent breach of the Companies Act.

Amendment of Articles

The Articles may only be amended by a special resolution of the Company's shareholders in accordance with the Companies Act. Certain provisions of the Articles are entrenched and may only be amended or repealed with the prior consent of Olive Partners, ER or a majority of the INEDs (as applicable). In particular, the requirement under the Articles that the Board shall, at all times, contain a majority of INEDs, may only be amended or repealed with the prior consent of a majority of the INEDs. The Articles are available at www.cocacolaep.com/about-us/governance.

Shares

Rights and obligations

The rights and obligations relating to the Company's Shares (in addition to those set out by law) are contained in the Articles.

Restrictions on transfer of securities

Olive Partners and TCCC are both subject to certain restrictions relating to the acquisition or disposal of Shares under the terms of the Shareholders' Agreement. Other than those set out in the Shareholders' Agreement, we are not aware of any agreements between shareholders that may result in a restriction of the transfer of securities or voting rights in the Company.

Employee share schemes

Shares issued under the Company's employee share schemes rank pari passu with the existing Shares of the Company. Voting rights attached to the Shares held in trust on behalf of participants in the GB Employee Share Plan are exercised by the trustee as directed by the participants.

Significant shareholdings

In accordance with the DTRs, table 2 shows the interests in Shares notified to the Company as at the year end and the date of this report. The percentage interests disclosed were calculated as at the date on which the relevant disclosures were made. The shareholders identified have the same voting rights as all other shareholders.

Table 2

Interests in Shares of which the Company has been notified

Shareholder	Percentage of total voting rights notified to the Company as at the year end(D)	Number of voting rights notified to the Company as at the year end	Percentage of total voting rights notified to the Company as at the date of this report(D)	Number of voting rights notified to the Company as at the date of this report
Cobega, S.A.(A)	36.1%	166,128,987	36.1%	166,128,987
TCCC(B)	19.01%	87,950,640	19.01%	87,950,640
The Capital Group Companies, Inc.(C)	5.0266%	24,357,484	5.0266%	24,357,484

(A) Held indirectly through its 56.0384% owned subsidiary, Olive Partners.
(B) Held indirectly through European Refreshments.
(C) In accordance with the DTRs, The Capital Group Companies, Inc. (Capital Group) notified changes to its interest on 12 September 2017 (when it increased to above 5%), 17 November 2017 (when it decreased to below 5%) and 8 December 2017 (when it increased to above 5%). On 14 February 2020 Capital World Investors filed a Schedule 13G to the SEC confirming an interest in 27,300,281 Shares, representing 5.8% of the issued Shares; this change would not have required a notification to the Company under the DTRs.
(D) Percentage interests disclosed calculated as at the date on which the relevant disclosure was made. These have not been updated to reflect changes in the total voting rights since notification and so may not represent the percentage interest as at the year end/date of this report.

Directors' report continued

Share buyback programme

The Company announced a share buyback programme on 12 September 2018, under which it proposed to reduce share capital by up to €1.5 billion through the purchase and cancellation of its own Shares. This buyback programme was completed in 2019.
On 13 February 2020, the Company announced a further share buyback programme, under which it proposed to reduce share capital by up to €1 billion.

The €1.5 billion share buyback programme was, and the €1 billion share buyback programme is being, undertaken pursuant to shareholder authorities granted at the 2018 and 2019 AGMs. The maximum number of Shares authorised for purchase at the 2019 AGM was 43,333,647, representing 10% of the Company's issued share capital at 2 April 2019, reduced by the number of Shares purchased or agreed to be purchased between 2 April and 29 May 2019. This authority will expire at the 2020 AGM, when we intend to seek to renew the authority to purchase Shares.

See table 3 for a summary of Shares purchased through the buyback programmes in 2019. All purchased Shares were cancelled immediately.

FOR MORE DETAILS, SEE THE SHARE BUYBACK PROGRAMME SECTION IN OTHER GROUP INFORMATION ON PAGES 197 AND 199

Change of control

There are no agreements in place which provide compensation for loss of office or employment to any Director in the event of a takeover, except for certain provisions under the employee share plans, which may cause outstanding awards to vest early in such an event.

The Board considers that a change of control of the Company following a takeover bid might have an impact on the following significant agreements:

- Bottling agreements between the Group and TCCC
- A bank credit facility agreement, under which the maximum total outstanding amount at 31 December 2019 was €1.5 billion

Research and development

The Company invests in and undertakes certain activities for the development of innovative solutions, digital capabilities and advanced analytics to drive the simplification of applications and platforms, and to support and grow its business.

Independent auditor

Disclosure of information to auditors

Each of the Directors in office as at the date of this Integrated Report confirms that:

- so far as he or she is aware, there is no relevant audit information (as defined by section 418 of the Companies Act) of which the Company's auditor is unaware; and
- he or she has taken all the reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor reappointment

EY has expressed willingness to continue in its capacity as independent auditor of the Company. The Directors plan to recommend a resolution in favour of this reappointment at the forthcoming AGM.

Going concern

The Directors have prepared and reviewed the Group's cash flow forecasts over a period in excess of 12 months from the date of their approval of the 2019 financial statements. The forecasts include an assessment of current and future end market conditions and their impact on the Group's future trading performance. They show that the Group will be able to continue to operate within its current committed debt facilities and comply with its financial covenants.

As a result, the Directors are satisfied that the Group has adequate resources to continue operating as a going concern for a period of at least 12 months from the date of this Integrated Report. Therefore, the financial statements are prepared on a going concern basis.

This Directors' Report has been approved by the Board and signed on its behalf by

Clare Wardle
Company Secretary
16 March 2020

Table 3

Share purchases

Period	Number of Shares purchased	Nominal value of Shares purchased (€ millions)	Amount paid for the Shares (€ millions)	Percentage of called up share capital represented by purchased Shares[(A)]
2019	20,612,593	0.2	1,000	4.24%

(A) Calculated as a percentage of the called up issued share capital immediately before the buyback programme started, which was 486,466,433 Shares.

Directors' responsibilities statement

Responsibility for preparing financial statements

The Directors are responsible for preparing the Integrated Report and the financial statements in accordance with applicable law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulations. They have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) including FRS 101, "Reduced Disclosure Framework". In preparing the consolidated Group financial statements the Directors have also elected to comply with IFRS as issued by the International Accounting Standards Board (IASB).

Under section 393 of the Companies Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and of the Group for that period.

In preparing the Company financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Follow applicable UK Accounting Standards (except where any departures from this requirement are explained in the notes to the parent company financial statements)
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

In preparing the Group financial statements in accordance with IAS (UK & Ireland) 1, "Presentation of Financial Statements", the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial performance
- Make an assessment of the Group's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation, regulation and practice in the UK governing the preparation and dissemination of financial statements may differ from legislation, regulation and practice in other jurisdictions.

Responsibility statement

The Directors, whose names and functions are set out on pages 60-64, confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face
- The Integrated Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy

By order of the Board

Clare Wardle
Company Secretary
16 March 2020

Financial Statements


Schweppes
Coca-Cola
ORIGINAL TASTE
ZERO SUGAR

Independent auditor's report to the members of Coca-Cola European Partners plc

Opinion

In our opinion:

- Coca-Cola European Partners plc's Group financial statements and Parent company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements of Coca-Cola European Partners plc which comprise:

Group	Parent company
Consolidated income statement for the year ended 31 December 2019	Statement of financial position as at 31 December 2019
Consolidated statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of financial position as at 31 December 2019	Related notes 1 to 13 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Consolidated statement of changes in equity for the year then ended	
Related notes 1 to 27 to the financial statements including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and; as explained in the accounting policies set out in the Group financial statements, the Group, in addition to complying with its legal obligation to apply IFRS as adopted by the EU, has also applied IFRS as issued by the IASB. In our opinion, the Consolidated Financial Statements comply with IFRS as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 44-49 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 45 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 110 in the Directors' report about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 50 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Aspects of Revenue Recognition: completeness and measurement of programmes and arrangements with customers recorded as deductions from revenue • Carrying value of goodwill and indefinite lived intangibles • Taxation: accounting for uncertain tax positions
Audit scope	• We performed an audit of the complete financial information of six components, audit procedures on specific balances for four components and specified audit procedures for a further five components • The components where we performed full, specific or specified audit procedures accounted for 105% of profit before taxation, 98% of revenue and 99% of total assets
Materiality	• Overall Group materiality of €72.7 million which represents 5% of Group profit before taxation

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Aspects of revenue recognition: completeness and measurement of programmes and arrangements with customers recorded as deductions from revenue Refer to the Audit Committee Report (page 82); Accounting policies (page 132). The Group participates in various programmes and arrangements with customers referred to as "promotional programmes", which are recorded as deductions from revenue. These totalled €3.2 billion for the year ended 31 December 2019 (2018: €3.0 billion). The types of programmes are more fully described in Note 3 to the Consolidated Financial Statements with details about accruals for the Group's promotional programmes disclosed in Note 14 to the Consolidated Financial Statements. Auditing the completeness and measurement of the promotional programmes liability is judgemental, as management makes estimates of sales levels related to certain promotions to determine the liability. The cost of these promotional programmes is recognized as a deduction from revenue In addition, we identified a significant risk related to manipulation of revenues and through manual and unusual adjustments to revenue.	We performed full audit procedures over this matter in eight components which covered 90% of the group balance. We obtained an understanding, evaluated the design and tested the operating effectiveness of controls, including IT controls, that address the risks of material misstatement relating to the completeness and measurement of the promotional programmes. We tested controls over management's determination of the accrued promotional programmes balances, as well as management's determination of the accrued balances prior to settling balances due to customers. To test the completeness and measurement of deductions from revenue and the associated unpaid accrued customer marketing costs, our procedures included, among others, reviewing post-period end settlements. We also performed an historical analysis of prior period balance sheet amounts to amounts settled. We tested settlement of promotional programmes balances throughout the year on a sample basis and performed completeness testing procedures. To evaluate the specific estimations that are inherent in the calculation of the accruals, we evaluated assumptions inherent in the calculation of the accrual by comparing promotional programmes accruals to settlements and to executed contracts. We tested the assumptions utilised in the calculations, including consideration of any changes in the business environment that would warrant changes in the methodology. We performed specific analytical procedures around per unit rates to identify any potential outliers. We also tested completeness and accuracy of the underlying data, including the sales details. We performed correlation analysis between revenue, accounts receivable, and cash utilising journal data. Using the correlation, we tested that the flow of transaction is in line with our expectations and identified and tested unusual and unexpected journals which could be subject to management override of controls. We also performed correlation analysis between promotional programmes expense, promotional programmes accrual and settlements utilising testing the flow of transactions and unusual and unexpected journals. We obtained and inspected documentation for any material unusual or unexpected journals which were made. We assessed management's disclosure in respect of deductions from revenue and sales incentives amounts recorded in the income statement and statement of financial position.	Promotional programmes are appropriately recognised in the income statement and balance sheet, and the related disclosures included in the financial statements are appropriate. We concluded that revenue was appropriately recognised by the Group.
Carrying value of goodwill and indefinite lived intangibles Refer to the Audit Committee Report (page 82); Accounting policies (page 132). At 31 December 2019, the carrying value of the Group's goodwill and indefinite lived intangibles was €10,685 million (2018: €10,602 million) As discussed in Note 6 of the Consolidated Financial Statements, goodwill and indefinite lived intangibles are tested for impairment at least annually, in the fourth quarter or whenever there is an indication of impairment. Goodwill is tested for impairment at the Cash Generating Unit (CGU) level. Auditing management's annual impairment test was complex and judgemental as the directors' assessment of value in use of the Group's CGUs involves judgement about the future results of the business, terminal growth rates and the discount rates applied to future cash flow forecasts. In particular, management's impairment models used to calculate the value in use estimate were most sensitive to the assumptions around discount rates, and the terminal growth rates. For CGUs with lower headroom between the value in use and the carrying value, the determination of these applicable rates was considered to be more judgemental.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in place within the impairment review process. This included evaluating controls over the Group's budgetary and forecasting process used to develop the estimated future earnings and cash flows used in estimating the fair value of CGUs. We also tested controls over management's determination of the data used in their valuation models and determination of the significant assumptions such as estimation of terminal growth rates. We performed audit procedures on the impairment models relating to material CGUs, including, among others, assessing the methodologies, testing the assumptions used to develop the estimates of future earnings and cash flows and testing the completeness and accuracy of the underlying data. We compared the assumptions used by management to develop the discount rate and terminal growth rate to current industry and economic trends, and other guideline companies within the same industry. We involved our valuation specialists to assist in evaluating the valuation methodology and testing the discount rates and terminal growth rates. We assessed the historical accuracy of management's estimates and forecasts and performed sensitivity analyses on the discount rate and terminal growth rates within the value in use calculations for each CGU. We performed further testing on the Iberia CGU based on size and lower headroom, this included additional procedures, including sensitivity analyses on the projected financial information to assess the impact on the headroom if there were changes in certain assumptions. We assessed the related disclosures provided in the consolidated financial statements on changes in certain variables that could eliminate existing headroom.	We agree with management's conclusion that no impairment is required. We consider management's estimates to be appropriate, with assumptions within an acceptable range. We conclude that the goodwill and indefinite lived intangibles disclosures in the notes to the financial statements are appropriate.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Taxation: accounting for uncertain tax positions Refer to the Audit Committee Report (page 82); Accounting policies (page 132). The Group is subject to income tax in numerous jurisdictions and is routinely under audit by taxing authorities in the ordinary course of business as described in Note 20 and Note 22 of the Consolidated Financial Statements. The potential outcomes of proceedings by the taxing authorities is assessed by the Group at the end of each reporting period and adjustments are made based on any new facts and circumstances that the Group believes will affect the outcome of the tax audit. Auditing the uncertain tax positions, including the potential tax associated with the purchase of concentrate, was challenging because the significant estimation of the provision is based on changing facts and circumstances and involves a certain level of uncertainty that may produce a number of different outcomes or ranges of outcomes. This risk has been revised from the prior year to remove a focus in relation to recognition and realisation of deferred tax asset within Spain and Germany components. The magnitude of the risk in Spain is no longer significant to the consolidated financial statement. The risk for Germany related to unrecognised tax items as described in Note 20. This risk is already captured in the uncertain tax position key audit matter described above.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls, including IT controls, in place to evaluate the risks within the uncertain tax provision process. For example, we tested controls over management's determination of inputs and calculations of these tax positions. To test the Company's measurement of tax positions related to uncertain tax positions, we involved tax teams with local knowledge to test the tax positions taken by the Group in each significant jurisdiction in the context of local tax law and significant tax assessments. We also verified our understanding of the relevant facts by reading and evaluating the Group's correspondence with the relevant tax authorities and third-party advice obtained by the Group. For example, we considered whether the level of tax exposures provided for was appropriate when compared to the maximum possible level of exposure and the assessment of the risk associated with the matter. We further assessed management's positions by obtaining management's assessment of risk from legal proceedings in relation to the tax position and obtained tax authorities correspondence where available to support its position. We met and discussed key tax issues with the Group's tax team, component tax team and EY tax team in each jurisdiction where the Group is subject to audit by tax authorities. We also evaluated the related disclosures provided in the Group financial statements. We challenged the classification of the uncertain tax positions subject to ongoing disputes. For example, we reviewed communications from tax authorities and timeline of the tax audit process in each jurisdiction to ensure that tax payment would not be made within 12 months of the balance sheet date.	We concluded that the uncertain tax position balances are appropriately recognised by the Group. We concluded that the tax disclosures provided in the Consolidated Financial Statements are appropriate.

There have been no changes to key audit matters since the prior year other than to our revised risk related to taxation as described above.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 53 reporting components of the Group (12 of which are trading components), we selected 15 components within Great Britain, Spain, Germany, France, Belgium, Netherlands, Luxembourg, Norway, Sweden, and Ireland covering five corporate entities and 10 trading entities which represent the principal business units within the Group.

Of the 15 components selected, we performed an audit of the complete financial information of six components (full scope components) which were selected based on their size or risk characteristics. For the remaining 9 components (specific or specified procedures scope components), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

The table below illustrates the coverage obtained from the work performed by our audit teams.

	Number		% Group profit before tax		% Group revenue		% Total assets		
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	See Notes
Full scope	6	7	99 %	81%	78%	82%	90%	90%	(B) (C) (D)
Specific scope	4	4	3 %	14%	13%	9%	6%	6%	(A) (B) (C) (E)
Specified procedures	5	—	3 %	—%	7%	—%	3%	—%	(E)
Coverage	**15**	**11**	**105 %**	**95%**	**98%**	**91%**	**99%**	**96%**	
Remaining components	38	37	(5)%	5%	2%	9%	1%	4%	(F)
Total Reporting components	**53**	**48**	**100 %**	**100%**	**100%**	**100%**	**100%**	**100%**	

Notes
(A) The specific scope components relate to one corporate entity whose activities include certain Group management functions and three trading entities.
(B) The Group audit risk in relation to tax was subject to audit procedures at each of the full and specific scoped locations.
(C) The Group audit risk in relation to Aspects of Revenue Recognition: completeness and measurement of programmes and arrangements with customers recorded as deductions from revenue was subject to full audit procedures in eight components and specified procedures at two components.
(D) The Group audit risk in relation to carrying value of goodwill and intangible assets was subject to audit procedures across the Group performed by the Group audit team.
(E) The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. Significant accounts that were not subject to the specific or specified procedures scope audit were subjected to testing of Group-wide controls and analytical review.
(F) Of the remaining 38 components that together represent (5)% of the Group's profit before tax, none are individually greater than 5% of the Group's profit before tax. These components primarily record administrative expenses across the Group, thus there is an aggregated (5)% impact on PBT. For the remaining components in this category, we performed other procedures, including testing of Group-wide controls, analytical review procedures, testing of consolidation journals and intercompany eliminations, and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

The change in the total number of reporting components from 48 to 53 represents the set up of new components.

For our 2019 audit, we have changed the scope for one of the components previously audited as Full scope to Specified Procedures scope because the volume of activities within this component has decreased. In addition, we added another four components to Specified Procedures scope to improve the audit coverage and incorporate elements of unpredictability in our audit scoping.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the six full scope components, audit procedures were performed on five of these directly by the component audit teams. Of the nine specific and specified scope components, five presented work performed directly by component auditors. For those audit procedures performed directly by component audit teams, we engaged the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits all full scope audit locations at least once in the year. During the current year's audit cycle, visits were undertaken by the Primary audit team to the component teams in Great Britain, France, Belgium, Spain and Germany. We also visited Bulgaria, which is the shared service centre location which contributed to the audits of a number of components. These visits involved meetings with component teams to discuss and direct their audit approach, reviewing and understanding the significant audit findings in response to the risk areas including aspects of revenue recognition and taxation, holding meetings with local management, and obtaining updates on local regulatory matters including tax, pensions, restructuring and legal. The Primary audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements. The Group audit team attended all component audit closing meetings.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be €72.7 million (2018: €60.3 million), which is 5% of profit before taxation (2018: 5% of profit before taxation). We believe that profit before taxation provides us with most relevant performance measure to the stakeholders of Coca-Cola European Partners plc.

We determined materiality for the Parent Company to be €149.5 million (2018: €165 million), which is 1% of shareholders' equity (2018: 1% of shareholders' equity).

During the course of our audit, we reassessed initial materiality and adjusted the materiality level based on actual results. We did not change our materiality measure of 5% of profit before tax.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2018: 75%) of our planning materiality, namely €54.5 million (2018: €45.2 million). We reviewed any misstatements identified in our 2018 Group audit to assess their potential recurrence in 2019 (which would affect the percentage of Group performance materiality we utilised to determine the extent of our audit procedures). Based on the nature of the adjustments identified last year and the stabilised structure of the finance environment within the Group, we concluded the likelihood of material misstatements would be lower in the current year and, hence, we set performance materiality at 75%.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was €10.2 million to €25.5 million (2018: €9 million to €23.6 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €3.6 million (2018: €3.0 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, including Strategic report set out on pages 1-55, Governance and Directors` report set out on pages 56-111, Other Group Information set out on pages 184-220, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 111 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting set out on pages 81-86 – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 67 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R (2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 111, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are:
  - those that relate to the reporting framework: International Financial Reporting Standards (IFRS), the UK Companies Act 2006 and the UK Corporate Governance Code;
  - those that relate to the accrual or recognition of expenses for taxation such as various country specific tax codes in which the Group has operations; and
  - those that relate to the accrual or recognition of expenses for pension costs, as well as the treatment of its employees, such as labour agreements in countries where the Group operates.
- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the Group.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, including specific instructions to full and specific scope component audit teams. At a Group level, our procedures involved: enquiries of Group management and those charged with governance, legal counsel and internal audit. At a component level, our full and specific scope component audit team's procedures included enquiries of component management; journal entry testing; and focused testing, including as referred to in the "Aspects of Revenue Recognition: completeness and measurement of programmes and arrangements with customers recorded as deductions from revenue" key audit matters section above.
- We assessed the susceptibility of the Group's financial statements to material misstatement. We did this by meeting with management from various parts of the business to understand where they considered there to be susceptibility to fraud; and assessing whistleblowing incidences for those with a potential financial reporting impact. We also considered performance targets and their propensity to influence on efforts made by management to manage revenue and earnings. We considered the controls framework that the Group has established to address risks identified and how management monitors these controls. Where the risk was considered to be higher, we performed audit procedures to address identified risks of material misstatement. These procedures included those on "Aspects of Revenue Recognition: completeness and measurement of programmes and arrangements with customers recorded as deductions from revenue" detailed above and testing manual journals. Our procedures were designed to provide reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed by the company on 22 June 2016 to audit the financial statements for the year ending 31 December 2016 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is four years, covering the years ending 31 December 2016 to 31 December 2019.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting the audit.

The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Karl Havers (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
16 March 2020

Notes
(A) The maintenance and integrity of the Coca-Cola European Partners plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
(B) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Report of independent registered public accounting firm

To the Shareholders and the Board of Directors of Coca-Cola European Partners plc

Opinion on the financial statements

We have audited the accompanying consolidated statements of financial position of Coca-Cola European Partners plc (the Company) as of 31 December 2019 and 2018, the related consolidated statements of income, comprehensive income, statement of changes in equity and cash flows for each of the three years in the period ended 31 December 2019 and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at 31 December 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of 31 December 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated 16 March 2020 expressed an unqualified opinion thereon.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	Completeness and measurement of programmes and arrangements with customers recorded as deductions from revenue
Description of the matter	The Company participates in various programmes and arrangements with customers, referred to as "promotional programmes", which are recorded as deductions from revenue. These totalled €3.2 billion for the year ended 31 December 2019. The types of promotional programmes are more fully described in Note 3 to the consolidated financial statements with details about accruals for the Company's promotional programmes disclosed in Note 14 to the consolidated financial statements. Auditing the completeness and measurement of the promotional programmes' liability was judgemental due to the level of subjectivity and uncertainty involved in management's estimates of sales levels related to certain promotions to determine the liability. The cost of these promotional programmes was recognized as a deduction from revenue.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls, including IT controls, that address the risks of material misstatement relating to the completeness and measurement of the promotional programmes. For example, we tested controls over management's determination of the accrued customer marketing cost balances, as well as management's determination of the accrued balances prior to settling balances due to customers. To test the completeness and measurement of deductions from revenue and the associated unpaid accrued customer marketing costs, our audit procedures included, among others, reviewing post-period end settlements. We performed an historical analysis of prior period balance sheet amounts to amounts subsequently settled. We also tested settlement of promotional programme balances throughout the year on a sample basis. To evaluate the specific estimations that are inherent in the calculation of the accruals, we compared promotional programmes accruals to settlements and to executed contracts. We tested the assumptions utilised in the calculations, including consideration of any changes in the business environment that would warrant changes in the methodology. We performed specific analytical procedures around per unit rates to identify any potential outliers. We also tested completeness and accuracy of the underlying data, including the sales details.
	Carrying value of goodwill and indefinite lived intangibles
Description of the matter	At 31 December 2019, the carrying value of the Company's goodwill and indefinite lived intangibles was €10,685 million and represented 57% of total assets. As discussed in Note 6 of the consolidated financial statements, goodwill and indefinite lived intangibles are tested for impairment at least annually, in the fourth quarter or whenever there is an indication of impairment. Goodwill is tested for impairment at the Cash Generating Unit (CGU) level. Auditing management's annual impairment test was complex and judgemental as the directors' assessment of 'value in use' of the Company's CGUs involves judgement about the future results of the business, long term growth rates and the discount rates applied to future cash flow forecasts. In particular, management's impairment models used to calculate the value in use estimate were most sensitive to the assumption around discount rates and the terminal growth rates. For those CGUs with lower headroom between the 'value in use' and the carrying value, the determination of these applicable rates was considered to be more judgemental.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls, including IT controls, in place within the impairment review process. This included evaluating controls over the Company's budgetary and forecasting process used to develop the estimated future earnings and cash flows used in estimating the fair value of CGUs. We also tested controls over management's determination of the data used in their valuation models and determination of the significant assumptions such as estimation of discount rates and terminal growth rates. We performed audit procedures on the impairment models relating to certain cash generating units that included, among others, assessing the methodologies, testing the assumptions discussed above used to develop the estimates of future earnings and cash flows and testing the completeness and accuracy of the underlying data. We compared the assumptions used by management to develop the discount rate and terminal growth rate to current industry and economic trends, and other guideline companies within the same industry. We involved our valuation specialists to assist in evaluating the valuation methodology and testing the discount rates and terminal growth rates. We assessed the historical accuracy of management's estimates and forecasts and performed sensitivity analyses on the discount rate and terminal growth rates within the 'value in use' calculations for each CGU. We performed further testing on the Iberia CGU, based on size and lower headroom. For this CGU we performed additional procedures and sensitivity analyses on the projected financial information to assess the impact on the headroom if there were changes in certain assumptions. We assessed the related disclosures provided in the consolidated financial statements on changes in certain variables that could eliminate existing headroom.

	Accounting for uncertain tax positions and related disclosures
Description of the matter	The Company is subject to income tax in numerous jurisdictions and is routinely under audit by taxing authorities in the ordinary course of business as described in Note 20 and Note 22 of the consolidated financial statements. The potential outcomes of proceedings by the taxing authorities is assessed by the Company at the end of each reporting period and adjustments are made based on any new facts and circumstances that the Company believes will affect the outcome of the tax audit. Auditing the uncertain tax positions, including the potential tax associated with the purchase of concentrate, was challenging because the significant estimation of the provision is based on changing facts and circumstances and involves a certain level of uncertainty that may produce a number of different outcomes or ranges of outcomes.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls in place to evaluate the risks within the uncertain tax provision process. For example, we tested controls over management's determination of inputs and calculations of these tax positions. To test the Company's measurement of tax positions, we involved tax professionals with local knowledge to assess the tax positions taken by the Company in each significant jurisdiction in the context of local tax law and significant tax assessments. We also obtained an understanding of relevant facts by reading and evaluating the Company's correspondence with the relevant tax authorities and third-party advice obtained by the Company. For example, we considered whether the level of tax exposures provided for was appropriate when compared to the maximum possible level of exposure and the assessment of the risk associated with the matter. We further assessed management's positions by obtaining management's assessment of risk from legal proceedings in relation to the tax position and obtained tax authority correspondence where available to support its positions. We also evaluated the related disclosures provided in the consolidated financial statements related to these tax matters.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2016.
London, United Kingdom
16 March 2020

Report of independent registered public accounting firm

To the Shareholders and the Board of Directors of Coca-Cola European Partners plc

Opinion on internal control over financial reporting

We have audited Coca-Cola European Partners plc's internal control over financial reporting as of 31 December 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Coca-Cola European Partners plc (the Company) maintained, in all material respects, effective internal control over financial reporting as of 31 December 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of 31 December 2019 and 2018, the related consolidated statements of income, comprehensive income, statement of changes in equity and cash flows for each of the three years in the period ended 31 December 2019 and the related notes and our report dated 16 March 2020 expressed an unqualified opinion thereon.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Annual Report on Form 20-F. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
London, United Kingdom
16 March 2020

Consolidated income statement

		Year ended		
		31 December 2019	31 December 2018	31 December 2017
	Note	€ million	€ million	€ million
Revenue		12,017	11,518	11,062
Cost of sales	17	(7,424)	(7,060)	(6,772)
Gross profit		**4,593**	**4,458**	**4,290**
Selling and distribution expenses	17	(2,258)	(2,178)	(2,124)
Administrative expenses	17	(787)	(980)	(906)
Operating profit		**1,548**	**1,300**	**1,260**
Finance income	18	49	47	48
Finance costs	18	(145)	(140)	(148)
Total finance costs, net		(96)	(93)	(100)
Non-operating items		2	(2)	(1)
Profit before taxes		**1,454**	**1,205**	**1,159**
Taxes	20	(364)	(296)	(471)
Profit after taxes		**1,090**	**909**	**688**
Basic earnings per share (€)	5	**2.34**	**1.88**	**1.42**
Diluted earnings per share (€)	5	**2.32**	**1.86**	**1.41**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

		Year ended		
		31 December 2019	31 December 2018	31 December 2017
	Note	€ million	€ million	€ million
Profit after taxes		**1,090**	**909**	**688**
Components of other comprehensive income (loss):				
Items that may be subsequently reclassified to the income statement:				
Foreign currency translations:				
Pretax activity, net		94	(35)	(111)
Tax effect		—	—	—
Foreign currency translation, net of tax		94	(35)	(111)
Net investment hedges:				
Pretax activity, net		—	—	—
Tax effect		—	—	27
Net investment hedges, net of tax	12, 20	—	—	27
Cash flow hedges:				
Pretax activity, net		11	(17)	—
Tax effect		(2)	3	—
Cash flow hedges, net of tax	12, 20	9	(14)	—
		103	**(49)**	**(84)**
Items that will not be subsequently reclassified to the income statement:				
Pension plan remeasurements:				
Pretax activity, net		(79)	2	91
Tax effect		12	—	(18)
Pension plan remeasurements, net of tax	15, 20	(67)	2	73
		(67)	**2**	**73**
Other comprehensive loss for the period, net of tax		**36**	**(47)**	**(11)**
Comprehensive income for the period		**1,126**	**862**	**677**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

	Note	31 December 2019 € million	31 December 2018 € million
ASSETS			
Non-current:			
Intangible assets	6	8,506	8,384
Goodwill	6	2,520	2,518
Property, plant and equipment	7	4,205	3,888
Non-current derivative assets	12	3	2
Deferred tax assets	20	27	37
Other non-current assets	23	321	396
Total non-current assets		**15,582**	**15,225**
Current:			
Current derivative assets	12	12	13
Current tax assets	20	18	21
Inventories	8	723	693
Amounts receivable from related parties	19	106	107
Trade accounts receivable	9	1,669	1,655
Other current assets	23	259	193
Cash and cash equivalents	10	316	309
Total current assets		**3,103**	**2,991**
Total assets		**18,685**	**18,216**
LIABILITIES			
Non-current:			
Borrowings, less current portion	13	5,622	5,127
Employee benefit liabilities	15	221	142
Non-current provisions	22	54	119
Non-current derivative liabilities	12	13	51
Deferred tax liabilities	20	2,203	2,157
Non-current tax liabilities	20	254	219
Other non-current liabilities		47	45
Total non-current liabilities		**8,414**	**7,860**
Current:			
Current portion of borrowings	13	799	491
Current portion of employee benefit liabilities	15	17	19
Current provisions	22	142	133
Current derivative liabilities	12	28	20
Current tax liabilities	20	95	110
Amounts payable to related parties	19	249	191
Trade and other payables	14	2,785	2,828
Total current liabilities		**4,115**	**3,792**
Total liabilities		**12,529**	**11,652**
EQUITY			
Share capital	16	5	5
Share premium	16	178	152
Merger reserves	16	287	287
Other reserves	16	(449)	(552)
Retained earnings		6,135	6,672
Total equity		**6,156**	**6,564**
Total equity and liabilities		**18,685**	**18,216**

The accompanying notes are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2020. They were signed on its behalf by:

Damian Gammell, Chief Executive Officer
16 March 2020

Consolidated statement of cash flows

		Year ended		
		31 December 2019	31 December 2018	31 December 2017
	Note	€ million	€ million	€ million
Cash flows from operating activities:				
Profit before taxes		1,454	1,205	1,159
Adjustments to reconcile profit before tax to net cash flows from operating activities:				
Depreciation	7	587	461	443
Amortisation of intangible assets	6	52	51	47
Share-based payment expense	21	15	17	14
Finance costs, net	18	96	93	100
Income taxes paid		(270)	(263)	(247)
Changes in assets and liabilities:				
Decrease in trade and other receivables		5	72	108
(Increase)/decrease in inventories		(25)	(45)	16
(Decrease)/increase in trade and other payables		(63)	297	142
(Decrease)/increase in provisions		(57)	9	(67)
Change in other operating assets and liabilities		110	(91)	(92)
Net cash flows from operating activities		**1,904**	**1,806**	**1,623**
Cash flows from investing activities:				
Purchases of property, plant and equipment		(506)	(525)	(484)
Purchases of capitalised software		(96)	(75)	(36)
Proceeds from sales of property, plant and equipment		11	4	32
Investments in equity instruments		(8)	—	—
Net cash flows used in investing activities		**(599)**	**(596)**	**(488)**
Cash flows from financing activities:				
Proceeds from borrowings, net	13	987	398	350
Changes in short-term borrowings	13	101	(131)	250
Repayments on third party borrowings	13	(625)	(426)	(1,160)
Payments of principal on lease obligations	13	(128)	(18)	(20)
Interest paid, net		(86)	(81)	(94)
Dividends paid	16	(574)	(513)	(489)
Purchase of own shares under share buyback programme	16	(1,005)	(502)	—
Exercise of employee share options		26	25	13
Other financing activities, net		2	(11)	(2)
Net cash flows used in financing activities		**(1,302)**	**(1,259)**	**(1,152)**
Net change in cash and cash equivalents		**3**	**(49)**	**(17)**
Net effect of currency exchange rate changes on cash and cash equivalents		4	(2)	(9)
Cash and cash equivalents at beginning of period	10	**309**	**360**	**386**
Cash and cash equivalents at end of period	10	**316**	**309**	**360**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Note	Share capital € million	Share premium € million	Merger reserves € million	Other reserves € million	Retained earnings € million	Total equity € million
As at 1 January 2017		**5**	**114**	**287**	**(419)**	**6,474**	**6,461**
Profit after taxes		—	—	—	—	688	688
Other comprehensive income/(expense)		—	—	—	(84)	73	(11)
Total comprehensive income		—	—	—	(84)	761	677
Issue of shares during the year	16	—	13	—	—	—	13
Equity-settled share-based payment expense	21	—	—	—	—	11	11
Share-based payment tax benefits	20	—	—	—	—	14	14
Dividends	16	—	—	—	—	(491)	(491)
As at 31 December 2017		**5**	**127**	**287**	**(503)**	**6,769**	**6,685**
Profit after taxes		—	—	—	—	909	909
Other comprehensive income/(expense)		—	—	—	(49)	2	(47)
Total comprehensive income		—	—	—	(49)	911	862
Issue of shares during the year	16	—	25	—	—	—	25
Equity-settled share-based payment expense	21	—	—	—	—	16	16
Share-based payment tax effects	20	—	—	—	—	(7)	(7)
Dividends	16	—	—	—	—	(515)	(515)
Own shares purchased under share buyback programme		—	—	—	—	(502)	(502)
As at 31 December 2018		**5**	**152**	**287**	**(552)**	**6,672**	**6,564**
Profit after taxes		—	—	—	—	1,090	1,090
Other comprehensive income/(expense)		—	—	—	103	(67)	36
Total comprehensive income		—	—	—	103	1,023	1,126
Issue of shares during the year	16	—	26	—	—	—	26
Equity-settled share-based payment expense	21	—	—	—	—	13	13
Share-based payment tax effects	20	—	—	—	—	6	6
Dividends	16	—	—	—	—	(574)	(574)
Own shares purchased under share buyback programme	16	—	—	—	—	(1,005)	(1,005)
As at 31 December 2019		**5**	**178**	**287**	**(449)**	**6,135**	**6,156**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Note 1

General information and basis of preparation

Coca-Cola European Partners plc (the Company or Parent Company) was created through the Merger on 28 May 2016 of the businesses of Coca-Cola Enterprises, Inc. (CCE), Coca-Cola Iberian Partners, S.A. (CCIP) and Coca-Cola Erfrischungsgetränke GmbH (CCEG) (the Merger). The Company and its subsidiaries (together CCEP, or the Group) are a leading consumer goods group in Western Europe, making, selling and distributing an extensive range of non-alcoholic ready to drink beverages. The Group is the world's largest independent Coca-Cola bottler based on revenue. CCEP serves a consumer population of over 300 million across Western Europe, including Andorra, Belgium, continental France, Germany, Great Britain, Iceland, Luxembourg, Monaco, the Netherlands, Norway, Portugal, Spain and Sweden.

The Company has ordinary shares with a nominal value of €0.01 per share (Shares). CCEP is a public company limited by shares, incorporated under the laws of England and Wales with the registered number in England of 09717350. The Group's Shares are listed and traded on Euronext Amsterdam, the New York Stock Exchange, London Stock Exchange and on the Spanish Stock Exchanges. The address of the Company's registered office is Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom.

The consolidated financial statements of the Group for the year ended 31 December 2019 were approved and signed by Damian Gammell, Chief Executive Officer on 16 March 2020 having been duly authorised to do so by the Board of Directors.

Basis of preparation

These consolidated financial statements reflect the following:

- They have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), IFRS as adopted by the European Union and in accordance with the provisions of the UK Companies Act 2006 (the Companies Act). There are no differences between IFRS as adopted by the European Union and IFRS as issued by the IASB that have an impact for the years presented.
- They have been prepared under the historical cost convention, except for certain items measured at fair value. Those accounting policies have been applied consistently in all periods, except for the adoption of new standards and amendments as of 1 January 2019, as described below under Accounting Policies.
- They are presented in euros, which is also the Parent Company's functional currency and all values are rounded to the nearest € million except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. All subsidiaries have accounting years ended 31 December and apply consistent accounting policies for the purpose of the consolidated financial statements.

Subsidiary undertakings are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the Group's power to direct the activities of the entity. All intercompany accounts and transactions are eliminated on consolidation.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Foreign currency

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the subsidiary operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each subsidiary are expressed in euros.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are remeasured to the functional currency of the entity at the rate of exchange in effect at the statement of financial position date with the resulting gain or loss recorded in the consolidated income statement. The consolidated income statement includes non-operating items which are primarily made up of remeasurement gains and losses related to currency exchange rate fluctuations on financing transactions denominated in a currency other than the subsidiary's functional currency. Non-operating items are shown on a net basis and reflect the impact of any derivative instruments utilised to hedge the foreign currency movements of the underlying financing transactions.

The assets and liabilities of the Group's foreign operations are translated from local currencies to the euro reporting currency at currency exchange rates in effect at the end of each reporting period. Revenues and expenses are translated at average monthly currency exchange rates, with average rates being a reasonable approximation of the rates prevailing on the transaction dates. Gains and losses from translation are included in other comprehensive income. On disposal of a foreign operation, accumulated exchange differences are recognised as a component of the gain or loss on disposal.

Reporting periods

In these consolidated financial statements, the Group is reporting the financial results for the years ended 31 December 2019, 31 December 2018 and 31 December 2017.

Sales of the Group's products are seasonal, with the second and third quarters accounting for higher unit sales of the Group's products than the first and fourth quarters. The seasonality of the Group's sales volume, combined with the accounting for fixed costs such as depreciation, amortisation, rent and interest expense, impacts the Group's reported results for the first and second halves of the year. Additionally, year over year shifts in holidays, selling days and weather patterns can impact the Group's results on an annual or half yearly basis.

The following table summarises the number of selling days for the years ended 31 December 2019, 31 December 2018 and 31 December 2017 (based on a standard five-day selling week):

	First Half	Second Half	Full Year
2019	**129**	**132**	**261**
2018	130	131	261
2017	130	130	260

Note 2

Accounting policies

The accounting policies applied by the Group are included in the relevant notes herein. Effective 1 January 2019, the Group implemented the following new accounting policies, following changes in the related accounting standards. Refer to Note 25 for other significant accounting policies.

IFRS 16, "Leases"

On 1 January 2019, the Group adopted IFRS 16, "Leases" on a modified retrospective basis from 1 January 2019. The Group has not restated its 2018 financial statements as permitted under the specific transitional provisions in the standard. The impact from the new leasing standard is therefore recognised in the opening balance sheet on 1 January 2019. The adoption of IFRS 16 had a de minimis impact on the Group's profit before tax for the year ended 31 December 2019.

Prior to the adoption of IFRS 16, the Group classified and accounted for each of its leases (as lessee) as either a finance lease or an operating lease under the principles of IAS 17, "Leases". Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest and reduction of the lease liability. For operating leases, the leased asset was not capitalised and the lease payments were recognised as rent expense in the consolidated income statement on a straight-line basis over the lease term.

The objective of IFRS 16 is to ensure a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The lease liability was initially measured at the present value of lease payments, discounted using the Group's incremental borrowing rate (IBR). The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 1.30%. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease whenever the Group is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing it by lease payments made.

In adopting IFRS 16, "Leases", the following expedients were applied:

- The right of use asset is measured at the value of the lease liability, adjusted for any prepaid or accrued lease payments.
- A single discount rate is applied to a portfolio of leases with reasonably similar characteristics.
- On adoption, the Group used hindsight in determining lease term.
- Short-term lease exemption was applied to machinery and equipment and IT asset classes for leases expiring within 12 months of 1 January 2019.

Reliance on previous assessments on whether leases were onerous immediately before the date of initial application.

The Group does not separate lease from non-lease components for each of its lease categories, except for property leases. For property leases, only base rent is included in the calculation of the right of use asset. All low value leases with total minimum lease payments under €5,000 are expensed on a straight-line basis. The assessment of low value for a leased asset is made on the basis of the value of an asset when it is (or was) new, regardless of whether the actual asset being leased is new.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of adoption. The measurement principles of IFRS 16 are only applied after that date. This resulted in measurement adjustments of €6 million relating to non-lease components of finance leases that were included in the lease liability calculation for certain asset classes. The remeasurements to lease liabilities were recognised as adjustments to the related right of use assets immediately after the date of initial application.

Lease liabilities are included within Borrowings in our consolidated statement of financial position. The following tables summarise the reconciliation of the opening lease liability position under IFRS 16:

Operating lease commitments disclosed as at 31 December 2018 (undiscounted)	Total € million
Within one year	94
After one year, but not more than five years	169
More than five years	37
Total minimum lease payments	**300**

	Total € million
Total minimum lease payments (discounted)	**290**
(Less): short-term and low value leases recognised on a straight-line basis as expense	(5)
Add: adjustments as a result of a different treatment of extension and termination options	32
(Less): non-lease components for property leases	(5)
Add: non-lease components for vehicle leases and other	10
Lease operating liability recognised as at 1 January 2019	**322**
Add: finance lease liabilities recognised as at 31 December 2018	75
Total lease liability recognised as at 1 January 2019	**397**

Right of use assets are included within property, plant and equipment and were initially measured at cost, comprising the initial measurement of the lease liability, plus any direct costs and an estimate of asset retirement obligations, less lease incentives. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease.

The recognised right of use assets within property, plant and equipment, and related lease liability amounts recognised as at the adoption date relate to the following asset types:

Right of use asset category	Lease liability € million	Right of use asset € million
Buildings	212	208
Furniture and office equipment	35	35
Machinery and equipment	5	5
Vehicles	145	145
Total	**397**	**393**

The Group's activities as a lessor are not material and hence the Group determines there is no significant impact on its consolidated financial statements.

There is no impact on overall cash flows of the Group from the adoption of IFRS 16. However, cash outflows for lease payments are now included within cash flows used in financing activities, within payments of principal on lease obligations. Prior to adoption, cash flows relating to operating leases were included within cash flows from operating activities, and only finance leases cash flows were classified as financing activities. For consistent presentation, within financing activities, the amounts in 2018 and 2017 relating to payments of principal on finance leases are presented within payments of principal on lease obligations, in line with current year classification.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, the Group considers all facts and circumstances associated with exercising an extension or termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. As at 31 December 2019 the total value of lease extension and termination options was €34 million.

IFRIC Interpretation 23, "Uncertainty over Income Tax Treatment" (IFRIC 23)

IFRIC 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and is effective for annual reporting periods beginning on or after 1 January 2019. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The Group presents its uncertain tax positions within Non-current tax liabilities and Current tax liabilities.

The adoption of IFRIC 23 did not have a material impact on the measurement of the Group's uncertain tax positions. Refer to Note 20 for further details regarding tax provisions.

Amendments to IAS 19, "Plan Amendment, Curtailment or Settlement" (IAS 19)

The amendments to IAS 19, which are applicable from 1 January 2019, specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in the consolidated income statement. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments to IAS 19 did not have a material impact on the consolidated financial statements.

Annual improvements 2015-2017 cycle (issued in December 2017)

The improvements applicable to the Group include:

IAS 12, "Income Taxes"

The amendments, effective 1 January 2019, clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Since the Group's current practice is in line with these amendments, the Group did not record any effect on its consolidated financial statements.

IAS 23, "Borrowing Costs"

The amendments, effective 1 January 2019, clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. Since the Group's current practice is in line with these amendments, the Group did not record any effect on its consolidated financial statements.

Note 3

Significant judgements and estimates

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made in applying the Group's accounting policies were applied consistently across the annual periods. The significant judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements are outlined below.

Significant estimates

Deductions from revenue and sales incentives

The Group participates in various promotional programmes with customers designed to increase the sale of products. Among the programmes are arrangements under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels, or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Group is entitled to varies because of such programmes, the amount payable is deemed to be variable consideration. Management makes estimates on an ongoing basis for each individual promotion to assess the value of the variable consideration based upon historical customer experience, expected customer performance and/or estimated sales volumes. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer. Refer to Note 14 for further details.

Income tax

The Group is subject to income taxes in numerous jurisdictions and there are many transactions for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. The Group recognises a provision for situations that might arise in the foreseeable future based on an assessment of the probabilities as to whether additional taxes will be due. In addition, the Group is involved in various legal proceedings and tax matters. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made, management provides for its best estimate of the liability. Where the final outcome on these matters is different from the amounts that were initially recorded, such differences impact the tax provision in the period in which such determination is made. These estimates are subject to potential change over time as new facts emerge and each circumstance progresses. The evaluation of deferred tax asset recoverability requires estimates to be made regarding the availability of future taxable income in the jurisdiction giving rise to the deferred tax asset. Refer to Note 20 for further details regarding income taxes.

Intangible assets and goodwill

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use or the fair value less costs to sell of the cash generating unit (CGU) to which the goodwill or intangible asset has been allocated. The value in use calculation requires management's estimation of the future cash flows expected to arise from the CGU. Refer to Note 6 for further details about the judgement regarding the lives of bottling agreements, as well as the sensitivity analysis of the assumptions used in the impairment analysis of goodwill and intangible assets with indefinite lives.

Defined benefit plans

The determination of pension benefit costs and obligations are estimated based on assumptions determined with the assistance of external actuarial advice. The key assumptions impacting the valuations are the discount rate, salary rate of inflation and mortality rates. Refer to Note 15 for further details about the Group's defined benefit pension plan costs and obligations.

Significant judgements

Intangible assets and goodwill

The Group has assigned indefinite lives to its bottling agreements with The Coca-Cola Company (TCCC). This judgement has been made after evaluating the contractual provisions of the bottling agreements, the Group's mutually beneficial relationship with TCCC and the history of renewals for bottling agreements.

The Group has allocated the goodwill associated with the Merger to the appropriate CGU. This judgement was based on estimated synergy benefits expected to be realised for each CGU.

Note 4

Segment information

Description of segment and principal activities

The Group evaluates its segmental reporting under IFRS 8, "Operating Segments". The Group derives its revenues through a single business activity, which is making, selling and distributing non-alcoholic ready to drink beverages. The Group operates solely in developed markets in Western Europe and has a homogenous product portfolio across its geographic territories. Based on the governance structure of the Group, including decision making authority and oversight, the Group has determined that the Board is its Chief Operating Decision Maker (CODM). The Board, as the CODM, allocates resources and evaluates performance at a consolidated level and, therefore, the Group has one operating segment.

No single customer accounted for more than 10% of the Group's revenue during the years ended 31 December 2019, 31 December 2018 and 31 December 2017.

Revenue by geography

The following table summarises revenue from external customers by geography, which is based on the origin of the sale:

	Year ended		
	31 December 2019	31 December 2018	31 December 2017
Revenue:	**€ million**	€ million	€ million
Iberia(A)	2,784	2,670	2,706
Germany	2,432	2,335	2,218
Great Britain	2,412	2,280	2,026
France(B)	1,897	1,775	1,803
Belgium/Luxembourg	1,002	983	919
Netherlands	602	580	526
Norway	437	439	416
Sweden	366	365	353
Iceland	85	91	95
Total	**12,017**	**11,518**	**11,062**

(A) Iberia refers to Spain, Portugal and Andorra.
(B) France refers to continental France and Monaco.

Assets by geography

Assets are allocated based on operations and physical location. The following table summarises non-current assets, other than financial instruments and deferred tax assets, by geography:

	31 December 2019	31 December 2018
Assets:	**€ million**	€ million
Iberia(A)	6,797	6,873
Germany	3,216	3,160
Great Britain	2,587	2,441
France(B)	922	890
Belgium/Luxembourg	656	637
Netherlands	457	440
Sweden	396	404
Norway	261	259
Iceland	36	37
Other unallocated	224	45
Total	**15,552**	**15,186**

(A) Iberia refers to Spain, Portugal and Andorra.
(B) France refers to continental France and Monaco.

Note 5

Earnings per share

Basic earnings per share is calculated by dividing profit after taxes by the weighted average number of Shares in issue and outstanding during the period. Diluted earnings per share is calculated in a similar manner, but includes the effect of dilutive securities, principally share options, restricted stock units and performance share units. Share-based payment awards that are contingently issuable upon the achievement of specified market and/or performance conditions are included in the diluted earnings per share calculation based on the number of Shares that would be issuable if the end of the period was the end of the contingency period.

The following table summarises basic and diluted earnings per share calculations for the years presented:

	Year ended		
	31 December 2019	31 December 2018	31 December 2017
Profit after taxes attributable to equity shareholders (€ million)	1,090	909	688
Basic weighted average number of Shares in issue(A) (million)	466	484	484
Effect of dilutive potential Shares(B) (million)	3	4	5
Diluted weighted average number of Shares in issue(A) (million)	469	488	489
Basic earnings per share (€)	2.34	1.88	1.42
Diluted earnings per share (€)	2.32	1.86	1.41

(A) As at 31 December 2019, 31 December 2018 and 31 December 2017 the Group had 456,399,877, 474,920,066 and 484,586,428 Shares, respectively, in issue and outstanding.
(B) For the year ended 31 December 2019 and 31 December 2018 there were no outstanding options to purchase Shares excluded from the diluted earnings per share calculation. For the year ended 31 December 2017, outstanding options to purchase 1.2 million Shares were excluded from the diluted earnings per share calculation because the effect of including these options in the computation would have been anti-dilutive. The dilutive impact of the remaining options outstanding, unvested restricted stock units and unvested performance share units was included in the effect of dilutive securities.

Note 6

Intangible assets and goodwill

Intangible assets with indefinite lives

Intangible assets with indefinite lives acquired through business combination transactions are measured at fair value at the date of acquisition. These assets are not subject to amortisation but are tested for impairment annually at the CGU level or more frequently if facts and circumstances indicate an impairment may exist. In addition to the annual impairment test, the assessment of indefinite lives is also reviewed annually.

Franchise intangible assets

The Group's bottling agreements contain performance requirements and convey the rights to distribute and sell products within specified territories. The Group's agreements with TCCC for each of its territories have terms of 10 years and expire on 28 May 2026, with each containing the right for the Group to request a 10 year renewal. While these agreements contain no automatic right of renewal beyond that date, the Group believes that its interdependent relationship with TCCC and the substantial cost and disruption to TCCC that would be caused by non-renewal ensure that these agreements will continue to be renewed and, therefore, are essentially perpetual. The Group has never had a bottling agreement with TCCC terminated due to non-performance of the terms of the agreement or due to a decision by TCCC to terminate an agreement at the expiration of a term. After evaluating the contractual provisions of bottling agreements, the Group's mutually beneficial relationship with TCCC and history of renewals, indefinite lives have been assigned to all of the Group's franchise intangible assets.

Goodwill

Goodwill is initially measured as the excess of the total consideration transferred over the amount recognised for net identifiable assets acquired and liabilities assumed in a business combination. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in the consolidated income statement as a bargain purchase. Goodwill is not subject to amortisation. It is tested annually for impairment at the CGU level or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from the synergies of the combination irrespective of whether a CGU is part of the business combination.

Intangible assets with finite lives

Intangible assets with finite lives are measured at cost of acquisition or production and are amortised using the straight-line method over their respective estimated useful lives. Finite lived intangible assets are assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed annually.

Internally generated software

The Group capitalises certain development costs associated with internally developed software, including external direct costs of materials and services and payroll costs for employees devoting time to a software project and any such software acquired as part of a business combination. Development expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. When capitalised software is not integral to related hardware it is treated as an intangible asset; otherwise it is included within property, plant and equipment. The estimated useful life of capitalised software is five to seven years. Amortisation expense for capitalised software is included within administrative expenses and was €44 million, €43 million and €38 million for the years ended 31 December 2019, 31 December 2018 and 31 December 2017, respectively.

Customer relationships

The Group acquired certain customer relationships in connection with the acquisitions of the Norway and Sweden bottling operations from TCCC in 2010 and the Merger with CCIP and CCEG in 2016. These customer relationships were recorded at their fair values on the date of acquisition, and they are amortised over an estimated economic life of 20 years. The fair values were determined using a "with and without" valuation technique, which compares the revenues with all assets of the business in place, to a "without" scenario, which assumes the customer relationship asset and related revenues do not exist and must be rebuilt over time. Amortisation expense for these assets is included within administrative expenses and was €8 million, €8 million and €9 million for the years ended 31 December 2019, 31 December 2018 and 31 December 2017, respectively.

Balances and movements in intangible assets and goodwill

The following table summarises the movements in the carrying amounts of intangible assets and goodwill for the periods presented:

	Franchise intangible	Software	Customer relationships	Assets under construction	Total intangibles	Goodwill
Cost:	**€ million**	**€ million**	**€ million**	**€ million**	**€ million**	**€ million**
As at 31 December 2017	**8,109**	**267**	**162**	**10**	**8,548**	**2,520**
Additions	—	32	—	43	75	—
Disposals	—	(4)	—	—	(4)	—
Transfers and reclassifications	—	1	—	(1)	—	—
Currency translation adjustments	(25)	4	—	—	(21)	(2)
As at 31 December 2018	**8,084**	**300**	**162**	**52**	**8,598**	**2,518**
Additions	1	30	—	64	95	—
Disposals	—	(14)	(1)	—	(15)	—
Transfers and reclassifications	—	12	—	(12)	—	—
Currency translation adjustments	80	5	—	—	85	2
As at 31 December 2019	**8,165**	**333**	**161**	**104**	**8,763**	**2,520**
Accumulated amortisation:						
As at 31 December 2017	**—**	**(145)**	**(19)**	**—**	**(164)**	**—**
Amortisation expense	—	(43)	(8)	—	(51)	—
Disposals	—	3	—	—	3	—
Currency translation adjustments	—	(2)	—	—	(2)	—
As at 31 December 2018	**—**	**(187)**	**(27)**	**—**	**(214)**	**—**
Amortisation expense	—	(44)	(8)	—	(52)	—
Disposals	—	13	1	—	14	—
Currency translation adjustments	—	(4)	(1)	—	(5)	—
As at 31 December 2019	**—**	**(222)**	**(35)**	**—**	**(257)**	**—**
Net book value:						
As at 31 December 2017	8,109	122	143	10	8,384	2,520
As at 31 December 2018	8,084	113	135	52	8,384	2,518
As at 31 December 2019	**8,165**	**111**	**126**	**104**	**8,506**	**2,520**

Impairment testing

Each CGU is tested for impairment annually in the fourth quarter or whenever there is an indication of impairment. The recoverable amount of each CGU is determined through a value in use calculation. To determine value in use for a CGU, estimated future cash flows are discounted to their present values using a pre-tax discount rate reflective of the current market conditions and risks specific to each CGU. If the carrying value of a CGU exceeds its recoverable amount, the carrying value of the CGU is reduced to its recoverable amount and impairment charges are recognised immediately within the consolidated income statement. Impairment charges other than those related to goodwill may be reversed in future periods if a subsequent test indicates that the recoverable amount has increased. Such recoveries may not exceed a CGU's original carrying value less any depreciation that would have been recognised if no impairment charges were previously recorded.

The Group's CGUs are based on geography and generally represent the individual territories in which the Group operates. For the purposes of allocating intangibles, each franchise intangible asset is allocated to the geographic region to which the agreement relates and goodwill is allocated to each of the CGUs expected to benefit from a business combination, irrespective of whether other assets and liabilities of the acquired businesses are assigned to the CGUs. The following table identifies the carrying value of goodwill and indefinite-lived intangible assets attributable to each significant CGU of the Group. In addition to the significant CGUs of the Group, as at 31 December 2019 the Group had other CGUs with total franchise intangible assets of €1,100 million and goodwill of €297 million, which includes €218 million related to goodwill allocated from the Merger.

	31 December 2019		31 December 2018	
	Franchise intangible	Goodwill	Franchise intangible	Goodwill
Cash generating unit	€ million	€ million	€ million	€ million
Iberia	4,289	1,275	4,289	1,275
Great Britain	1,716	200	1,632	200
Germany	1,060	748	1,060	748

The recoverable amounts of each CGU were determined through a value in use calculation, which uses cash flow projections for a five year period. The key assumptions used in projecting these cash flows were as follows:

- Discount rate: A weighted average cost of capital was applied specific to each CGU as a hurdle rate to discount cash flows. The discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The following table summarises the pre-tax discount rate attributable to each significant CGU.
- Growth rate: Cash flows were projected for five years based on the Group's three year business plans approved by the Board. Cash flows for the fourth year were projected using compound annual growth rates over the preceding three years, and cash flows for a fifth year and beyond the five year period were projected using a terminal growth rate of 2%, consistent with prior year increases.
- Gross and operating margins: Gross and operating margins are based on the business plans approved by the Board. Key assumptions are made within these plans about volume, pricing, discounts and costs based on historical data, current strategy and expected market trends.

	31 December 2019	31 December 2018
	Pre-tax discount rate	
Cash generating unit	%	%
Iberia	9	10
Great Britain	10	10
Germany	9	9

The Group did not record any impairment charges as a result of the tests conducted in 2019 and 2018. The Group's Great Britain CGU has substantial headroom when comparing the estimated value in use calculation of the CGU versus the CGU's carrying value.

For the Group's Germany and Iberia CGUs, the headroom in the 2019 impairment analysis was approximately 110% and 50% of carrying value, respectively, which is representative of the fact that the net assets of Germany and Iberia were subject to acquisition accounting and fair valued based upon operating plans and macroeconomic conditions present at the time of the Merger. As a result, should operating results or macroeconomic conditions deteriorate versus those utilised to fair value the assets, an impairment of the acquired assets could result in the future.

The calculation of value in use is most sensitive to the discount rate and terminal growth rate assumptions. For the Iberia CGU, the Group estimates that a 2.5% increase in the discount rate, or a reduction in terminal growth rates of 3.5%, would eliminate existing headroom. The Group estimates that for the Germany CGU, an approximate 4.0% increase in the discount rate, or a 5.5% reduction in terminal growth rates, would eliminate existing headroom.

Note 7

Property, plant and equipment

Property, plant and equipment is recorded at cost, net of accumulated depreciation and accumulated impairment losses, where cost is the amount of cash or cash equivalents paid to acquire an asset at the time of its acquisition or construction. Major property additions, replacements and improvements are capitalised, while maintenance and repairs that do not extend the useful life of an asset or add new functionality are expensed as incurred. Land is not depreciated, as it is considered to have an indefinite life. For all property, plant and equipment, other than land, depreciation is recorded using the straight-line method over the respective estimated useful lives as follows:

	Useful life (years)	
Category	Low	High
Buildings and improvements	10	40
Machinery, equipment and containers	3	20
Cold drink equipment	5	12
Vehicle fleet	3	12
Furniture and office equipment	4	10

Gains or losses arising on the disposal or retirement of an asset are determined as the difference between the carrying amount of the asset and any proceeds from its sale. Leasehold improvements are amortised using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the improvement.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, an impairment test is performed to estimate the potential loss of value that may reduce the recoverable amount of the asset to below its carrying amount. Any impairment loss is recognised within the consolidated income statement by the amount which the carrying amount exceeds the recoverable amount. Useful lives and residual amounts are reviewed annually and adjustments are made prospectively as required.

For property, plant and equipment, the Group assesses annually whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised and only up to the recoverable amount or the original carrying amount net of depreciation that would have been incurred had no impairment losses been recognised.

The following table summarises the movement in net book value for property, plant and equipment for the periods presented:

	Land	Buildings and improvements	Machinery, equipment and containers	Cold drink equipment	Vehicle fleet	Furniture and office equipment	Assets under construction	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Cost:								
As at 31 December 2017	**312**	**1,453**	**2,428**	**1,203**	**118**	**177**	**180**	**5,871**
Additions	9	30	129	104	12	14	242	**540**
Disposals	(3)	(10)	(73)	(87)	(1)	(12)	—	**(186)**
Transfers and reclassifications	—	22	57	1	—	3	(83)	**—**
Currency translation adjustments	(1)	(7)	(8)	(7)	—	1	—	**(22)**
As at 31 December 2018	**317**	**1,488**	**2,533**	**1,214**	**129**	**183**	**339**	**6,203**
Adjustment for adoption of IFRS 16[(A)]	—	183	—	—	107	32	—	322
Additions	2	67	158	119	66	29	187	628
Disposals	(6)	(49)	(102)	(137)	(14)	(14)	—	(322)
Transfers and reclassifications	—	51	191	—	1	2	(245)	—
Currency translation adjustments	3	15	25	14	2	2	(2)	59
As at 31 December 2019	**316**	**1,755**	**2,805**	**1,210**	**291**	**234**	**279**	**6,890**
Accumulated depreciation:								
As at 31 December 2017	**—**	**(412)**	**(820)**	**(632)**	**(67)**	**(103)**	**—**	**(2,034)**
Depreciation expense	—	(60)	(232)	(127)	(18)	(24)	—	**(461)**
Disposals	—	2	70	85	1	12	—	**170**
Currency translation adjustments	—	3	4	4	—	(1)	—	**10**
As at 31 December 2018	**—**	**(467)**	**(978)**	**(670)**	**(84)**	**(116)**	**—**	**(2,315)**
Depreciation expense	—	(106)	(223)	(158)	(64)	(36)	—	(587)
Disposals	—	14	72	136	6	13	—	241
Currency translation adjustments	—	2	(6)	(17)	(1)	(2)	—	(24)
As at 31 December 2019	**—**	**(557)**	**(1,135)**	**(709)**	**(143)**	**(141)**	**—**	**(2,685)**
Net book value:								
As at 31 December 2017	312	1,041	1,608	571	51	74	180	3,837
As at 31 December 2018	317	1,021	1,555	544	45	67	339	3,888
As at 31 December 2019	**316**	**1,198**	**1,670**	**501**	**148**	**93**	**279**	**4,205**

(A) Adjustment for the adoption of IFRS 16, "Leases" on 1 January 2019, as described in Note 2.

The Group leases land, office and warehouse space, computer hardware, machinery and equipment and vehicles under non-cancellable lease agreements most of which expire at various dates through to 2028. Some lease agreements contain standard renewal provisions that allow for renewal at rates equivalent to fair market value at the end of the lease term.

The following table summarises the net book value of right of use assets included within property, plant and equipment:

	31 December 2019	1 January 2019
	€ million	€ million
Buildings and improvements	188	208
Machinery, equipment and containers	23	5
Vehicle fleet	140	145
Furniture and office equipment	33	35
Total	**384**	**393**

Total additions to the right of use assets during 2019 were €127 million.

The following table summarises depreciation charges relating to right of use assets recognised in the consolidated income statement during 2019:

	31 December 2019
	€ million
Buildings and improvements	39
Machinery, equipment and containers	5
Vehicle fleet	62
Furniture and office equipment	18
Total	**124**

During the year ended 31 December 2019, the total expense relating to low value and short-term leases was €10 million, which is primarily included in administrative expenses on the consolidated income statement.

The Group does not have any residual value guarantees in relation to its leases.

Note 8

Inventories

Inventories are valued at the lower of cost or net realisable value and cost is determined using the first-in, first-out (FIFO) method. Inventories consist of raw materials, supplies (primarily including concentrate, other ingredients and packaging) and finished goods, which also include direct labour, indirect production and overhead costs. Cost includes all costs incurred to bring inventories to their present location and condition. Spare parts are recorded as assets at the time of purchase and are expensed as utilised. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete and sell the inventory.

The following table summarises the inventory outstanding in the consolidated statement of financial position as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Finished goods	408	378
Raw materials and supplies	232	234
Spare parts	83	81
Total inventories	**723**	**693**

Write downs of inventories to net realisable value totalled €25 million and €23 million during the years ended 31 December 2019 and 31 December 2018, respectively, which were included in cost of sales on the consolidated income statement. None of the write downs were subsequently reversed.

Note 9

Trade accounts receivable

The Group sells its products to retailers, wholesalers and other customers and extends credit, generally without requiring collateral, based on an evaluation of the customer's financial condition. While the Group has a concentration of credit risk in the retail sector, this risk is mitigated due to the diverse nature of the customers the Group serves, including, but not limited to, their type, geographic location, size and beverage channel. Collections of receivables are dependent on each individual customer's financial condition and sales adjustments granted after the consolidated statement of financial position date.

Trade accounts receivable are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. The Group applies an expected credit loss reserve methodology to assess possible impairments. Balances are considered for impairment on an individual basis rather than by reference to the extent that they become overdue. The Group considers factors such as delinquency in payment, financial difficulties, payment history of the debtor as well as certain forward-looking macroeconomic indicators. The carrying amount of trade accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. Credit insurance on a portion of the accounts receivable balance is also carried. Refer to Note 24 for further details on credit risk management.

The following table summarises the trade accounts receivable outstanding in the consolidated statement of financial position as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Trade accounts receivable, gross	1,687	1,671
Allowance for doubtful accounts	(18)	(16)
Total trade accounts receivable	**1,669**	**1,655**

The following table summarises the ageing of trade accounts receivable, net of allowance for doubtful accounts, in the consolidated statement of financial position as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Not past due	1,560	1,483
Past due 1 - 30 days	54	112
Past due 31 - 60 days	5	8
Past due 61 - 90 days	8	11
Past due 91 - 120 days	4	11
Past due 121+ days	38	30
Total	**1,669**	**1,655**

The following table summarises the change in the allowance for doubtful accounts for the periods presented:

	Allowance for doubtful accounts
	€ million
As at 31 December 2017	**(14)**
Provision for impairment recognised during the year	(4)
Receivables written off during the year as uncollectible	2
As at 31 December 2018	**(16)**
Provision for impairment recognised during the year	(6)
Receivables written off during the year as uncollectible	4
As at 31 December 2019	**(18)**

Note 10

Cash and cash equivalents

Cash and cash equivalents include cash and short-term, highly liquid investments with maturity dates of less than three months when acquired that are readily convertible to cash and which are subject to an insignificant risk of changes in value. Counterparties and instruments used to hold the Group's cash and cash equivalents are continually assessed, with a focus on preservation of capital and liquidity. Bank overdrafts are classified as current portion of borrowings in the consolidated statement of financial position.

The following table summarises the cash and cash equivalents outstanding in the consolidated statement of financial position as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Cash at banks and on hand	170	279
Short-term deposits and securities	146	30
Total cash and cash equivalents	**316**	**309**

Cash and cash equivalents are held in the following currencies as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Euro	88	185
US dollar	27	6
British pound	124	33
Norwegian krone	44	26
Swedish krona	21	44
Other	12	15
Total cash and cash equivalents	**316**	**309**

There are no material restrictions on the Group's cash and cash equivalents.

Note 11

Fair values

Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described as one of the following, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1. The Group values assets and liabilities included in this level using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair values of the Group's cash and cash equivalents, trade accounts receivable, amounts receivable from related parties, trade and other payables and amounts payable to related parties approximate their carrying amounts due to their short-term nature.

The fair values of the Group's borrowings are estimated based on borrowings with similar maturities and credit quality and current market interest rates. These are categorised within Level 2 of the fair value hierarchy as the Group uses certain pricing models and quoted prices for similar liabilities in active markets in assessing their fair values. Refer to Note 13 for further details regarding the Group's borrowings.

The following table summarises the book value and fair value of the Group's borrowings as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Fair value of borrowings	6,720	5,739
Book value of borrowings (Note 13)	6,421	5,618

The Group's derivative assets and liabilities are carried at fair value, which is determined using a variety of valuation techniques, depending on the specific characteristics of the hedging instrument, taking into account credit risk. The fair value of its derivative contracts (including forwards, options, cross currency swaps and interest rate swaps) is determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and, therefore, the derivative contracts have been classified as Level 2. Inputs used in these standard valuation models include the applicable spot, forward and discount rates. The standard valuation model for the option contracts also includes implied volatility, which is specific to individual options and is based on rates quoted from a widely used third party resource. Refer to Note 12 for further details about the Group's derivatives.

The following table summarises the fair value of the derivative assets and liabilities as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Assets at fair value:		
Derivatives (Note 12)	15	15
Liabilities at fair value:		
Derivatives (Note 12)	41	71

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. There have been no transfers between levels during the periods presented.

Note 12

Hedging activities

Derivative financial instruments

The Group utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations. The primary risks that it seeks to manage through the use of derivative financial instruments include currency exchange risk, commodity price risk and interest rate risk. All derivative financial instrument assets and liabilities are recorded at fair value on the consolidated statement of financial position. The Group does not use derivative financial instruments for trading or speculative purposes and all hedge ratios are on a 1:1 basis. At the inception of a hedge transaction the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking the hedge transaction. This process includes linking the derivative financial instrument designated as a hedging instrument to the specific asset, liability, firm commitment or forecasted transaction. Further information on the Group's risk management strategy and objective can be found in Note 24. Both at the hedge inception and on an ongoing basis, the Group assesses and documents whether the derivative financial instrument used in the hedging transaction is highly effective in maintaining the risk management objective. Where critical terms match, the Group uses a qualitative assessment to ensure initial and ongoing effectiveness criteria. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

While certain derivative financial instruments are designated as hedging instruments, the Group also enters into derivative financial instruments that are designed to hedge a risk but are not designated as hedging instruments (referred to as an economic hedge or a non-designated hedge). The decision regarding whether or not to designate a hedge for hedge accounting is made by management considering the size, purpose and tenure of the hedge, as well as the anticipated ability to achieve and maintain the Group's risk management objective.

The Group is exposed to counterparty credit risk on all of its derivative financial instruments. It has established and maintained strict counterparty credit guidelines and enters into hedges only with financial institutions that are investment grade or better. It continuously monitors counterparty credit risk and utilises numerous counterparties to minimise its exposure to potential defaults. It does not require collateral under these agreements.

The following table summarises the fair value of the assets and liabilities related to derivative financial instruments and the respective line items in which they were recorded in the consolidated statement of financial position as at the dates presented. All derivative instruments are classified as Level 2 within the fair value hierarchy. Discussion of the Group's other financial assets and liabilities is contained elsewhere in these financial statements. Refer to Note 9 for trade accounts receivable, Note 14 for trade and other payables, Note 13 for borrowings and Note 19 for amounts receivable and payable with related parties.

Hedging instrument	Location – statement of financial position	31 December 2019 € million	31 December 2018 € million
Assets:			
Derivatives designated as hedging instruments:			
Foreign currency contracts	Non-current derivative assets	—	1
Commodity contracts	Non-current derivative assets	3	—
Foreign currency contracts	Current derivative assets	6	9
Commodity contracts	Current derivative assets	4	3
	Total	**13**	**13**
Derivatives not designated as hedging instruments:			
Commodity contracts	Non-current derivative assets	—	1
Commodity contracts	Current derivative assets	2	1
	Total	**2**	**2**
Total assets		**15**	**15**
Liabilities:			
Derivatives designated as hedging instruments:			
Foreign currency contracts	Non-current derivative liabilities	9	49
Commodity contracts	Non-current derivative liabilities	4	1
Foreign currency contracts	Current derivative liabilities	10	1
Commodity contracts	Current derivative liabilities	17	17
	Total	**40**	**68**
Derivatives not designated as hedging instruments:			
Commodity contracts	Non-current derivative liabilities	—	1
Foreign currency contracts	Current derivative liabilities	1	—
Commodity contracts	Current derivative liabilities	—	2
	Total	**1**	**3**
Total liabilities		**41**	**71**

Cash flow hedges

The Group uses cash flow hedges to mitigate its exposure to changes in cash flows attributable to currency fluctuations and commodity price fluctuations associated with certain forecasted transactions, including purchases of raw materials, finished goods and services denominated in non-functional currencies, the receipt of interest and principal on intercompany loans denominated in non-functional currencies and the payment of interest and principal on debt issuances in non-functional currencies. Effective changes in the fair value of these cash flow hedging instruments are recognised as a component of other reserves on the consolidated statement of financial position. The effective changes are then recognised within the line item on the consolidated income statement that is consistent with the nature of the underlying hedged item in the period that the forecasted purchases or payments impact earnings. Any changes in the fair value of these cash flow hedges that are the result of ineffectiveness are recognised immediately in the line item on the consolidated income statement that is consistent with the nature of the underlying hedged item. Historically, the Group has not experienced, nor does it expect to experience material hedge ineffectiveness with the value of the hedged instrument equalling that of the hedged item.

The net notional amount of outstanding currency related cash flow hedges was €1.2 billion as at 31 December 2019 and €1.3 billion as at 31 December 2018. The net notional amount of outstanding commodity related cash flow hedges was €0.5 billion as at 31 December 2019 and €0.2 billion as at 31 December 2018. Outstanding cash flow hedges as at 31 December 2019 are expected to settle and affect profit or loss between 2020 and 2022.

The following table summarises the Group's outstanding cash flow hedges by risk category as at the dates presented (all contracts denominated in a foreign currency have been converted into euros using the respective year end spot rate):

		Notional maturity profile		
	Total	Less than one year	1 to 3 years	3 to 5 years
Cash flow hedges	€ million	€ million	€ million	€ million
Foreign currency	1,214	196	526	492
As at 31 December 2017	**1,214**	**196**	**526**	**492**
Foreign currency	1,255	227	1,028	—
Commodity	237	212	25	—
As at 31 December 2018	**1,492**	**439**	**1,053**	**—**
Foreign currency	1,211	643	568	—
Commodity	459	246	213	—
As at 31 December 2019	**1,670**	**889**	**781**	**—**

The Group recognised within other comprehensive income €10 million net gains, €33 million net gains and €116 million net losses for the years ended 31 December 2019, 31 December 2018 and 31 December 2017 respectively, related to changes in the fair values of outstanding cash flow hedges. The amount of ineffectiveness associated with these cash flow hedges was not material during any year presented within these financial statements.

The following table summarises the net of tax effect for cash flow hedges that settled for the periods presented within the consolidated income statement:

		Amount of (gain) loss reclassified from the hedging reserve into profit		
		31 December 2019	31 December 2018	31 December 2017
Cash flow hedging instruments	Location – income statement	€ million	€ million	€ million
Foreign currency contracts	Cost of sales	—	4	7
Commodity contracts	Cost of sales	(17)	—	—
Foreign currency contracts[(A)]	Non-operating items	18	43	(123)
Total		**1**	**47**	**(116)**

(A) The gain/(loss) recognised on these currency contracts is offset by the gain/(loss) recognised on the remeasurement of the underlying debt instruments; therefore, there is a minimal consolidated net effect in non-operating items on the consolidated income statement.

Non-designated hedges

The Group periodically enters into derivative instruments that are designed to hedge various risks but are not designated as hedging instruments. These hedged risks include those related to commodity price fluctuations associated with forecasted purchases of aluminium, sugar, components of PET (plastic) and vehicle fuel. At times, it also enters into other short-term non-designated hedges to mitigate its exposure to changes in cash flows attributable to currency fluctuations associated with short-term intercompany loans and certain cash equivalents denominated in non-functional currencies. Changes in the fair value of outstanding non-designated hedges are recognised each reporting period in the line item on the consolidated income statement that is consistent with the nature of the hedged risk.

The notional amount of outstanding non-designated commodity hedges was €30 million and €31 million as at 31 December 2019 and 31 December 2018, respectively. Outstanding commodity hedges as at 31 December 2019 are expected to settle and affect profit or loss during 2020.

The notional amount of outstanding non-designated short-term foreign currency contracts associated with intercompany loans and trade payables denominated in non-functional currencies was €11 million and €57 million as at 31 December 2019 and 31 December 2018, respectively. Outstanding non-designated foreign currency hedges as at 31 December 2019 are expected to settle and affect profit or loss during 2020.

The following table summarises the gains (losses) recognised from non-designated derivative financial instruments in the consolidated income statement for the years presented:

Non-designated hedging instruments	Location – income statement	31 December 2019 € million	31 December 2018 € million	31 December 2017 € million
Commodity contracts	Cost of sales	—	1	20
Commodity contracts	Selling and distribution expenses	5	—	(2)
Foreign currency contracts[(A)]	Non-operating items	(2)	(4)	13
Total		**3**	**(3)**	**31**

(A) The gain/(loss) recognised on these currency contracts is offset by the gain/(loss) recognised on the remeasurement of the underlying hedged items; therefore, there is a minimal consolidated net effect in non-operating items on the consolidated income statement.

Net investment hedges

Prior to the Merger, the Group entered into foreign currency forwards, options and foreign currency denominated borrowings designated as net investment hedges of its foreign subsidiaries. Changes in the fair value of these hedges resulting from currency exchange rate changes were recognised as a component of other reserves on the consolidated statement of financial position to offset the change in the carrying value of the net investment being hedged. All outstanding net investment hedges were settled prior to the Merger. Although the Group had no net investment hedges in place as at 31 December 2019 or 31 December 2018, it continues to monitor its exposure to currency exchange rates and may enter into future net investment hedges as a result of volatility in the functional currencies of certain of its subsidiaries.

As a result of US tax law changes, in 2017, the Group recognised a deferred tax benefit of €27 million in other reserves related to the deferred gain on net investment hedges.

Note 13

Borrowings and leases

Borrowings

Borrowings are initially recognised at fair value, net of issuance costs incurred. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortisation of transaction costs, premiums and discounts is recognised as part of finance costs within the consolidated income statement.

Borrowings outstanding

The following table summarises the carrying value of the Group's borrowings as at the dates presented:

	31 December 2019 € million	31 December 2018 € million
Non-current:		
US$525 million 3.50% Notes 2020	—	456
US$250 million 3.25% Notes 2021	221	216
US$300 million 4.50% Notes 2021	266	261
€350 million Floating Rate Note 2021(A)	350	350
€700 million 0.75% Notes 2022	698	697
€350 million 2.63% Notes 2023	348	348
€500 million 1.13% Notes 2024	496	495
€350 million 2.38% Notes 2025	347	346
€250 million 2.75% Notes 2026	248	248
€500 million 1.75% Notes 2028	493	493
€400 million 1.50% Notes 2027	396	395
€500 million 1.88% Notes 2030	495	495
€500 million 1.13% Notes 2029	493	—
€500 million 0.70% Notes 2031	495	—
Term loan 2019-2021(B)	—	274
Lease obligations(C)	276	53
Total non-current borrowings	**5,622**	**5,127**
Current:		
US$525 million 3.50% Notes 2020	467	—
€350 million 2.00% Notes 2019	—	349
EUR commercial paper	221	120
Lease obligations(C)	111	22
Total current borrowings	**799**	**491**

(A) Floating rate calculated as 3 months Euribor plus 18 basis points with a minimum 0%.
(B) Between May and August 2019, there were a number of early repayments on the term loan prior to maturity. The term loan was fully repaid in August 2019.
(C) As at 31 December 2019, amounts represent the present value of the majority of the Group's lease obligations, including the effects of adopting IFRS 16. Refer to Note 2 for further details. As at 31 December 2018, amounts only include the Group's finance lease obligations.

Borrowings are stated net of unamortised financing fees of €23 million and €24 million, as at 31 December 2019 and 31 December 2018, respectively.

Credit facilities

The Group has amounts available for borrowing under a €1.5 billion multi currency credit facility with a syndicate of ten banks. This credit facility matures in 2024 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 2019, the Group had no amounts drawn under this credit facility.

Cash flows from financing activities

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities:

	Current portion of borrowings	Borrowings, less current portion	Total
	€ million	€ million	€ million
As at 31 December 2017	274	5,474	5,748
Changes from financing cash flows			
Proceeds from third party borrowings, net	—	398	398
Changes in short-term borrowings	(131)	—	(131)
Repayments on third party borrowings	—	(426)	(426)
Payment of principal on lease obligations(A)	(18)	—	(18)
Capitalised discount/premium	—	(2)	(2)
Other financing activities	—	(8)	(8)
Other non-cash changes			
Amortisation of discount, premium and issue costs	—	8	8
Lease additions	1	5	6
Currency translation	1	42	43
Reclassifications	364	(364)	—
Total changes	217	(347)	(130)
As at 31 December 2018	**491**	**5,127**	**5,618**
Changes from financing cash flows			
Proceeds from third party borrowings, net	—	987	987
Changes in short-term borrowings	101	—	101
Repayments on third party borrowings	(350)	(275)	(625)
Payment of principal and interest on lease obligations(A)	(132)	—	(132)
Other non-cash changes			
Amortisation of discount, premium and issue costs	1	9	10
Lease additions	20	102	122
Lease operating liability recognised as at 1 January 2019(B)	92	230	322
Currency translation	9	9	18
Reclassifications	567	(567)	—
Total changes	308	495	803
As at 31 December 2019	**799**	**5,622**	**6,421**

(A) As a result of the adoption of IFRS 16 on 1 January 2019, the majority of the Group's lease obligations are now presented on the balance sheet as right of use (ROU) assets in property, plant and equipment. Cash outflows relating to operating leases had previously been presented in net cash flows from operating activities and, from 1 January 2019, these equivalent cash flows are now included as cash flows from financing activities. During the year ended 31 December 2019, total cash outflows from lease payments are payments of principal on lease obligations for €128 million and payments of interest charged on lease obligation for €4 million. In 2018, while our operating lease cash flows were presented as operating cash flows, our finance lease cash flows were included within financing activities.
(B) Adjustment for the adoption of IFRS 16, "Leases" on 1 January 2019, as described in Note 2.

Cash flows from financing activities includes €36 million, €34 million and €36 million of cash received related to income on a cross currency swap for 2019, 2018 and 2017, respectively.

Note 14

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are non-interest bearing and are normally settled between 30 to 60 days.

The Group participates in various programmes and arrangements with customers designed to increase the sale of our products. The costs of these programmes are recorded as deductions from revenue. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. When these allowances are paid in arrears, the Group accrues the estimated amount to be paid based upon historical customer experience, the programme's contractual terms, expected customer performance and/or estimated sales volume. The costs of these off-invoice customer marketing costs totalled €3.2 billion, €3.0 billion and €2.9 billion for 2019, 2018 and 2017, respectively.

The following table summarises trade and other payables as at the dates presented:

	31 December 2019 € million	31 December 2018 € million
Trade accounts payable	1,138	1,105
Accrued customer marketing costs	701	753
Accrued deposits	274	282
Accrued compensation and benefits	234	269
Accrued taxes	251	273
Other accrued expenses	187	146
Total trade and other payables	**2,785**	**2,828**

Note 15

Post-employment benefits

The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. All remeasurements of the defined benefit obligation, such as actuarial gains and losses and return on plan assets, are recognised directly in other comprehensive income. Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and are not reclassified to profit or loss. Service costs are presented within cost of sales, selling and distribution expenses and administrative expenses in the consolidated income statement. Past service costs are recognised immediately within cost of sales, selling and distribution expenses and administrative expenses in the consolidated income statement. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Net interest cost is presented within finance costs or finance income, as applicable, in the consolidated income statement. The defined benefit obligation recognised in the consolidated statement of financial position represents the present value of the estimated future cash outflows, using interest rates of high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

For termination benefits the Group recognises termination benefits at the earlier of the following dates: (1) when the Group can no longer withdraw the offer of those benefits and (2) when the Group recognises costs for a restructuring that is within the scope of IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for those benefits.

The following table summarises our non-current employee benefit liabilities as at the dates presented:

	31 December 2019 € million	31 December 2018 € million
Retirement benefit obligation	178	89
Other employee benefit liabilities	43	53
Total non-current employee benefit liabilities	**221**	**142**

Defined benefit plans

The Group sponsors a number of defined benefit pension plans in Belgium, France, Germany, Great Britain, Luxembourg and Norway, of which the Great Britain plan (GB Scheme) and Germany plans (Pension Plan 1 and Pension Plan 2) are the most significant.

The GB Scheme's defined benefit obligation includes benefits for current employees, former employees and current pensioners. The level of benefits provided (funded final salary pension) depends on the member's length of service and salary at retirement age. Part of the pension may be exchanged for a tax free cash lump sum. The GB Scheme was closed to new members with effect from 1 October 2005 and is administered by a separate board of trustees, which is legally separate from the Group. The board of trustees is composed of representatives of both the employer and employees. The board of trustees is required by law to act in the interest of all relevant beneficiaries and is responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

A full actuarial valuation of the GB Scheme occurs on a triennial basis by a qualified external actuary, which is used as the basis of determining the Group's future contributions to the plan. The latest triennial valuation was carried out as at 5 April 2019 and has been updated to 31 December 2019 to reflect our defined benefit obligation, for known events and changes in market conditions as allowed under IAS 19 "Employee Benefits". Following the 2019 triennial actuarial results and in light of the funding status of the plan, it has been agreed between the Group and the trustees of the GB Scheme that the annual additional £13 million funding requirement, which had previously been determined as an outcome of the 2016 triennial valuation, will be discontinued.

Germany's defined benefit pension plans are open to existing members but closed to new entrants. The defined benefit includes benefits for current employees, former employees and current pensioners. Pension Plan 1 has elements of a final salary pension for past service and a career average formula for new accruals. It is funded through a support fund administered by an insurance company. Pension Plan 2 is administered by the Group with the plan being covered by a Contractual Trust Arrangement (CTA) and a single reinsurance contract. The Group is responsible for paying obligations. There is no external board of trustees. The insurer shares some responsibility for plan assets, investment policy and administration. The latest annual valuation for Plan 1 was 31 December 2018 updated to the balance sheet date of these consolidated financial statements and for Plan 2 it was 31 December 2019.

Risks

The Group's defined benefit pension schemes expose the Group to a number of risks, including:

- Asset volatility - the plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, a deficit would occur. Some of our plans hold a significant proportion of growth assets (equities and property) which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given each scheme's long-term objectives.
- Changes in bond yields - a decrease in corporate bond yields will increase the defined benefit liability, although this will be partially offset by an increase in the value of the plan's bond holdings.
- Inflation risk - a significant proportion of our benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
- Life expectancy - the majority of our plans have an obligation to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the defined benefit liabilities.

Benefit costs

The following table summarises the expense related to pension plans recognised in the consolidated income statement for the years presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Service cost	46	52	53
Past service cost	3	—	(3)
Net interest cost	1	1	3
Administrative expenses	2	2	2
Total cost	**52**	**55**	**55**

Other comprehensive income
The following table summarises the changes in other comprehensive income related to our pension plans for the years presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Actuarial (gain)/loss on defined benefit obligation arising during the period	282	(120)	30
Return on plan assets (greater)/less than discount rate	(203)	118	(121)
Net charge to other comprehensive income	**79**	**(2)**	**(91)**

Benefit obligation and fair value of plan assets
The following table summarises the changes in the pension plan benefit obligation and the fair value of plan assets for the periods presented:

	31 December 2019	31 December 2018
	€ million	€ million
Reconciliation of benefit obligation:		
Benefit obligation at beginning of plan year	1,872	1,969
Service cost	46	52
Past service cost	3	—
Interest costs on defined benefit obligation	44	42
Plan participants contribution	26	47
Actuarial loss/(gain) - experience	(13)	(5)
Actuarial loss/(gain) - demographic assumptions	11	(35)
Actuarial loss/(gain) - financial assumptions	284	(80)
Benefit payments	(111)	(110)
Administrative expenses	2	2
Currency translation adjustments	72	(10)
Benefit obligation at end of plan year	**2,236**	**1,872**
Reconciliation of fair value of plan assets:		
Fair value of plan assets at beginning of plan year	1,804	1,898
Interest income on plan assets	43	41
Return on plan assets greater/(less) than discount rate	203	(118)
Plan participants contributions	26	47
Employer contributions	61	56
Benefit payments	(111)	(110)
Currency translation adjustment	70	(10)
Fair value of plan assets at end of plan year	**2,096**	**1,804**

Timing of benefit payments
The weighted average duration of the defined benefit plan obligation as at 31 December 2019 is 22 years, out of which the GB Scheme represents 23 years and Germany plans represent 16 years.

Retirement benefit status
The following table summarises the retirement benefit status of pension plans as at the dates presented:

	31 December 2019	31 December 2018
	€ million	€ million
Net benefit status:		
Present value of obligation	(2,236)	(1,872)
Fair value of assets	2,096	1,804
Net benefit status:	**(140)**	**(68)**
Retirement benefit surplus	38	21
Retirement benefit obligation	(178)	(89)

The GB Scheme and Germany plans represented approximately 74.0% and 15.3% of the present value of the obligation and 75.2% and 16.8% of the fair value of assets as at 31 December 2019, respectively.

The surplus for 2019 and 2018, which is primarily related to Germany Pension Plan 2, is recognised on the balance sheet on the basis that the Group is entitled to a refund of any remaining assets once all members have left the plan. Refer to Note 23.

Actuarial assumptions

The following tables summarise the weighted average actuarial assumptions used to determine the benefit obligations of pension plans as at the dates presented:

	31 December 2019	31 December 2018
Financial assumptions	%	%
Discount rate	1.7	2.5
Rate of compensation increase	2.9	3.1
Rate of price inflation	2.7	2.9

Demographic assumptions (weighted average)(A)	31 December 2019	31 December 2018
Retiring at the end of the reporting period		
Male	21.2	21.3
Female	23.8	23.9
Retiring 15 years after the end of the reporting period		
Male	22.2	22.3
Female	24.9	25.0

(A) These assumptions translate into an average life expectancy in years, post-retirement, for an employee retiring at age 65.

The following table summarises the sensitivity of the defined benefit obligation to changes in the weighted average principal assumptions for the periods presented:

		Impact on defined benefit obligation (%)			
		Increase in assumption		Decrease in assumption	
Principal assumptions	Change in assumption	2019	2018	2019	2018
Discount rate	0.5%	(9.3)	(8.6)	10.6	9.8
Rate of compensation increase	0.5%	2.4	2.4	(2.2)	(2.2)
Rate of price inflation	0.5%	7.6	8.1	(8.5)	(6.6)
Mortality rates	1 year	3.4	2.9	(3.5)	(3.0)

The sensitivity analyses have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Pension plan assets

There are formal investment policies for the assets associated with our pension plans. Policy objectives include (1) maximising long-term return at acceptable risk levels; (2) diversifying among asset classes, if appropriate, and among investment managers; and (3) establishing relevant risk parameters within each asset class. Investment policies reflect the unique circumstances of the respective plans and include requirements designed to mitigate risk, including quality and diversification standards. Asset allocation targets are based on periodic asset liability and/or risk budgeting study results, which help determine the appropriate investment strategies for acceptable risk levels. The investment policies permit variances from the targets within certain parameters.

The following tables summarise pension plan assets measured at fair value as at the dates presented:

	Total 31 December 2019	Investments quoted in active markets	Unquoted investments
	€ million	€ million	€ million
Equity securities(A):	1,024	1,024	—
Fixed-income securities(B):			
Corporate bonds and notes	75	48	27
Government bonds	445	445	—
Cash and other short-term investments(C)	20	20	—
Other investments:			
Real estate funds(D)	329	34	295
Insurance contracts(E)	203	—	203
Total	**2,096**	**1,571**	**525**

	Total 31 December 2018	Investments quoted in active markets	Unquoted investments
	€ million	€ million	€ million
Equity securities:(A)	827	827	—
Fixed-income securities:(B)			
Corporate bonds and notes	67	43	24
Government bonds	384	384	—
Cash and other short-term investments(C)	7	7	—
Other investments:			
Real estate funds(D)	293	27	266
Insurance contracts(E)	226	—	226
Total	**1,804**	**1,288**	**516**

(A) Equity securities are comprised of the following investment types: (1) ordinary shares; (2) preference shares; and (3) common trust funds and collective funds. Investments in ordinary and preference shares are valued using quoted market prices multiplied by the number of shares owned. Investments in common trust funds and collective funds are valued at the net asset value per share, which is calculated based on the underlying quoted investments market price, multiplied by the number of shares held as of the measurement date.
(B) Investments other than those held in common trust funds and collective funds are valued using a market approach. The value of such assets is primarily sourced from broker quotes in active markets. Bonds are held mainly in the currency of the geography of the plan.
(C) Cash and other short-term investments are valued at €1.00/unit, which approximates fair value. Amounts are generally invested in cash, actively managed common trust funds or interest bearing accounts.
(D) Real estate funds, mainly related to the GB Scheme, are valued at the net asset value per share. For quoted funds, the calculation is based on the underlying quoted investments market price, multiplied by the number of shares held as of the measurement date. For unquoted funds, this is calculated using the most recent partnership financial reports, adjusted, as appropriate, for any lag between the date of the financial reports and the measurement date (as of 31 December 2019, it is not probable that these investments will be sold at an amount other than net asset value).
(E) Insurance contracts exactly match the amount and timing of certain benefits, therefore the fair value of these insurance policies is deemed to be the present value of the related obligations. The significant majority of these are reinsurance contracts relating to benefit arrangements in Germany.

Contributions

To support a long-term funding arrangement, during 2019 the Group entered into a partnership agreement with the GB Scheme, the CCEP Scottish Limited Partnership (the Partnership). Certain property assets in Great Britain, with a market value of £171 million were transferred into the Partnership and subsequently leased back to the Group's operating subsidiary in Great Britain. The GB Scheme receives semi-annual distributions from the Partnership, increasing each year at a fixed cumulative rate of 3% through 2034. The Group exercises control over the Partnership and as such it is fully consolidated in these consolidated financial statements. Under IAS 19, the investment held by the GB Scheme in the Partnership does not represent a plan asset for the purposes of these consolidated financial statements. Similarly, the associated liability is not included in the consolidated statement of financial position, rather the distributions are recognised when paid as a contribution to the plan assets of the scheme.

Contributions to pension plans totalled €61 million, €56 million and €58 million during the years ended 31 December 2019, 31 December 2018 and 31 December 2017, respectively. Included within the 2019 contribution is €5 million relating to the Partnership agreement. The Group expects to make contributions of €53 million for the full year ending 31 December 2020.

Other employee benefit liabilities

In certain territories, the Group has an early retirement programme designed to create an incentive for employees, within a certain age group, to transition from (full or part time) employment into retirement before their legal retirement age. Furthermore, the Group also sponsors deferred compensation plans in other territories. The current portion of these liabilities totalled €17 million and €19 million as at 31 December 2019 and 31 December 2018, respectively, and is included within the current portion of employee benefit liabilities. The non-current portion of these liabilities totalled €43 million and €53 million as at 31 December 2019 and 31 December 2018, respectively, and is included within employee benefit liabilities.

Defined contribution plans

The Group sponsors qualified defined contribution plans covering substantially all of our employees in Iceland, the Netherlands, Norway, Spain and certain employees in Great Britain. Contributions payable for the period are charged to the consolidated income statement as an operating expense for defined contribution plans. Contributions to these plans totalled €26 million, €27 million and €25 million during the year ended 31 December 2019, 31 December 2018 and 31 December 2017, respectively.

Note 16

Equity

Share capital

As at 31 December 2019, the Company has issued and fully paid 456,399,877 Shares. Shares in issue have one voting right each and no restrictions related to dividends or return of capital.

	Number of Shares	Share capital
	millions	€ million
As at 1 January 2017	**483**	**5**
Issuances of Shares	2	—
As at 31 December 2017	**485**	**5**
Issuance of Shares	3	—
Cancellation of Shares	(13)	—
As at 31 December 2018	**475**	**5**
Issuance of Shares	2	—
Cancellation of Shares	(21)	—
As at 31 December 2019	**456**	**5**

The share capital increased in 2019, 2018 and 2017 from the issue of 2,092,404, 2,763,238 and 1,510,032 Shares, respectively, following the exercise of share-based payment awards.

In connection with the share buyback programme that commenced in 2018, 20,612,593 and 12,429,600 Shares were cancelled in 2019 and 2018, respectively.

Share premium

The share premium account increased by cash received for the exercise of options by €26 million for 2019, €25 million for 2018 and €13 million for 2017.

Merger reserves

The consideration transferred to acquire CCIP and CCEG qualified for merger relief under the Companies Act. As such, the excess consideration transferred over nominal value was required to be excluded from the share premium account and recorded to merger reserves.

Share buyback programme

On 12 September 2018, the Company announced a share buyback programme of up to €1.5 billion. The maximum number of Shares authorised for repurchase at the Company's 2018 Annual General Meeting was 48,507,819. The Company entered into agreements to purchase its own Shares as part of this share buyback programme.

For the year ended 31 December 2019, 20,612,593 Shares were repurchased by the Company and cancelled. The total cost of the repurchased Shares of €1,005 million, including €5 million of directly attributable tax costs, was deducted from retained earnings. As a result of the cancellation, €0.2 million was transferred from share capital to a capital redemption reserve (disclosed within other reserves), representing the nominal value of the Shares cancelled.

Other reserves

The following table summarises the balances in other reserves (net of tax) as at the dates presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Cash flow hedge reserve	(17)	(26)	(12)
Net investment hedge reserve	197	197	197
Foreign currency translation adjustment reserve	(629)	(723)	(688)
Total other reserves	**(449)**	**(552)**	**(503)**

Movements, including the tax effects, in these accounts through 31 December 2019 are included in the consolidated statement of comprehensive income.

Dividends

Dividends are recorded within the Group's consolidated financial statements in the period in which they are paid.

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
First half 2019 dividend: €0.62 per Share(A)	290	252	286
Second half 2019 dividend: €0.62 per Share(B)	284	261	203
Total dividend on ordinary shares paid	**574**	**513**	**489**

(A) Dividends of €0.26 and €0.17 per Share were declared in the first quarter of 2018 and 2017, respectively. Dividends of €0.26 and €0.21 per Share were declared in the second quarter of 2018 and 2017, respectively. The dividend within the second quarter of 2017 was made up of two payments.
(B) Dividends of €0.26 and €0.21 per Share were declared in the third quarter of 2018 and 2017, respectively. Dividends of €0.28 and €0.21 per Share were declared in the fourth quarter of 2018 and 2017, respectively.

In 2019, there was no additional accrual in relation to dividends for restricted stock units and performance share units. Additionally, €2 million was accrued in both 2018 and 2017.

Note 17

Total operating costs

The following table summarises the significant cost items by nature within operating costs for the years presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Cost of inventory recognised as an expense	5,147	4,901	5,021
Write down of inventories (Note 8)	25	23	25
Employee costs(A)	1,771	1,768	1,719
Distribution costs	664	637	595
Depreciation of property, plant and equipment, excluding restructuring	549	446	426
Amortisation of intangible assets (Note 6)	52	51	47
Out of period mark-to-market effects on undesignated derivatives	(2)	8	(6)
Merger related costs	—	—	4
Restructuring charges, including accelerated depreciation(B)	130	274	235

	31 December 2019	31 December 2018	31 December 2017
(A) Employee costs	€ million	€ million	€ million
Wages and salaries	1,370	1,360	1,317
Social security costs	289	290	290
Pension and other employee benefits	112	118	112
Total employee costs	**1,771**	**1,768**	**1,719**

Directors' remuneration information is disclosed in the Directors' Remuneration Report.

The average number of persons employed by the Group (including Directors) for the periods presented were as follows:

	2019	2018	2017
	No. in thousands	No. in thousands	No. in thousands
Commercial	7.6	7.7	7.7
Supply chain	13.1	13.1	13.5
Support functions	2.6	2.7	2.3
Total average staff employed	**23.3**	**23.5**	**23.5**

	31 December 2019	31 December 2018	31 December 2017
(B) Restructuring	€ million	€ million	€ million
Increase in provision for restructuring programmes (Note 22)	80	236	186
Amount of provision unused (Note 22)	(15)	(23)	(22)
Accelerated depreciation and non-cash costs	39	22	33
Other cash costs(A)	26	39	38
Total restructuring costs	**130**	**274**	**235**

(A) Other cash costs primarily relate to professional fees, which include consultancy costs, legal fees and other costs associated with restructuring.

Restructuring costs charged in arriving at operating profit for the years presented include restructuring costs arising under the following programmes and initiatives:

Transformation of cold drink operations

During 2019, the Group commenced a transformation project relating to our cold drink operations aimed at delivering a modern, differentiated and versatile equipment fleet to optimise net cooler placements throughout our markets. As part of this strategy, capital expenditure on cold drink equipment will focus on the introduction of a new, more cost effective cooler, whilst reducing maintenance and refurbishment support spending on our older equipment. As a result of the operational impact of the strategic changes, a restructuring charge was recognised in the period of €53 million, primarily relating to the write down and accelerated depreciation of aged cold drink equipment assets.

Supply chain site closure in Iberia

In 2016, as required by a Supreme Court ruling, CCIP created a new logistics centre (COIL) in Fuenlabrada, Spain and re-employed many of the workers who had been subject to a 2014 collective dismissal process at the same location. Following subsequent discussions with employee representatives, in November 2018 a COIL shutdown agreement was signed which effected the closure of the facility. For the year ended 31 December 2018, the Group recorded a related restructuring expense of €112 million, primarily related to severance costs. No further expenses were recognised in 2019.

Supply chain site closure in GB

In January 2018, as part of productivity initiatives in Great Britain, the Group announced proposals to close its manufacturing site in Milton Keynes and distribution centre in Northampton. The closures occurred during 2019. During the years ended 31 December 2019 and 31 December 2018, the Group recorded total expense of €20 million, primarily related to severance costs and accelerated depreciation, partially offset by gain on sale of the manufacturing site in Milton Keynes. As at 31 December 2019 the programme is substantially complete.

Commercial restructuring initiatives

In 2018, commercial restructuring initiatives were announced in Germany relating to the full service vending business and in, 2019, commercial and supply chain restructuring initiatives relating to operational productivity. During the year ended 31 December 2019, the Group recorded expenses of €24 million in Germany for these initiatives, primarily related to severance costs. Total costs of these programmes are expected to be €40 million and these programmes will be substantially completed by 31 December 2020.

CCEP integration and synergy programme

In 2016, the Group announced several restructuring proposals to facilitate and enable the integration of CCE, CCIP and CCEG following the Merger. Restructuring activities included those related to supply chain improvements such as network optimisation, productivity initiatives, continued facility rationalisation in Germany and end to end supply chain organisational design. Restructuring plans also included transferring Germany transactional related activities to the Group's shared service centres in Bulgaria and other central function initiatives. The Group also initiated the relocation of Atlanta based headquarters roles to Europe. In 2017, the Group announced additional restructuring proposals, including the optimisation of manufacturing, warehouse and labour productivity, cold drink operational practices and facilities, further facility rationalisation in Germany and supply chain organisational design improvements such as route to market. These proposals also included the transfer of additional activities to the Group's shared service centres in Bulgaria and other central function initiatives. The programme was completed during 2019.

Auditor's remuneration

Audit and other fees charged in the income statement concerning the statutory auditor of the consolidated financial statements, Ernst & Young LLP, were as follows:

	31 December 2019	31 December 2018	31 December 2017
	€ thousand	€ thousand	€ thousand
Audit of Parent Company and consolidated financial statements(A)	2,737	2,401	2,383
Audit of the Company's subsidiaries	3,430	3,719	4,167
Total audit	**6,167**	**6,120**	**6,550**
Audit-related assurance services(B)	1,106	976	1,187
Other assurance services	236	101	115
Total audit and audit-related assurance services	**7,509**	**7,197**	**7,852**
All other services(C)	123	1,180	90
Total non-audit or non-audit-related assurance services	**123**	**1,180**	**90**
Total audit and all other fees	**7,632**	**8,377**	**7,942**

(A) Fees in respect of the audit of the accounts of the Company, including the Group's consolidated financial statements.
(B) Includes professional fees for interim reviews, reporting on internal financial controls, services related to the transaction entered into with CCE, TCCC, CCIP and CCEG, issuance of comfort letters for debt issuances, regulatory inspections, certain accounting consultations and other attest engagements.
(C) Represents fees for all other allowable services.

Note 18

Finance costs

Finance costs are recognised in the consolidated income statement in the period in which they are incurred, with the exception of general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised within the consolidated income statement in the period in which they are incurred based upon the effective interest rate method. Interest income is recognised using the effective interest rate method.

The following table summarises net finance costs for the years presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Interest income(A)	49	47	48
Interest expense on external debt(A)	(137)	(134)	(141)
Other finance costs(B)	(8)	(6)	(7)
Total finance costs, net	**(96)**	**(93)**	**(100)**

(A) Includes interest income and expense amounts, as applicable, on cross currency swaps used to hedge USD debt. Interest swap income amounts to €36 million, €34 million and €36 million for 2019, 2018 and 2017, respectively. Refer to Note 12 for further details.
(B) Other finance costs principally include amortisation of the discount on external debt.

Note 19

Related party transactions

For the purpose of these consolidated financial statements, transactions with related parties mainly comprise transactions between subsidiaries of the Group and the related parties of the Group.

Transactions with TCCC

TCCC exerts significant influence over the Group, as defined by IAS 24, "Related Party Disclosures". As at 31 December 2019, 19.3% of the total outstanding Shares in the Group were owned by European Refreshments, a wholly owned subsidiary of TCCC. The Group is a key bottler of TCCC products and has entered into bottling agreements with TCCC to make, sell and distribute products of TCCC within the Group's territories. The Group purchases concentrate from TCCC and also receives marketing funding to help promote the sale of TCCC products. Bottling agreements with TCCC for each of the Group's territories extend through to 28 May 2026, with terms of 10 years, with each containing the right for the Group to request a 10 year renewal. Additionally, two of the Group's 17 Directors are nominated by TCCC.

The Group and TCCC engage in a variety of marketing programmes to promote the sale of TCCC products in territories in which the Group operates. The Group and TCCC operate under an incidence based concentrate pricing model and funding programme, the terms of which are tied to the terms of our bottling agreements.

TCCC makes discretionary marketing contributions under shared marketing agreements to CCEP's operating subsidiaries. Amounts to be paid to the Group by TCCC under the programmes are generally determined annually and are periodically reassessed as the programmes progress. Under the bottling agreements, TCCC is under no obligation to participate in the programmes or continue past levels of funding in the future. The amounts paid and terms of similar programmes with other franchises may differ.

Marketing support funding programmes granted to the Group provide financial support principally based on product sales or on the completion of stated requirements and are intended to offset a portion of the costs of the programmes.

Payments from TCCC for marketing programmes to promote the sale of products are classified as a reduction in cost of sales, unless the presumption that the payment is a reduction in the price of the franchisors' products can be overcome. Payments for marketing programmes are recognised as product is sold.

The following table summarises the transactions with TCCC that directly impacted the consolidated income statement for the years presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Amounts affecting revenue(A)	66	59	61
Amounts affecting cost of sales(B)	(2,962)	(2,860)	(2,829)
Amounts affecting operating expenses(C)	(22)	(18)	(1)
Total net amount affecting the consolidated income statement	**(2,918)**	**(2,819)**	**(2,769)**

(A) Amounts principally relate to fountain syrup and packaged product sales.
(B) Amounts principally relate to the purchase of concentrate, syrup, mineral water and juice, as well as funding for marketing programmes.
(C) Amounts principally relate to certain costs associated with new product development initiatives.

The following table summarises the transactions with TCCC that impacted the consolidated statement of financial position for the periods presented:

	31 December 2019	31 December 2018
	€ million	€ million
Amounts due from TCCC	103	101
Amounts payable to TCCC	233	166

Terms and conditions of transactions with TCCC

Outstanding balances on transactions with TCCC are unsecured, interest free and generally settled in cash. There have been no guarantees provided or received for any TCCC receivables or payables. Receivables from TCCC are considered to be recoverable and no expense was incurred as a result of outstanding receivables due from TCCC for the years ended 31 December 2019, 31 December 2018 and 31 December 2017.

Transactions with Cobega companies

Cobega, S.A. (Cobega) exhibits significant influence over the Group, as defined by IAS 24, "Related Party Disclosures". As a result of the consummation of the Merger, Cobega, who previously owned 56% of CCIP, indirectly owned 20.4% of the total outstanding Shares in the Group as at 31 December 2019 through its ownership interest in Olive Partners, S.A.. Additionally, five of the Group's 17 Directors, including the Chairman, are nominated by Olive Partners, three of whom are affiliated with Cobega.

The principal transactions with Cobega are for the purchase of packaging materials, juice concentrate and maintenance services for vending machines. The following table summarises the transactions with Cobega that directly impacted the consolidated income statement for the years presented:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Amounts affecting revenue[(A)]	1	3	3
Amounts affecting cost of sales[(B)]	(68)	(85)	(80)
Amounts affecting operating expenses[(C)]	(10)	(14)	(16)
Total net amount affecting the consolidated income statement	**(77)**	**(96)**	**(93)**

(A) Amounts principally relate to packaged product sales.
(B) Amounts principally relate to the purchase of packaging materials and concentrate.
(C) Amounts principally relate to certain costs associated with maintenance and repair services.

The following table summarises the transactions with Cobega that impacted the consolidated statement of financial position for the periods presented:

	31 December 2019	31 December 2018
	€ million	€ million
Amounts due from Cobega	3	6
Amounts payable to Cobega	16	25

There are no significant transactions with other related parties in the periods presented.

Transactions with key management personnel

Key management personnel are the members of the Board of Directors and the members of the Executive Leadership Team. The following table summarises the total remuneration paid or accrued during the reporting period related to key management personnel:

	31 December 2019	31 December 2018	31 December 2017
	€ million	€ million	€ million
Salaries and other short-term employee benefits[(A)]	35	23	18
Post-employment benefits	1	1	1
Share-based payments	9	9	8
Total	**45**	**33**	**27**

(A) Short-term employee benefits include wages, salaries and social security contributions, paid annual leave and paid sick leave, paid bonuses and non-monetary benefits (such as medical care and cars).

The Group did not have any loans with key management personnel and was not party to any other transactions with key management personnel during the periods presented.

Note 20

Income taxes

Current income tax

Current income tax for the period includes amounts expected to be payable on taxable income in the period together with any adjustments to taxes payable in respect of previous periods, and is determined based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is determined by identifying the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax for the period includes origination and reversal of temporary differences, remeasurements of deferred tax balances and adjustments in respect of prior periods.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income tax is recognised in the consolidated income statement. Income tax is recognised in other comprehensive income or directly in equity to the extent that it relates to items recognised in other comprehensive income or in equity.

2019, 2018 and 2017 results

The following table summarises the major components of income tax expense for the periods presented:

	31 December 2019 € million	31 December 2018 € million	31 December 2017 € million
Current income tax:			
Current income tax charge	330	315	294
Adjustment in respect of current income tax from prior periods	(20)	4	—
Total current tax	**310**	**319**	**294**
Deferred tax:			
Relating to the origination and reversal of temporary differences	45	21	196
Adjustment in respect of deferred income tax from prior periods	6	(6)	(3)
Relating to changes in tax rates or the imposition of new taxes	3	(38)	(16)
Total deferred tax	**54**	**(23)**	**177**
Income tax charge per the consolidated income statement	**364**	**296**	**471**

The following table summarises the taxes on items recognised in other comprehensive income (OCI) and directly within equity for the periods presented:

	31 December 2019 € million	31 December 2018 € million	31 December 2017 € million
Taxes charged (credited) to OCI:			
Deferred tax on net gain/loss on revaluation of cash flow hedges	2	(3)	—
Deferred tax on net gain/loss on net investment hedges	—	(41)	(27)
Current tax on net gain/loss on net investment hedges	—	41	—
Deferred tax on net gain/loss on pension plan remeasurements	(12)	—	18
Total taxes charged (credited) to OCI	**(10)**	**(3)**	**(9)**
Taxes charged (credited) to equity:			
Deferred tax charge (credit): share-based compensation	(2)	12	(12)
Current tax charge (credit): share-based compensation	(4)	(5)	(2)
Total taxes charged (credited) to equity	**(6)**	**7**	**(14)**

The effective tax rate was 25.0%, 24.6% and 40.6% for the years ended 31 December 2019, 31 December 2018 and 31 December 2017, respectively. The parent company of the Group is a UK company. Accordingly, the following tables provide reconciliations of the Group's income tax expense at the UK statutory tax rate to the actual income tax expense for the periods presented:

	31 December 2019 € million	31 December 2018 € million	31 December 2017 € million
Accounting profit before tax from continuing operations	1,452	1,205	1,159
Tax expense at the UK statutory rate	276	229	223
Taxation of foreign operations, net(A)	89	81	86
Non-deductible expense items for tax purposes	4	30	7
Rate and law change benefit, net(B)(C)(D)(E)(F)	3	(38)	(16)
Deferred taxes not recognised	6	(4)	174
Adjustment in respect of prior periods	(14)	(2)	(3)
Total provision for income taxes	**364**	**296**	**471**

(A) This reflects the impact, net of income tax contingencies, of having operations outside the UK, which are taxed at rates other than the statutory UK rate of 19% (2018: 19%, 2017: 19.25%), with the benefit of some income being fully or partially exempt from income taxes due to various operating and financing activities.
(B) In 2019, France enacted two law changes that decelerated the trajectory of the rate reduction from 33.33% to 25% effective for tax years beginning on or after 1 January 2019. The Group recognised a net deferred tax expense of €1 million to reflect the impact of these changes. In 2017, the Group had previously recognised a deferred tax benefit of €11 million to reflect the incremental rate reduction ultimately reaching 25% effective 1 January 2022.
(C) In 2018, the Netherlands enacted a staggered reduction in the tax rate from 25% in 2018 to 20.5% in 2021 and deferred tax balances were adjusted accordingly. The Group recognised a deferred tax benefit of €9 million to reflect the impact of the rate reduction. In 2019, the ultimate level to which the rate will reduce was increased to 21.7%. The Group has recognised a deferred tax expense of €2 million to reflect the impact of this amendment.
(D) In 2018, the Basque territory enacted a law change which reduced the rate of tax from 28% in prior years, to 26% in 2018 and 24% from 2019. Additionally, the rules relating to the use of tax credits changed. The Group recognised a deferred tax benefit of €23 million to reflect the impact of this change.
(E) In 2017, Belgium enacted an incremental corporate income tax rate reduction from 34%, ultimately reaching 25%, effective 1 January 2020. As a result, the Group recognised a deferred tax benefit of €20 million to reflect the impact of this change.
(F) In 2018, Sweden enacted an incremental corporate income tax rate reduction from 22%, ultimately reaching 20.6%, effective 1 January 2021. As a result, the Group recognised a deferred tax benefit of €5 million to reflect the impact of this change.

Deferred income taxes

The following table summarises the movements in the carrying amounts of deferred tax liabilities and assets by significant component during the period presented:

	Franchise and other intangible assets	Property, plant and equipment	Financial assets and liabilities	Tax losses	Employee and retiree benefit accruals	Tax credits	Other, net	Total, net
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
As at 31 December 2017	**1,997**	**237**	**31**	**(14)**	**(83)**	**(28)**	**41**	**2,181**
Amount charged/(credited) to income statement (excluding effect of tax rate changes)	(3)	(23)	28	10	(9)	11	1	15
Effect of tax rate changes on income statement	(40)	(1)	—	—	—	4	(1)	(38)
Amounts charged/(credited) directly to OCI (excluding effect of tax rate changes)	—	—	(44)	—	—	—	—	(44)
Amount charged/(credited) to equity (excluding effect of tax rate changes)	—	—	—	—	11	1	—	12
Effect of movements in foreign exchange	(5)	(1)	—	—	—	—	—	(6)
As at 31 December 2018	**1,949**	**212**	**15**	**(4)**	**(81)**	**(12)**	**41**	**2,120**
Amount charged/(credited) to income statement (excluding effect of tax rate changes)	2	10	(10)	—	36	9	4	**51**
Effect of tax rate changes on income statement	2	1	—	—	—	—	—	**3**
Amounts charged/(credited) directly to OCI	—	—	2	—	(12)	—	—	**(10)**
Amount charged/(credited) to equity	—	—	—	—	(2)	—	—	**(2)**
Effect of movements in foreign exchange	13	1	—	—	—	—	—	**14**
As at 31 December 2019	**1,966**	**224**	**7**	**(4)**	**(59)**	**(3)**	**45**	**2,176**

The total net deferred tax liability of €2,176 million at 31 December 2019 is presented in the consolidated statement of financial position as deferred tax assets of €27 million and deferred tax liabilities of €2,203 million. Other net deferred tax liabilities as at 31 December 2019 include a €45 million liability arising on assets capitalised under IFRS but expensed for tax, and a €22 million liability related to purchase accounting on earlier transactions in an acquired entity.

Unrecognised tax items

The utilisation of tax losses and temporary differences carried forward, for which no deferred tax asset is currently recognised, is subject to the resolution of tax authority enquiries and the achievement of positive income in periods which are beyond the Group's current business plan, and therefore this utilisation is uncertain. In respect of unused tax losses and other attributes carried forward, deferred tax assets of €493 million, €544 million and €569 million have not been recognised as at 31 December 2019, 31 December 2018 and 31 December 2017, respectively. As at 31 December 2019, the net recognised tax losses carried forward totalled €4 million. Of these, €3 million expire between 2026 and 2029. As at 31 December 2019, the Group recognised tax credits carried forward totalling €3 million, which expire between 2043 and 2049.

As at 31 December 2019, there are no taxable temporary differences associated with investments in subsidiaries.

Tax provisions

The Group is routinely under audit by tax authorities in the ordinary course of business. Due to their nature, such proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, settlements between affected parties and/or governmental actions. The probability of outcome is assessed and accrued as a liability and/or disclosed, as appropriate. The Group maintains provisions for uncertainty relating to these tax matters that it believes appropriately reflect its risk. As at 31 December 2019, the carrying value of these provisions is included in Non-current tax liabilities, with the exception of €9 million, which is included in Current tax liabilities.

The Group reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances. Due to the uncertainty associated with tax matters, it is possible that at some future date, liabilities resulting from audits or litigation could vary significantly from the Group's provisions.

The Group has received tax assessments in certain jurisdictions for potential tax related to the Group's purchases of concentrate. The value of the Group's concentrate purchases is significant, and therefore, the tax assessments are substantial. The Group strongly believes the application of tax has no technical merit based on applicable tax law, and its tax position would be sustained. Accordingly, the Group has not recorded a tax liability for these assessments, and is vigorously defending its position against these assessments.

Note 21

Share-based payment plans

The Group has established share-based payment plans that provide for the granting of share options and restricted stock units, some with performance and/or market conditions, to certain executive and management level employees. These awards are designed to align the interests of its employees with the interests of its shareholders.

The Group recognises compensation expense equal to the grant date fair value for all share-based payment awards that are expected to vest. Expense is generally recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award.

During the years ended 31 December 2019, 31 December 2018 and 31 December 2017, compensation expense related to our share-based payment plans totalled €15 million, €17 million and €14 million, respectively.

Share options

Share options (1) are granted with exercise prices equal to or greater than the fair value of the Group's stock on the date of grant, (2) generally vest in three annual tranches over a period of 36 months and (3) expire 10 years from the date of grant. Generally, when options are exercised, new Shares will be issued rather than issuing treasury Shares, if available. No options were granted during the years ended 31 December 2019, 31 December 2018 and 31 December 2017. All options outstanding as at 31 December 2019, 31 December 2018 and 31 December 2017 were valued and had exercise prices in US dollars.

The following table summarises our share option activity for the periods presented:

	2019		2018		2017	
	Shares	**Average exercise price**	Shares	Average exercise price	Shares	Average exercise price
	thousands	**US$**	thousands	US$	thousands	US$
Outstanding at beginning of year	6,542	26.51	8,579	23.58	9,435	23.03
Granted	—	—	—	—	—	—
Exercised	(1,722)	17.33	(2,037)	14.16	(842)	17.48
Forfeited, expired or cancelled	(5)	19.23	—	—	(14)	24.61
Outstanding at end of year	**4,815**	29.80	**6,542**	26.51	**8,579**	23.58
Options exercisable at end of year	**4,815**	29.80	**6,542**	26.51	**8,417**	23.28

The weighted average Share price during the years ended 31 December 2019, 31 December 2018 and 31 December 2017 was US$52.73, US$41.91 and US$39.24, respectively.

The following table summarises the weighted average remaining life of options outstanding for the periods presented:

	2019		2018		2017	
Range of exercise prices	**Options outstanding**	**Weighted average remaining life**	Options outstanding	Weighted average remaining life	Options outstanding	Weighted average remaining life
US$	**thousands**	**years**	thousands	years	thousands	years
5.00 to 15.00	—	—	713	0.84	1,987	1.37
15.01 to 25.00	1,681	2.31	2,459	2.94	2,882	3.98
25.01 to 40.00	3,134	4.59	3,370	5.84	3,710	6.85
Total	**4,815**	3.79	**6,542**	4.21	**8,579**	4.62

Restricted Stock Units (RSUs) and Performance Share Units (PSUs)
RSU awards entitle the participant to accrue dividends, which are paid in cash only if the RSUs vest. They do not give voting rights. Upon vesting, the participant is granted one Share for each RSU. They generally vest subject to continued employment for a period of at least 36 months. Unvested RSUs are restricted as to disposition and subject to forfeiture.

There were 0.3 million, 0.3 million and 0.4 million unvested RSUs outstanding with a weighted average grant date fair value of US$42.06, US$39.51 and US$44.05 as at 31 December 2019, 31 December 2018 and 31 December 2017, respectively.

PSU awards entitle the participant to the same benefits as RSUs. They generally vest subject to continued employment for a period of at least 36 months and the attainment of certain performance targets. There were 1.2 million, 1.2 million and 1.3 million of unvested PSUs with weighted average grant date fair values of US$42.53, US$42.66 and US$44.19 outstanding as at 31 December 2019, 31 December 2018 and 31 December 2017, respectively.

The 2015 PSUs contained only performance and service conditions and were paid out at 100% of the target award in 2019. In 2016, there was no award of PSUs.

The PSUs granted in 2017, 2018 and 2019 vest after three years and are subject to two equally weighted performance conditions: compound annual growth rate of earnings per share, and return on invested capital (ROIC), both measured over a three year period.

Key assumptions for grant date fair value
The following table summarises the weighted average grant date fair values per unit:

Restricted Stock Units and Performance Share Units	2019	2018
Grant date fair value - service conditions (US$)	48.60	41.62
Grant date fair value - service and performance conditions (US$)	47.74	41.76

Note 22

Provisions, contingencies and commitments
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When some or all of a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement, net of any reimbursement.

Asset retirement obligations are estimated at the inception of a lease or contract, for which a liability is recognised. A corresponding asset is also created and depreciated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions

The following table summarises the movement in each class of provision for the periods presented:

	Restructuring provision € million	Decommissioning provision € million	Other provisions(A) € million	Total € million
As at 31 December 2017	**216**	**13**	**13**	**242**
Charged/(credited) to profit or loss:				
Additional provisions recognised	236	4	2	242
Unused amounts reversed	(23)	—	—	(23)
Utilised during the period	(206)	(1)	(2)	(209)
As at 31 December 2018	**223**	**16**	**13**	**252**
Charged/(credited) to profit or loss:				
Additional provisions recognised	80	2	1	83
Unused amounts reversed	(15)	—	(2)	(17)
Utilised during the period	(121)	(1)	(1)	(123)
Translation	1	—	—	1
As at 31 December 2019	**168**	**17**	**11**	**196**
Non-current	35	17	2	54
Current	133	—	9	142
As at 31 December 2019	**168**	**17**	**11**	**196**

(A) Other provisions primarily relate to property tax assessment provisions and legal reserves and are not considered material to the consolidated financial statements.

Restructuring provision

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline, and the employees affected have been notified of the plan's main features. These provisions are expected to be resolved by the time the related programme is substantively complete.

Refer to Note 17 for further details regarding our restructuring programmes, including expected completion date, total costs incurred and expected costs to be incurred.

Decommissioning provisions

Decommissioning liabilities relate to contractual or legal obligations to pay for asset retirement costs. The liabilities represent both the reinstatement obligations when the Group is contractually obligated to pay for the cost of retiring leased buildings and the costs for collection, treatment, reuse, recovery and environmentally sound disposal of cold drink equipment. Specific to cold drink equipment obligations, the Group is subject to, and operates in accordance with, the EU Directive on Waste Electrical and Electronic Equipment (WEEE). Under the WEEE, companies that put electrical and electronic equipment (such as cold drink equipment) on the EU market are responsible for the costs of collection, treatment, recovery and disposal of their own products. Where applicable, the WEEE provision estimate is calculated using assumptions including disposal cost per unit, average equipment age and the inflation rate, to determine the appropriate accrual amount.

The period over which the decommissioning liabilities on leased buildings and cold drink equipment will be settled ranges from 1 to 10 years and 4 to 12 years, respectively.

Contingencies

Legal proceedings and tax matters

The Group is involved in various legal proceedings and tax matters and is routinely under audit by tax authorities in the ordinary course of business. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, settlements between affected parties and/or governmental actions. The probability of loss for such contingencies is assessed and accrued as a liability and/or disclosed, as appropriate.

Guarantees

In connection with ongoing litigation in certain territories, guarantees of approximately €325 million have been issued to the authorities. The Group was required to issue these guarantees to satisfy potential obligations arising from such litigation. In addition, we have approximately €50 million of guarantees issued to third parties through the normal course of business. The guarantees have various terms, and the amounts represents the maximum potential future payments that we could be required to make under the guarantees. No significant additional liabilities in the accompanying consolidated financial statements are expected to arise from guarantees issued.

Commitments

Commitments beyond 31 December 2019 are disclosed herein but not accrued for within the consolidated statement of financial position.

Purchase agreements

Total purchase commitments were €0.3 billion as at 31 December 2019. This amount represents non-cancellable purchase agreements with various suppliers that are enforceable and legally binding, and that specify a fixed or minimum quantity that we must purchase. All purchases made under these agreements have standard quality and performance criteria. In addition to these amounts, the Group has outstanding capital expenditure purchase orders of approximately €175 million as at 31 December 2019. The Group also has other purchase orders raised in the ordinary course of business which are settled in a reasonably short period of time.

Lease agreements

As at 31 December 2019, the Group had committed to a number of lease agreements that have not yet commenced. The minimum lease payments for these lease agreements totalled €15 million.

Note 23

Other assets

The following table summarises the Group's other current assets as at the dates presented:

Other current assets	31 December 2019 € million	31 December 2018 € million
Prepayments	65	47
VAT receivables	44	17
Miscellaneous receivables	132	114
Assets held for sale	18	15
Total other current assets	**259**	**193**

The following table summarises the Group's other non-current assets as at the dates presented:

Other non-current assets	31 December 2019 € million	31 December 2018 € million
VAT receivables	201	318
Retirement benefit surplus	38	21
Other	82	57
Total other non-current assets	**321**	**396**

VAT receivables

As at 31 December 2019, included within other non-current assets, the Group has a VAT receivable of €201 million, relating to the dispute that began in 2014 between the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region) as to the responsibility for refunding the VAT to CCEP.

During the year ended 31 December 2019, the Group was refunded VAT of €126 million (including interest) related to 2018 and 2019. Those periods were blocked by the Spanish tax authorities but not subject to the Arbitration Board ruling. Under relevant tax laws in Spain, conflicts between jurisdictions are ruled by a special Arbitration Board and the refund of the VAT is mandated following the resolution of the issue at the Arbitration Board. However, to date, the Arbitration Board has not ruled on the issue and Spanish legislation offers limited mechanisms for a taxpayer to force the expedition of matters before the Arbitration Board. The outstanding VAT receivable as at 31 December 2019 remains classified as non-current due to the continued delay in the resolution of the matter by the Arbitration Board. We believe it remains a certainty that the amount due plus interest will be refunded to CCEP once the Arbitration Board rules.

Note 24

Financial risk management

Financial risk factors, objectives and policies

The Group's activities expose it to several financial risks including market risk, credit risk and liquidity risk. Financial risk activities are governed by appropriate policies and procedures to minimise the uncertainties these risks create on the Group's future cash flows. Such policies are developed and approved by the Group's treasury and commodities risk committee, through the authority delegated to it by the Board.

Market risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices and includes interest rate risk, currency risk and other price risk such as commodity price risk. Market risk affects outstanding borrowings, as well as derivative financial instruments.

Interest rates

The Group is subject to interest rate risk for its outstanding borrowings. To manage interest rate risk, the Group maintains a significant proportion of its borrowings at fixed rates. Approximately 91% and 87% of the Group's interest bearing borrowings was comprised of fixed rate borrowings at 31 December 2019 and 31 December 2018, respectively. The Group has not entered into any interest rate swap agreements or other such instruments to hedge its interest rate risk during the periods presented.

If interest rates on the Group's floating rate debt were adjusted by 1% for the years ended 31 December 2019, 31 December 2018 and 31 December 2017, the Group's finance costs and pre-tax equity would change on an annual basis by approximately €4 million, €6 million and €12 million, respectively. This amount is determined by calculating the effect of a hypothetical interest rate change on the Group's floating rate debt. This estimate does not include the effects of other actions to mitigate this risk or changes in the Group's financial structure.

Currency exchange rates

The Group's exposure to the risk of changes in currency exchange rates relates primarily to its operating activities denominated in currencies other than the functional currency, euro. To manage currency exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, foreign currency forward and option contracts with external third parties are used. Typically, up to 80% of anticipated cash flow exposures in each major foreign currency for the next calendar year are hedged using a combination of forward and option contracts with third parties.

The Group is also exposed to the risk of changes in currency exchange rates between US dollar and euro relating to its US denominated borrowings. The following table demonstrates the sensitivity of the Group's profit before income taxes and pre-tax equity as a result of changes in the value of outstanding debt instruments due to reasonable movements in the US dollar against the euro, with all other variables held constant. This does not take into account the effects of derivative instruments used to manage exposure to this risk. Movements in foreign currencies related to the Group's other financial instruments do not have a material impact on profit before income taxes or pre-tax equity.

	Change in currency rate	€ strengthens against US$	€ weakens against US$
Effect on profit before tax and pre-tax equity	**%**	**€ million**	**€ million**
Year ended 31 December 2019	10	87	(95)
Year ended 31 December 2018	10	85	(93)
Year ended 31 December 2017	10	81	(89)

Commodity price risk

The competitive marketplace in which the Group operates may limit its ability to recover increased costs through higher prices. As such, the Group is subject to market risk with respect to commodity price fluctuations, principally related to its purchases of aluminium, PET (plastic, including recycled PET), steel, sugar and vehicle fuel. When possible, exposure to this risk is managed primarily through the use of supplier pricing agreements, which enable the Group to establish the purchase price for certain commodities. Certain suppliers restrict the Group's ability to hedge prices through supplier agreements. As a result, commodity hedging programmes are entered into and generally designated as hedging instruments. Refer to Note 12 Hedging activities for more information. Typically, up to 80% of the anticipated commodity transaction exposures for the next calendar year are hedged using a combination of forward and option contracts executed with third parties. The Group estimates that a 10% change in the market price of these commodities over the current market prices would affect operating profit during the next 12 months by approximately €31 million. This does not take into account the effects of derivative instruments used to manage exposure to this risk or pricing agreements in place.

Credit risk

The Group is exposed to counterparty credit risk on all of its derivative financial instruments. Strict counterparty credit guidelines are maintained and only financial institutions that are investment grade or better are acceptable counterparties. Counterparty credit risk is continuously monitored and numerous counterparties are used to minimise exposure to potential defaults. Collateral is not required under these agreements. The maximum credit risk exposure for each derivative financial instrument is the carrying amount of the derivative.

Credit is extended in the form of payment terms for trade to customers of the Group, consisting of retailers, wholesalers and other customers, generally without requiring collateral, based on an evaluation of the customer's financial condition. While the Group has a concentration of credit risk in the retail sector, this risk is mitigated due to the diverse nature of the customers the Group serves, including, but not limited to, their type, geographic location, size and beverage channel. Collections of receivables are dependent on each individual customer's financial condition and sales adjustments granted. Trade accounts receivable are carried at net realisable value. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. Exposure to losses on receivables is monitored, and allowances for potential losses or adjustments are maintained. Allowances are determined by: (1) evaluating the ageing of receivables; (2) analysing the history of adjustments; and (3) reviewing high risk customers. Past due receivable balances are written off when the Group's efforts have been unsuccessful in collecting the amount due. Credit insurance on a portion of the accounts receivable balance is also carried.

Liquidity risk

Liquidity risk is actively managed to ensure that the Group has sufficient funds to satisfy its commitments. The Group's sources of capital include, but are not limited to, cash flows from operations, public and private issuances of debt and equity securities and bank borrowings. The Group believes its operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund its working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to its shareholders. 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 €1.5 billion multi currency credit facility with a syndicate of 10 banks. This credit facility matures in 2024 and is for general corporate purposes, including serving as a backstop to its commercial paper programme and supporting the Group's working capital needs. Based on information currently available, the Group has no indication that the financial institutions participating in this facility would be unable to fulfil their commitments as at the date of these financial statements. The current credit facility contains no financial covenants that would impact the Group's liquidity or access to capital. As at 31 December 2019, the Group had no amounts drawn under this credit facility.

The table below analyses the Group's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows:

Financial liabilities	Total € million	Less than 1 year € million	1 to 3 years € million	3 to 5 years € million	More than 5 years € million
31 December 2019					
Trade accounts payable	2,332	2,332	—	—	—
Amounts payable to related parties	249	249	—	—	—
Borrowings	6,530	772	1,676	957	3,125
Derivatives	41	28	13	—	—
Lease liabilities	396	115	152	62	67
Total financial liabilities	**9,548**	**3,496**	**1,841**	**1,019**	**3,192**
31 December 2018					
Trade accounts payable	2,327	2,327	—	—	—
Amounts payable to related parties	191	191	—	—	—
Borrowings	5,543	469	1,557	1,045	2,472
Derivatives	71	20	51	—	—
Finance lease liabilities	83	22	27	12	22
Total financial liabilities	**8,215**	**3,029**	**1,635**	**1,057**	**2,494**

Capital management

The primary objective of the Group's capital management is to ensure a strong credit rating and appropriate capital ratios are maintained to support the Group's business and maximise shareholder value. The Group's credit ratings are periodically reviewed by rating agencies. Currently, the Group's long-term ratings from Moody's and Standard & Poor's (S&P), are A3 and BBB+, respectively. The ratings outlook from Moody's and S&P are stable. Changes in the operating results, cash flows or financial position could impact the ratings assigned by the various rating agencies. The credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, capital management activities of TCCC and/or changes in the credit rating of TCCC. Should the credit ratings be adjusted downward, the Group may incur higher costs to borrow, which could have a material impact on the financial condition and results of operations.

The capital structure is managed and, as appropriate, adjustments are made in light of changes in economic conditions and the Group's financial policy. The Group monitors its operating performance in the context of targeted financial leverage by comparing the ratio of net debt with Adjusted EBITDA. Net debt is calculated as being the net of cash and cash equivalents and currency adjusted borrowings. Adjusted EBITDA is calculated as EBITDA and adjusting for items impacting comparability.

Refer to Note 11 for the presentation of fair values for each class of financial assets and financial liabilities and Note 12 for an outline of how the Group utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations.

Refer to the Strategic Report included within this Integrated Report for disclosure of strategic, commercial and operational risk relevant to the Group.

Note 25

Other significant accounting policies

IFRS 15 "Revenue recognition and deductions from revenue" (IFRS 15)

The Group derives its revenues by making, selling and distributing ready to drink beverages. The revenue from the sale of products is recognised at the point in time at which control passes to a customer, typically when products are delivered to a customer. A receivable is recognised by the Group at the point in time at which the right to consideration becomes unconditional.

The Group uses various promotional programmes under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Group is entitled to varies because of such programmes, it is deemed to be variable consideration. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer. Variable consideration is only included to the extent that it is highly probable that the inclusion will not result in a significant revenue reversal in the future normal commercial terms.

Financing elements are not deemed present in our contracts with customers as the sales are made with credit terms not exceeding normal commercial terms. Taxes on sugared soft drinks, excise taxes and taxes on packaging are recorded on a gross basis (i.e. included in revenue) where the Group is the principal in the arrangement. Value added taxes are recorded on a net basis (i.e. excluded from revenue). The Group assesses these taxes and duties on a jurisdiction by jurisdiction basis to conclude on the appropriate accounting treatment.

Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 26

Significant events after the reporting period

In January 2020, in Germany we announced proposals to close five distribution centres during the course of 2020, subject to full consultation with employees and their representatives. The closures of these facilities would result in restructuring charges primarily made up of severance costs and accelerated depreciation. The impacted activities would be transferred within our network of facilities throughout Germany or transferred to third parties. We are unable to provide an estimate of these charges should the proposals be accepted as we are in consultation with the relevant works councils and labour representatives.

In February 2020, we repaid prior to maturity US$255 million of outstanding US$1,075 million borrowings.

After the balance sheet date, we have seen significant macro-economic uncertainty as a result of the coronavirus (COVID-19) outbreak. The scale and duration of this development remains uncertain and could impact our earnings and cash flow.

Note 27

Group companies

In accordance with section 409 of the Companies Act 2006, a full list of the Company's subsidiaries, partnerships, associates, joint ventures and joint arrangements as at 31 December 2019 is disclosed below, along with the country of incorporation, the registered address and the effective percentage of equity owned at that date. Unless otherwise stated, each entity has a share capital comprising a single class of ordinary shares and is wholly owned and indirectly held by Coca-Cola European Partners plc.

Name	Country of incorporation	% equity interest	Registered address
Agua De La Vega Del Codorno, S.L.U.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)
Aguas De Cospeito, S.L.U.	Spain	100%	Crta. Pino km. 1 - 2, 27377, Cospeito (Lugo), Spain
Aguas De Santolin, S.L.U.	Spain	100%	C/ Real, s/n 09246, Quintanaurria (Burgos)
Aguas Del Maestrazgo, S.L.U.	Spain	100%	C/ Monasterio de las huelgas, 7, Pol.ind.Alcalde Caballero, 50014 (Zaragoza)
Aguas Del Toscal, S.A.U.	Spain	100%	Ctra. de la Pasadilla, km. 3- 35250, ingenio (Gran Canaria)
Aguas Vilas Del Turbon, S.L.U.	Spain	100%	C/ Monasterio de las huelgas, 7, Pol.ind.Alcalde Caballero, 50014 (Zaragoza)
Aitonomi AG	Switzerland	15%	Rue Technopôle 10, 3960 Sierre
Amalgamated Beverages Great Britain Limited	United Kingdom	100%(D)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
BBH Investment Ireland Limited	Ireland	100%	6th Floor, 2 Grand Canal Square (Dublin 2)
Bebidas Gaseosas Del Noroeste, S.L.U.	Spain	100%	Avda. Alcalde Alfonso Molina, s/n- 15007 (A Coruña)
Beganet, S.L.U.	Spain	100%	Avda. Paisos Catalans, 32 – 08950 (Esplugues de Llobregat)
BH Holdings Lux Commandite SCS	Luxembourg	100%(B)	2, Rue des Joncs, L-1818, Howald
BH Holdings Luxembourg SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
BH Luxembourg SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
BH SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
Birtingahúsið ehf.	Iceland	34.5%	Laugavegur 174, 105, (Reykjavík)
BL Bottling Holdings UK Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Bottling Great Britain Limited	United Kingdom	100%(D)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Bottling Holdings (Luxembourg) SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
Bottling Holdings (Netherlands) B.V.	Netherlands	100%	Watermanweg 30, 3067 GG (Rotterdam)
Bottling Holdings Europe Limited	United Kingdom	100%(A)(E)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Bottling Holding France SAS	France	100%	9, chemin de Bretagne, 92784 (Issy-les-Moulineaux)
CC Digital GmbH	Germany	50%	Stralauer Allee 4, 10245 (Berlin)
CC Erfrischungsgetränke Oldenburg Verwaltungs GmbH	Germany	100%	Sandkruger, Straße 234, 26133 (Oldenburg)
CC Iberian Partners Gestion S.L.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)
CC Verpackungsgesellschaft mit beschraenkter Haftung	Germany	100%	Schieferstraße 20 06126 Halle (Saale)
CCEP Group Services Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
CCEP Holdings Norge AS	Norway	100%	Robsrudskogen 5, 1470 (Lørenskog)
CCEP Holdings Sverige AB	Sweden	100%	Dryckesvägen 2 C, 136 87 (Haninge)
CCEP Holdings UK Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
CCEP Ventures Europe Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
CCEP Ventures UK Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
CCIP Soporte, S.L.U.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)

Name	Country of incorporation	% equity interest	Registered address
Classic Brand (Europe) Designated Activity Company	Ireland	100%	4th Floor, 25-28 Adelaide Road, D02 RY98 (Dublin 2)
Cobega Embotellador, S.L.U.	Spain	100%	Avda Paisos Catalans, 32 - 08950 (Esplugues de Llobregat)
Coca-Cola European Partners (Initial LP) Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Coca-Cola European Partners (Scotland) Limited	United Kingdom	100%	52 Milton Road, College Milton, East Kilbride, Scotland, G74 5DJ
Coca-Cola European Partners Belgium SPRL	Belgium	100%	Chaussée de Mons 1424, 1070 (Brussels)
Coca-Cola European Partners Deutschland GmbH	Germany	100%(F)	Stralauer Allee 4, 10245 (Berlin)
Coca-Cola European Partners France SAS	France	100%(G)	9, chemin de Bretagne, 92784 (Issy-les-Moulineaux)
Coca-Cola European Partners Great Britain Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Coca-Cola European Partners Holdings Great Britain Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Coca-Cola European Partners Holdings US, Inc.	United States	100%(A)	Corporation Trust Center, 1209 Orange Street, Wilmington 19801 (Delaware)
Coca-Cola European Partners Iberia, S.L.U.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)
Coca-Cola European Partners Ísland ehf.	Iceland	100%	Studlahals 1, 110 (Reykjavik)
Coca-Cola European Partners Luxembourg SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
Coca-Cola European Partners Nederland B.V.	Netherlands	100%	Watermanweg 30, 3067 GG (Rotterdam)
Coca-Cola European Partners Norge AS	Norway	100%	Robsrudskogen 5, 1470 (Lørenskog)
Coca-Cola European Partners Pension Scheme Trustees Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Coca-Cola European Partners Portugal Unipessoal, LDA	Portugal	100%	Quinta da Salmoura - Cabanas, 2929- 509, Azeitão (Setúbal)
Coca-Cola European Partners Services Bulgaria EOOD	Bulgaria	100%	48, Sitnyakovo Blvd, Serdika Center, Office Building, floor 5, 1505 (Sofia)
Coca-Cola European Partners Services Europe Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Coca-Cola European Partners Services SPRL	Belgium	100%(C)	Chaussée de Mons 1424, 1070 (Brussels)
Coca-Cola European Partners Sverige AB	Sweden	100%	Dryckesvägen 2 C, 136 87 (Haninge)
Coca-Cola European Partners US II, LLC	United States	100%	Corporation Trust Center, 1209 Orange Street, Wilmington 19801 (Delaware)
Coca-Cola European Partners US, LLC	United States	100%	Corporation Trust Center, 1209 Orange Street, Wilmington 19801 (Delaware)
Coca-Cola Immobilier SCI	France	100%(G)	9, chemin de Bretagne, 92784 (Issy-les-Moulineaux)
Coca-Cola Production SAS	France	100%	Zone d'entreprises de Bergues, Commune de Socx, 59380 (Bergues)
Compañía Asturiana De Bebidas Gaseosas, S.L.U.	Spain	100%	C/ Nava, 18-3ª (Granda) Siero - 33006 (Oviedo)
Compañía Castellana De Bebidas Gaseosas, S.L.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)
Compañía Levantina De Bebidas Gaseosas, S.L.U.	Spain	100%	Av. Real Monasterio de Sta. María de Poblet, 36, 46930 (Quart de Poblet)
Compañía Norteña De Bebidas Gaseosas, S.L.U.	Spain	100%	C/ Ibaizábal, 57 - 48960 Galdakao (Bizkaia)
Compañía Para La Comunicación De Bebidas Sin Alcohol, S.L.U.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)

Name	Country of incorporation	% equity interest	Registered address
Conversia IT, S.L.U.	Spain	100%	C/ Ribera del loira, 20-22, 2ª Planta - 28042 (Madrid)
Developed System Logistics, S.L.U.	Spain	100%	Av. Henry Ford, 25, Manzana 19, Complejo Pq. Ind. Juan Carlos I , 46220 Picassent (Valencia)
GBH Investment Ireland Limited	Ireland	100%	6th Floor, 2 Grand Canal Square (Dublin 2)
GR Bottling Holdings UK Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Herdt Verwaltungsgesellschaft mit beschränkter Haftung i.L	Germany	100%	Karl-Herdt-Weg 100, 63075 (Offenbach)
Infineo Recyclage SAS	France	49%(H)	Sainte Marie la Blanche – 21200 (Dijon)
Instelling voor Bedrijfspensioenvoorziening Coca-Cola European Partners Belgium/Coca-Cola European Partners Services – Bedienden-Arbeiders OFP	Belgium	100%	Bergensesteenweg 1424 – 1070 (Brussels)
Instelling voor Bedrijfspensioenvoorziening Coca-Cola European Partners Belgium/Coca-Cola European Partners Services – Kaderleden OFP	Belgium	100%	Bergensesteenweg 1424 – 1070 (Brussels)
Iparbal, 99 S.L.	Spain	100%	C/ Ibaizábal, 57 – 48960 Galdakao (Bizkaia)
IPARSOFT, 2004 S.L.	Spain	100%	C/ Ibaizábal, 57 – 48960 Galdakao (Bizkaia)
KOL SAS	France	25%	12 rue d'Anselme, 93400 Paris, France
Kollex GmbH	Germany	25%	Torstraße 155, 10115 (Berlin)
Lusobega, S.L.	Spain	100%	C/ Ibaizábal, 57 – 48960 Galdakao (Bizkaia)
Madrid Ecoplatform, S.L.U.	Spain	100%	C/Pedro Lara, 8 Pq. Tecnológico de Leganes-28919 (Leganes)
Peña Umbria, S.L.U.	Spain	100%	Av. Real Monasterio de Sta. María de Poblet, 36 - 46930 (Quart de Poblet)
Refecon Águas S.A.	Portugal	100%	Quinta da Salmoura - Cabanas-2929- 509 Azeitão (Setúbal)
Refrescos Envasados Del Sur, S.L.U.	Spain	100%	Autovía del Sur A-IV, km.528- 41309 La Rinconada (Sevilla)
Refrige Sgps, S.A.	Portugal	100%	Quinta da Salmoura- Cabanas, 2929-509 (Azeitão)
Roalba, S.L.U.	Spain	100%	C/ Ibaizábal, 57 – 48960 Galdakao (Bizkaia)
Solares y Edificios Norteños, S.L.U.	Spain	100%	C/ Ibaizábal, 57 – 48960 Galdakao (Bizkaia)
Svenska Brettbolaget AB	Sweden	19.6%	Greg Turegatan 9, 114 46, (Stockholm)
WB Investment Ireland 2 Limited	Ireland	100%	6th Floor, 2 Grand Canal Square (Dublin 2)
WB Investment Ireland Limited	Ireland	100%	6th Floor, 2 Grand Canal Square (Dublin 2)
WBH Holdings Luxembourg SCS	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
WBH Luxembourg SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald
WIH UK Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, UB8 1EZ
Wir Sind Coca-Cola GmbH	Germany	100%	Stralauer Allee 4, 10245 (Berlin)

(A) 100% equity interest directly held by Coca-Cola European Partners plc.
(B) Class A and B ordinary shares.
(C) Class A, B and C ordinary shares.
(D) Including preference shares issued to the Group.
(E) 38.3% equity interest directly held by Coca-Cola European Partners plc (100% of A ordinary shares in issue).
(F) 10% equity interest directly held by Coca-Cola European Partners plc.
(G) Group shareholding of 99.99% or greater.
(H) Class A and B shares. The Group holds 49% of Class B shares.

Coca-Cola European Partners plc Company financial statements Statement of financial position

	Note	31 December 2019 € thousand	31 December 2018 € thousand
ASSETS			
Non-current:			
Investments	3	21,855,501	21,849,050
Amounts owed by affiliates	6	350,000	350,000
Right of use assets	7	39,336	—
Intangible assets		3,196	209
Deferred tax asset	5	1,010	4,409
Other non-current assets		3,251	4,064
Total non-current assets		**22,252,294**	**22,207,732**
Current:			
Amounts owed by affiliates	6	19,513	68,383
Current derivative assets	4	5,989	5,505
Prepayments		4,093	724
Trade and other receivables		3	483
Cash		302	167
Total current assets		**29,900**	**75,262**
Total assets		**22,282,194**	**22,282,994**
LIABILITIES			
Non-current:			
Borrowings, less current portion	9	5,367,400	4,696,120
Amounts owed to affiliates	8	97,086	222,833
Non-current derivative liabilities	4	6,752	49,645
Deferred tax liability	5	872	1,146
Total non-current liabilities		**5,472,110**	**4,969,744**
Current:			
Amounts owed to affiliates	8	1,190,044	195,453
Current portion of borrowings	9	573,965	470,000
Trade and other payables		81,732	83,076
Current derivative liabilities	4	5,118	—
Provisions		316	1,418
Total current liabilities		**1,851,175**	**749,947**
Total liabilities		**7,323,285**	**5,719,691**
EQUITY			
Share capital	10	4,564	4,749
Capital redemption reserve	10	330	124
Share premium	10	177,929	151,356
Merger reserves	10	8,465,979	8,465,979
Retained earnings	10	6,310,107	7,941,095
Total equity		**14,958,909**	**16,563,303**
Total equity and liabilities		**22,282,194**	**22,282,994**

The financial statements were approved by the Board of Directors and authorised for issue on 16 March 2020. They were signed on its behalf by:

Damian Gammell, Chief Executive Officer
16 March 2020

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Statement of changes in equity

	Share capital	Capital redemption reserve	Share premium	Merger reserves	Retained earnings	Total
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Balance as at 31 December 2017	**4,846**	**—**	**126,742**	**8,465,979**	**8,307,793**	**16,905,360**
Issue of Shares during the year	27	—	24,614	—	—	24,641
Equity-settled share-based payment expense	—	—	—	—	16,158	16,158
Own Shares purchased under share buyback programme	(124)	124	—	—	(502,474)	(502,474)
Total comprehensive income for the period	—	—	—	—	633,366	633,366
Dividends	—	—	—	—	(513,748)	(513,748)
Balance as at 31 December 2018	**4,749**	**124**	**151,356**	**8,465,979**	**7,941,095**	**16,563,303**
Issue of Shares during the year	21	—	26,573	—	—	26,594
Equity-settled share-based payment reserves	—	—	—	—	14,528	14,528
Own Shares purchased under share buyback programme	(206)	206	—	—	(1,004,853)	(1,004,853)
Total comprehensive income for the period	—	—	—	—	(65,110)	(65,110)
Dividends(A)	—	—	—	—	(575,553)	(575,553)
Balance as at 31 December 2019	**4,564**	**330**	**177,929**	**8,465,979**	**6,310,107**	**14,958,909**

(A) Refer to Note 16 of the consolidated financial statements for details on dividends per Share.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Notes to the Company financial statements

Note 1

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Coca-Cola European Partners plc (the Company, CCEP) for the period from 1 January 2019 until 31 December 2019 were authorised for issue by the Board of Directors on 16 March 2020 and the financial statements were signed on the Board's behalf by Damian Gammell, Chief Executive Officer. Coca-Cola European Partners plc is incorporated and domiciled in England and Wales. CCEP was incorporated as a public company limited by shares under the laws of England and Wales with the registered number in England of 9717350. The address of the Company's registered office is Coca-Cola European Partners plc, Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom. Refer to the consolidated accounts for a full list of subsidiaries.

These financial statements were prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards. No income statement is presented by the Company as permitted by section 408 of the Companies Act 2006. The loss for the year is €65,110 thousand.

The Company's financial statements are presented in euros and all values are rounded to the nearest thousand (€000) except where otherwise indicated.

The principal accounting policies adopted by the Company are set out in Note 2.

Note 2

Accounting policies

Basis of preparation

The accounting policies that follow set out those policies applied in preparing the financial statements for the period ended 31 December 2019. The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2, "Share-based Payment"
(b) The requirements of IFRS 7, "Financial Instruments: Disclosures"
(c) The requirements of paragraphs 91-99 of IFRS 13, "Fair Value Measurement"
  (i) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, "Revenue from Contracts with Customers"
  (ii) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16, "Leases"
(d) The requirements of paragraph 58 of IFRS 16, "Leases"
(e) The requirement in paragraph 38 of IAS 1, "Presentation of Financial Statements" to present comparative information in respect of:
  (i) paragraph 79(a)(iv) of IAS 1
  (ii) paragraph 73(e) of IAS 16, "Property, Plant and Equipment"
  (iii) paragraph 118(e) of IAS 38, "Intangible Assets"
  (iv) paragraphs 76 and 79(d) of IAS 40, "Investment Property"
(f) The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1
(g) The requirements of IAS 7, "Statement of Cash Flows"
(h) The requirements of paragraphs 30 and 31 of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors"
(i) The requirements of paragraph 17 of IAS 24, "Related Party Disclosures"
(j) The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
(k) The requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36, "Impairment of Assets"

Significant accounting policies

(a) Foreign currency translation

The Company's financial statements are presented in euros, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the period end date. All differences are taken to the income statement.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(b) IFRS 16, "Leases"

On 1 January 2019, the Company adopted IFRS 16, "Leases" on a modified retrospective basis from 1 January 2019. The Company has not restated its 2018 financial statements as permitted under the specific transitional provisions in the standard. The impact from the new leasing standard is therefore recognised in the opening balance sheet on 1 January 2019.

Prior to the adoption of IFRS 16, the Company classified and accounted for each of its leases (as lessee) as either a finance lease or an operating lease under the principles of IAS 17, "Leases". Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest and reduction of the lease liability. For operating leases, the leased asset was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term.

The objective of IFRS 16 is to ensure a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The lease liability was initially measured at the present value of lease payments, discounted using the Company's IBR. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease whenever the Company is reasonably certain to exercise that option. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing it by lease payments made.

In adopting IFRS 16, "Leases", the following expedients were applied:

- The right of use asset is measured at the value of the lease liability, adjusted for any prepaid or accrued lease payments.
- A single discount rate applied to a portfolio of leases with reasonably similar characteristics.
- On adoption, the Group used hindsight in determining lease term.

Right of use assets were initially measured at cost, comprising the initial measurement of the lease liability, plus any direct costs and an estimate of asset retirement obligations, less lease incentives. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease.

Lease liabilities are included within Borrowings in the statement of financial position.

The following table presents the opening lease liability position under IFRS 16:

	1 January 2019
	€ thousand
Buildings and improvements	6,116
Furniture and office equipment	33,922
Total	**40,038**

(c) Investments

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the Company makes an estimate of the asset's recoverable amount to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or CGU in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

(d) Share-based payments

The Company has established share-based payments plans that provide for the granting of non-qualified share options and restricted stock units to certain executive and management level employees that are employed by the Company and its subsidiaries. The Company accounts for its share-based payments by applying IFRS 2, "Share-based Payment" and IFRIC 11 - IFRS 2 "Group and Treasury Share Transactions". The Company incurs an obligation to settle the transactions with the respective employees where a subsidiary receives the services. The transactions are classified as equity-settled because they are settled in equity instruments of the Company.

The Company recharges subsidiaries for the equity it provides to their respective employees on vesting of the awards.

(e) Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9, "Financial Instruments" are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan notes, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance revenue or finance expense in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or other cancellation of liabilities are recognised respectively in finance revenue and finance cost.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

(iii) Derivative financial instruments and hedging

The Company utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations. The primary risks that it seeks to manage through the use of derivative financial instruments include currency exchange risk. All derivative financial instruments are recorded at fair value on the statement of financial position. The Company does not use derivative financial instruments for trading or speculative purposes.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided prior to the end of the reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, as needed.

(g) Cash

Cash and cash equivalents in the statement of financial position comprises cash at banks.

(h) Income taxes

Income tax is determined by using the comprehensive balance sheet method of accounting for income taxes which recognises current and future tax consequences of transactions and events, and future tax consequences of future recovery or settlement of the carrying amount of assets and liabilities.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be paid to or recovered from taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company and/or its subsidiaries operate. Current income tax relating to items recognised directly in equity is not recognised in the income statement. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is determined by identifying the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and/or its subsidiaries and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Note 3

Investments

	2019 € thousand	2,018 € thousand
Balance at 1 January	**21,849,050**	**21,834,017**
Subsequent investment in subsidiaries	11,976	27,093
Capitalised/vested share-based payments, net	(5,525)	(12,060)
Balance at 31 December	**21,855,501**	**21,849,050**

The investments in subsidiaries represent the Company's investment, mainly created after the Merger in 2016, in the businesses of CCE, CCIP and CCEG. Investments in subsidiaries are shown at cost less provision for impairment. Management performed an impairment assessment of the investments in subsidiaries balance and concluded that the carrying value of the investments does not exceed the recoverable amount.

Note 4

Derivative assets/liabilities

	31 December 2019 € thousand	31 December 2018 € thousand
Current derivative assets:		
Foreign currency contracts	5,989	5,505
Total current derivative assets	**5,989**	**5,505**
Total derivative assets	**5,989**	**5,505**

	31 December 2019 € thousand	31 December 2018 € thousand
Non-current derivative liabilities:		
Foreign currency contracts	6,752	49,645
Total non-current derivative liabilities	**6,752**	**49,645**
Current derivative liabilities:		
Foreign currency contracts	5,118	—
Total current derivative liabilities	**5,118**	**—**
Total derivative liabilities	**11,870**	**49,645**

The Company uses cash flow hedges to mitigate its exposure to changes in cash flows attributable to currency fluctuations associated with certain forecasted transactions including the receipt of interest and principal on intercompany loans denominated in non-functional currencies and the payment of interest and principal on debt issuances in non-functional currencies. The derivative instruments are classified as level 2.

Note 5

Deferred taxes

	31 December 2019 € thousand	31 December 2018 € thousand
Deferred tax on foreign currency contracts	1,010	4,409
Other deferred tax items	(872)	(1,146)
Total deferred tax	**138**	**3,263**

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Note 6

Amounts owed by affiliates

	31 December 2019	31 December 2018
	€ thousand	€ thousand
Non-current amounts owed by affiliates:		
Loans	350,000	350,000
Total non-current amounts owed by affiliates	**350,000**	**350,000**
Current amounts owed by affiliates:		
Trade receivables	19,513	68,383
Total current amounts owed by affiliates	**19,513**	**68,383**
Total amounts owed by affiliates	**369,513**	**418,383**

Affiliates represent direct and indirect subsidiaries of CCEP.

Note 7

Right of use assets

The Company leases office space as well as server hosting and related services included in furniture and office equipment.

The table below presents the net book value of right of use assets.

	Buildings and improvements	Furniture and office equipment	Total
	€ thousand	€ thousand	€ thousand
Cost:			
As at 1 January 2019	**6,396**	**33,923**	**40,319**
Additions	19	16,584	16,603
As at 31 December 2019	**6,415**	**50,507**	**56,922**
Accumulated depreciation:			
As at 1 January 2019	**—**	**—**	**—**
Depreciation expense	(766)	(16,820)	(17,586)
As at 31 December 2019	**(766)**	**(16,820)**	**(17,586)**
Net book value as at 31 December 2019	**5,649**	**33,687**	**39,336**

Note 8

Amounts owed to affiliates

	31 December 2019	31 December 2018
	€ thousand	€ thousand
Non-current amounts owed to affiliates:		
Borrowings	97,086	222,833
Total non-current amounts owed to affiliates	**97,086**	**222,833**
Current amounts owed to affiliates:		
Cash pool payables	1,034,831	150,984
Borrowings	130,052	20
Trade and other payables	22,523	41,830
Interest payables	2,638	2,619
Total current amounts owed to affiliates	**1,190,044**	**195,453**
Total amounts owed to affiliates	**1,287,130**	**418,286**

Affiliates represent direct and indirect subsidiaries of CCEP.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Note 9

Borrowings

	31 December 2019 € thousand	31 December 2018 € thousand
Non-current borrowings:		
Loan notes	5,342,797	4,696,120
Lease obligations	24,603	—
Total non-current borrowings	**5,367,400**	**4,696,120**
Current borrowings:		
Loan notes	337,297	350,000
Commercial paper	221,000	120,000
Lease obligations	15,668	—
Total current borrowings	**573,965**	**470,000**
Total borrowings	**5,941,365**	**5,166,120**

The non-current borrowings as at 31 December 2019 represent loan notes due between September 2020 and March 2030. When including interest on the floating rate notes as at 31 December 2019, the interest rates on these loan notes is between 0% and 4.5%. The principal amounts are €5,292 million (2018: €4,616 million). The loan notes are stated net of unamortised financing fees of €23 million (2018: €23 million).

The current borrowings as at 31 December 2019 represent Eurobond notes due in September 2020 with a rate of 3.5% and euro commercial paper maturing in January 2020 with negative interest rates from 0.32% to 0.40%.

The balance in trade and other payables includes interest payable on the borrowings of €47 million (2018: €41 million).

Lease obligations represent the present value of the Company's lease obligations in respect of the right of use assets.

The total cash outflows on the lease obligations during the year amount to €17 million and the interest expense for the year on the lease obligations amounts to €0.4 million.

Note 10

Equity

Share capital

As at 31 December 2019, the Company has issued and fully paid 456,399,877 ordinary shares with a nominal value of €0.01 per share. Shares in issue have one voting right each and no restrictions related to dividends or return on capital. For more details please refer to Note 16 to the consolidated financial statements.

In connection with the share buyback programme that commenced in 2018, 12,429,600 Shares were cancelled in 2018 and 20,612,593 in 2019.

Capital redemption reserve

Refer to Note 16 to the consolidated financial statements for more details on the capital redemption reserve.

Share premium

The balance in share premium as at 31 December 2019 represents the excess over nominal value of €0.01 for the 228,244,244 Shares issued to CCE shareholders on 28 May 2016 based on the adjusted closing stock price of CCE ordinary Shares of €33.33 at the time of the Merger. The balance also includes €72.8 million excess over nominal value of share-based payments awarded through to 31 December 2019.

Merger reserves

The Company determined that the consideration transferred to acquire CCIP and CCEG qualified for merger relief under the Companies Act, therefore, the excess consideration transferred over nominal value is excluded from share premium. The cumulative balance of €8.5 billion includes the consideration transferred in excess of nominal value of €0.01 for CCIP and CCEG of €5.5 billion and €2.9 billion, respectively.

Retained earnings

The balance in retained earnings represents the opening balance on 1 January 2019, combined with the result for the period and the share-based payment reserve.

Dividends

Dividends are recorded within the financial statements in the period in which they are paid. Please refer to Note 16 to the consolidated financial statements.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Note 11

Contingent liabilities

As at 31 December 2019, the Company does not have any material contingent liabilities.

Note 12

Auditor's remuneration

Refer to Note 17 to the consolidated financial statements for details of the remuneration of the Company's auditor on a Group basis.

Note 13

Directors' remuneration

Refer to the Directors' Remuneration Report for details of the remuneration of the Company's Directors.

This page does not form part of the Coca-Cola European Partners plc Annual Report on Form 20-F for the year ended 31 December 2019 as filed with the SEC.

Other Information


Coca-Cola
EUROPEAN PARTNERS
uvex
Coca-Cola

Risk factors

This section examines the risks Coca-Cola European Partners (CCEP) faces as a business. These risks may change over time.

Packaging

Waste and pollution, and the legal and regulatory responses to these issues, could adversely impact our business.

Waste and pollution - particularly plastic and packaging waste - is a global issue affecting our business. Although the vast majority of our packaging is fully recyclable, it is not always collected for recycling across our territories, and can end up as litter or marine litter. Concern over litter, marine litter and the environmental impacts of our packaging has led to laws and regulations that aim to increase the collection and recycling of our packs, reduce packaging waste and littering and introduce specific design requirements related to our packaging. For example, circular economy legislation has been introduced in France that requires a 50% reduction in the number of single use plastic bottles by 2030 and the phasing out of single use plastic packaging entirely by 2040, and in GB there are various regulatory proposals related to packaging, including the introduction of deposit return schemes and a move towards extended producer responsibility.

If we fail to engage sufficiently with stakeholders to address concerns about packaging and recycling, it could result in higher costs through packaging taxes, producer responsibility reform, damage to corporate reputation or investor confidence and a reduction of consumer acceptance of our products and packaging.

New recycling technologies may not work or may not be developed quickly enough.

We are exploring innovative ways to achieve the packaging targets that we have set ourselves and those imposed by legislation and regulation, for example by using plastic that has been recycled via enhanced/chemical recycling technologies. There is a risk that these new technologies may not be developed quickly enough or may not work as well as intended, which could limit our ability to mitigate the impact of restrictions on single use plastics. Also, these technologies may be more expensive than current solutions, potentially reducing our profitability.

Perceived health impacts of our beverages and ingredients, and changing consumer preferences

Health concerns could reduce consumer demand for some of our products, impacting our financial performance.

There is continued public concern about the public health consequences of obesity, particularly among young people. Researchers such as health advocates and dietary guidelines suggest that consumption of sugar sweetened beverages is a cause of increased obesity rates, and are encouraging consumers to reduce or eliminate consumption of such products. In addition, governments have introduced stronger regulations around the marketing, labelling, packaging, or sale of sugar sweetened beverages. These concerns and regulations could reduce demand for, or increase the cost of, our sugar sweetened beverages.

Health and wellness trends among consumers have also led to an increased demand for low-calorie soft drinks, water, enhanced water, isotonics, energy drinks, teas, coffees and beverages with natural sweeteners. If we fail to meet this demand by not providing a broad enough range of products, this could adversely affect our business and financial results.

Legal, regulatory and tax change

Legislative or regulatory changes (including changes to tax laws) that affect our products, distribution, or packaging could reduce demand for our products or increase our costs.

CCEP's business model depends on making our products and packages available in multiple channels and locations. Laws that restrict our ability to do this could negatively impact our financial results. These include laws affecting the promotion and distribution of our products, laws that require deposit return schemes (DRS) to be introduced for certain types of packages, or laws that limit our ability to design new packages or market certain packages. The Packaging and Climate change and water risk factors discuss global issues such as climate change, resource scarcity, marine litter and water scarcity further.

In addition, taxes or other charges imposed on the sale of our products could increase costs or cause consumers to purchase fewer of them. Many countries in Europe, including countries in which CCEP operates, are looking into implementing or increasing such taxes. Such taxes may relate, for example, to the use of non-recycled plastic in beverage packaging, or the use of sugar or other sweeteners in our beverages (see also the risk factors regarding Packaging and Perceived health impacts of our beverages and ingredients, and changing consumer preferences).

For example, now that the EU Single Use Plastics Directive has been adopted, member states are in the process of adopting implementing regulations to comply with the obligations in the Directive. The obligations include a 90% collection target for plastic bottles by 2029, a requirement that plastic bottles contain at least 30% recycled content by 2030 and a requirement for plastic beverage bottles to include tethered closures by 2024. Some member states go further than the minimum requirements of the Directive and have adopted stricter regulations.

In addition to legislative initiatives at EU level, several countries in which we operate also have or are planning other legislative or regulatory measures to reduce the use of single use plastics, including plastic beverage bottles, and/or to increase plastic collection and recycling. Such measures may include implementing a DRS under which a deposit fee is added to the consumer price, which is refunded to them if and when the bottle is returned. Other measures may include rules on recycled content, individual collection or recycling targets, or a "plastic tax". In Great Britain, as part of our producer responsibility obligations, we are required to purchase Packaging Recovery Notes (PRN) to show that we have met our responsibilities for the recycling and recovery of packaging waste. Over the last year we have seen significant price volatility in PRN and continued volatility could increase costs for our business in the future.

DRS for plastic beverage bottles currently exist in some of the countries in which we do business, such as in Norway (which is part of the EEA but is not an EU member state), the Netherlands, Germany and Sweden. Other countries will be issuing binding regulations for DRS for beverage packaging in the near future (such as Scotland) or have adopted legislation paving the way for DRS (such as Portugal and, more recently, the UK). Some countries are considering extending their existing schemes (such as the Netherlands).

In addition to the regulations on packaging, plastic and waste in general, concern over climate change has led to more environmental legislative and regulatory initiatives at an EU and national level. These include areas such as greenhouse gas (GHG) emissions, water use and energy efficiency. At the EU level, as part of the EU Green Deal, a European Climate law with a binding climate neutrality target for 2050 and a proposed new ambition to reduce GHG emissions in 2040 by 55% (versus 1990) is being debated. Also, at a national level, we have already seen a number of countries in which we operate introduce, or start the process of introducing, legislation and regulation promoting net zero emissions, including the UK, France, Norway and Sweden. Others, such as Iceland, also have policy positions on this topic.

Additional taxes levied on CCEP could harm our financial results.

CCEP's tax filings for various periods are subject to current or future audit by tax authorities in some of the countries in which we do business. These audits may result, or have resulted, in assessments of additional taxes, as well as interest and/or penalties, and could adversely affect our financial results.

For example, the US Internal Revenue Service (IRS) may seek to examine the Merger between Coca-Cola Enterprises, Inc. (CCE), Coca-Cola Iberian Partners, S.A. (CCIP) and Coca-Cola Erfrischungsgetränke GmbH (CCEG), and may not agree with our positions, potentially causing material adverse tax consequences. The US tax returns for that period were filed in 2017 and the IRS have a three year period to enquire into the submitted tax returns. Although we believe that our positions with respect to the Merger are consistent with relevant authorities, there can be no assurance that the IRS will not take a contrary view.

Changes in tax laws, regulations, court rulings, related interpretations, and tax accounting standards in countries in which we operate, or if we are unsuccessful in defending our tax positions, may adversely affect our financial results.

Additionally, amounts we may need to repatriate for the payment of dividends, share buybacks, interest on debt, salaries and other costs may be subject to additional taxation when repatriated.

CCEP may be exposed to risks in relation to compliance with anti-corruption laws and other key regulations and economic sanctions programmes.

CCEP and its subsidiaries are required to comply with the laws and regulations of the various countries in which they conduct business, as well as certain laws of other countries, including the US. In particular, our operations are subject to anti-corruption laws such as the US Foreign Corrupt Practices Act of 1977 (the FCPA), the UK Bribery Act 2010 (UKBA), the Spanish and Portuguese Criminal Codes and Sapin II and other key regulations such as the corporate criminal offence provisions of the UK Criminal Finances Act 2017 and the General Data Protection Regulation (GDPR). We are also subject to economic sanction programmes, including those administered by the United Nations, the EU and the Office of Foreign Assets Control of the US Department of the Treasury (OFAC), and regulations set forth under the US Comprehensive Iran Accountability Divestment Act.

In Europe, GDPR requirements came into force on 25 May 2018. A GDPR data breach could lead to fines of up to 4% of our global annual turnover, as well as negatively affect our reputation.

The FCPA prohibits providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage (active bribery). In our business dealings we may deal with both governments and state owned business enterprises, the employees of which are considered foreign officials for the purposes of the FCPA.

The provisions of the UKBA extend beyond bribery of foreign public officials, covering both public and private sector bribery. They are more onerous than the FCPA in a number of respects, including jurisdiction, non-exemption of facilitation payments, the receipt of bribery (passive bribery), penalties and in some cases imprisonment.

We do not currently operate in jurisdictions that are subject to territorial sanction imposed by OFAC or other relevant sanction authorities. However, such economic sanction programmes will restrict our ability to engage or confirm business dealings with certain sanctioned countries and with sanctioned parties.

Violations of the above, including GDPR, anti-corruption, economic, sanctions, competition law or other applicable laws and regulations are punishable by civil and sometimes criminal penalties for individuals and companies. These penalties can vary from fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) to revocations or restrictions of licences, as well as criminal fines and imprisonment. Potentially any violation within one of these compliance risk areas could have a negative impact on our reputation and consequently on our ability to win future business.

Having effective compliance programmes in place can never give the assurance that related policies or procedures will be followed at all times, or always detect and prevent violations of the applicable laws by our employees, consultants, agents or partners.

Legal changes could affect our status as a foreign corporation for US federal income tax purposes, or limit the US tax benefits we receive from engaging in certain transactions.

In general, for US federal income tax purposes, a corporation is considered a tax resident in the jurisdiction of its organisation or incorporation. Because CCEP is incorporated under the laws of England and Wales, it would generally be classified as a non-US corporation (and therefore a non-US tax resident) under these rules. However, section 7874 of the US Internal Revenue Code (IRC) of 1986, as amended, provides an exception under which a non-US incorporated entity may, in certain circumstances, be treated as a US corporation for US federal income tax purposes.

Under current law, CCEP expects to be treated as a non-US corporation for US federal income tax purposes. However, section 7874 of the IRC and the related US Treasury regulations are complex and there is limited guidance as to their application. In addition, changes to section 7874 of the IRC or the US Treasury Regulations could adversely affect CCEP's status as a foreign corporation for US federal tax purposes, and any such changes could have prospective or retroactive application. If CCEP were to be treated as a US corporation for US federal income tax purposes, it could be subject to materially greater US tax liability than as a non-US corporation.

Future changes to US, UK and other tax laws to which CCEP is subject could adversely affect our business.

In the US, and in the UK and other countries in which CCEP and its affiliates do business, government agencies such as the US Congress and HM Revenue & Customs are looking into a number of issues related to the taxation of multinational corporations. One key area of focus is "base erosion and profit shifting", where multinational groups artificially shift profits from a higher tax jurisdiction to a lower tax jurisdiction. As a result, tax laws in these countries could change on a prospective or retroactive basis. Any such changes could adversely affect our business and its affiliates, and there is no assurance that we would be able to maintain any particular worldwide effective corporate tax rate.

Our business may be subject to US federal tax withholding as a result of the subscription for CCEP Shares in exchange for property.

If certain US Treasury regulations applied, our business could be treated as having received a distribution as a result of the subscription for CCEP Shares by a US company. The amount of such deemed distribution could be substantial, and would be subject to US withholding tax (at a rate of 5%) under the United Kingdom-United States Tax Treaty.

We do not believe that such regulations apply under the particular facts and circumstances of the Merger. However, there can be no assurance that the US Internal Revenue Service will not take a contrary view.

Market

We may not be able to respond successfully to changes in the marketplace.

CCEP operates in the highly competitive beverage industry and faces strong competition from other general and speciality beverage companies. Our response to continued and increased competitor and customer consolidations and marketplace competition may result in lower than expected net pricing of our products. In addition, external factors such as the widespread outbreak of infectious disease (e.g. coronavirus (COVID-19)) may adversely affect the market.

Changes in our relationships with large customers may adversely impact our financial results.

A significant amount of our volume is sold through large retail chains, including supermarkets and wholesalers. Many of these customers are becoming more consolidated, or forming buying groups, which increases their purchasing power. They may, at times, seek to use this to improve their profitability through lower prices, increased emphasis on generic and other private label brands, or increased promotional programmes and payment of rebates.

Competition from hard discount retailers and online retailers continues to challenge traditional retail outlets. This can increase the pressure on all customer margins, which may then be reflected in pressure on suppliers such as CCEP.

In addition, from time to time a customer or customers choose(s) to temporarily stop selling some of our products as a result of disputes we may have with them.

These factors, as well as others, can have a negative impact on the availability of CCEP's products, and our profitability.

Cyber and social engineering attacks

Cyber attacks, or a deficiency in CCEP's cybersecurity or a customer's or supplier's cybersecurity, could negatively impact our business.

As our reliance on technology increases, so will the risks posed to our internal and third party systems from cyber incidents.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity, or availability of our data or information systems. It could involve gaining unauthorised access to systems, either unintentionally or through an intentional attack (such as a criminal attack, hacking or a computer virus) to disrupt operations, corrupt data, steal confidential information or threaten our employees.

A cyber incident could disrupt our operations, compromise or corrupt private data, or damage our brand image. Like many companies, hackers target us, our customers and suppliers with social engineering attacks. While we have procedures and training in place to protect us against these types of attacks, they can be successful, which could also disrupt our operations, compromise or corrupt private data, or damage our brand image. All of these outcomes could negatively impact our financial results.

Competitiveness and transformation

CCEP may not identify sufficient initiatives to realise its cost saving goals to stay competitive.

Following the completion of our integration plan and delivery of the committed synergy savings, we continue to assess potential opportunities for continuous improvements as part of the ongoing business strategy. This strategic objective is to ensure our competitiveness in the future and encompasses three areas: technology transformation, supply chain and commercial improvements, and working efficiently with our partners and franchisors. The focus of these initiatives is to offset potential future increases in costs, such as material or headcount, and to allow investment in potential growth areas.

The initiatives are complex due to their multi functional and multi country nature which cover many parts of our business. Ineffective coordination and control over the single initiatives and interdependent initiatives could result in us failing to realise the expected benefits. Continuous change might trigger change fatigue among our people or social unrest in the event that such changes result in industrial action.

Restructuring could cause labour and union unrest.

We have implemented restructuring across all countries and functions since CCEP was established, resulting in a combination of redeployment and redundancies. While we continue to look at potential opportunities to enable CCEP to maintain and improve its position within the market, this might have negative impact on employee representatives and social partners before any final decision is made. Industrial action has been kept to a minimum through constructive social dialogue and has not impacted our ability to meet its objectives. We would ensure that any subsequent industrial unrest was mitigated through the same process and, where appropriate, subject to resource planning for the future.

Miscalculation of CCEP's need for infrastructure investment could impact its financial results.

To support revenue growth we are investing in our infrastructure, including cold drink, fleet, technology, sales force, digital capability and production equipment.

There is a risk that these investments do not generate the projected returns, either because of market or technological changes, ineffective adoption of capabilities, or because the projected requirements of these investments may differ from actual levels if product demands do not develop as anticipated.

Our infrastructure investments are anticipated to be long term in nature, and it is possible that they may not generate the expected return due to future changes in the marketplace. This could adversely affect CCEP's financial results.

Technology failures could disrupt our operations and negatively impact our business.

CCEP relies extensively on information technology (IT) systems to process, transmit, store and protect electronic information. For example, our production and distribution facilities and inventory management all use IT to maximise efficiencies and minimise costs. Communication between our employees, customers, and suppliers also depends, to a large extent, on IT.

Our IT systems may be vulnerable to interruptions due to events that may be beyond our control. These include, but are not limited to, natural disasters, telecommunications failures and security issues. We have IT security processes and disaster recovery plans in place, but they may not be adequate or implemented effectively enough to ensure that our operations are not disrupted.

We continually invest in IT to ensure our technology solutions are current and up to date. If we miscalculate the level of investment needed, our software, hardware and maintenance practices could become out of date, and this could result in disruptions to our business.

In addition, when we implement new systems or system upgrades (such as SAP), there is a risk that our business may be temporarily disrupted during the implementation period.

We may not be able to execute our strategy to pursue suitable acquisitions or may have difficulty integrating acquired businesses.

Our strategy involves, in part, pursuing disciplined and attractive investments, which are intended to create a positive net present value for total shareholder return. Our efforts to execute this strategy may be affected by our ability to identify suitable acquisition targets and negotiate and close acquisition and development transactions. Further, to the extent that we are able to identify suitable investments, there are risks that integration of those investments does not proceed as anticipated or that management attention is diverted by such opportunities, and there is no guarantee that these investments will support the growth of CCEP or achieve the intended return.

Climate change and water

Global issues such as climate change, resource scarcity and water scarcity, and the legal and regulatory responses to these issues, could adversely impact our business.

Climate change - caused by greenhouse gas (GHG) emissions in part from businesses such as ours - is resulting in global average temperature increases and extreme weather conditions around the world. This has an adverse impact on our business. CCEP's products rely heavily on water, and climate change may exacerbate water scarcity and cause a deterioration of water quality in affected regions. It could also decrease agricultural productivity in certain regions of the world, which could limit the availability or increase the cost of key raw materials that we use to produce our products. More frequent extreme weather events, such as storms or floods in our territories, could disrupt our facilities and distribution network, further impacting our business.

Concern over climate change has led to legislative and regulatory initiatives aimed at limiting GHG emissions. Policy makers continue to consider proposals that could impose mandatory requirements on GHG emissions reduction and reporting. Other climate laws could affect other areas of our business, such as production, distribution, packaging or the cost of raw materials. This in turn could negatively impact our business and financial results.

Water is the primary ingredient in all of our products. It is also vital to our manufacturing processes and is needed to produce the agricultural ingredients that are essential to our business. Water scarcity and a deterioration in the quality of available water sources in our territories or to our supply chain, even if temporary, may result in increased production costs or capacity constraints. This could adversely affect our ability to produce and sell our beverages, and increase our costs.

As part of our commitment to addressing our climate change impacts, we are investing in technologies that improve the energy efficiency of our operations and reduce GHG emissions related to our packaging, cold drink equipment and transportation. In general, the cost of these investments is greater than investments in less energy efficient technologies, and the period of return is often longer. Although we believe these investments will provide long-term benefits, there is a risk that we may not always achieve our desired returns.

Economic and political conditions

The deterioration of global and local economic conditions could adversely affect CCEP's business performance and share price.

Our performance is closely linked to the economic cycle in the countries, regions and cities where we operate. Normally, strong economic growth in these areas results in greater demand for our products, while slow economic growth or economic contraction decreases demand and drives down sales.

For example, adverse economic conditions may result in consumers choosing to purchase cheaper private label brands, or avoiding buying beverage products altogether. Those consumers who do continue to buy our products may shift away from higher margin products and packages. A weak economic climate could also increase the likelihood of customer delinquencies and bankruptcies, which would increase the risk of accounts being deemed uncollectable. In addition, external factors such as the widespread outbreak of infectious disease (e.g. coronavirus (COVID-19)) could adversely impact economic conditions. Each of these factors could adversely affect our business, operational results, financial condition and share price.

Economic growth, globally and in the EU, faces a slowdown and markets continue to be volatile, which could have a material adverse effect on our financial results. Concerns remain about future interest rate changes, and there is continuing uncertainty around the Eurozone. Sovereign debt concerns in certain territories, whether real or perceived, could result in the availability of capital being limited, which may restrict our liquidity.

Even in the absence of a market downturn, CCEP is exposed to substantial risk from volatility in areas such as consumer spending and capital markets conditions, which adversely affect the business and economic environment. This in turn may adversely affect our business performance and share price.

Beyond the international economic situation, there is growing political uncertainty stemming from increased polarisation, the emergence of political forces with alternative economic priorities in EU member states, and concerns about independence movements within the EU. This uncertainty could affect the economic situation in the Eurozone, which could negatively impact our business and financial results.

Increases in costs, limitation of supplies, or lower than expected quality of raw materials could harm our financial results.

The cost of our raw materials, ingredients or packaging materials could increase over time. If that happens, and if we are unable to pass the increased costs on to our customers in the form of higher prices, our financial results could be adversely affected.

We use supplier pricing agreements and derivative financial instruments to manage volatility and market risk for certain commodities. Generally, these hedging instruments establish the purchase price for these commodities before the time of delivery. These pricing positions are taken in line with the Board's agreed risk policy and the impact of these positions is known and forecasted in our financial results. This may lock CCEP into prices that are ultimately greater or lower than the actual market price at the time of delivery.

We continue to experience volatility in commodity prices mainly driven by political uncertainty, increased protectionist policies and volatility impacts of capital markets.

Our suppliers could be adversely affected by a number of external events. These could include strikes, adverse weather conditions, speculation, abnormally high demand, governmental controls, new taxes, national emergencies, natural disasters, health crises, such as a pandemic, and insolvency. If this happens, and we are unable to find an alternative source for our materials, our cost of sales, revenues, and ability to manufacture and distribute products could be adversely affected.

The quality of the materials or finished goods delivered to us could be lower than expected. If this happens, we may need to substitute those items for ones that meet our standards, or replace underperforming suppliers. This could disrupt our operations and adversely affect our business.

Changes in interest rates or our debt rating could harm our financial results and financial position.

CCEP is subject to interest rate risk, and changes in our debt rating could have a material adverse effect on interest costs and debt financing sources. Our debt rating can be materially influenced by a range of factors, including our financial performance, acquisitions, and investment decisions, as well as the capital management activities of The Coca-Cola Company (TCCC) and changes in the debt rating of TCCC.

Changes in the stability of the euro could significantly impact our financial results and ultimately hinder our competitiveness in the marketplace.

There are concerns regarding the short and long-term stability of the euro and pound sterling and the euro's ability to serve as a single currency for a number of individual countries. These concerns could lead individual countries to revert, or threaten to revert, to local currencies. In more extreme circumstances, they could exit from the EU, and the Eurozone could be dissolved entirely.

Should this occur, the assets we hold in a country that reintroduces local currency could be subject to significant changes in value when expressed in euros. Furthermore, the full or partial dissolution of the euro, the exit of one or more EU member states from the EU or the full dissolution of the EU could cause significant volatility and disruption to the global economy. This could affect our ability to access capital at acceptable financing costs, the availability of supplies and materials, and demand for our products, all of which could adversely impact our financial results.

Finally, if it becomes necessary for us to conduct our business in additional currencies, we would be subjected to additional earnings volatility as amounts in these currencies are translated into euros.

The UK's exit from the EU could impact our profits.

We continue to face potential risks associated with the UK's exit from the EU and its negotiations over the terms of its leaving.

The risks associated with Brexit may adversely affect our operational, regulatory, currency, insurance and/or tax regimes. There has been a concern that Brexit could also result in prolonged uncertainty regarding aspects of the UK economy, which in turn may damage customers' and investors' confidence.

If regulation differs post Brexit, this could lead to costs arising from additional friction at borders and from implementing different regulatory regimes. Were all these risks to materialise, the effect could be an increase in our operating costs, restrictions on the movement of capital and the mobility of personnel, which may materially and adversely affect our tax position, business results and financial position if not mitigated.

Political instability could negatively impact our operations and profits.

We continue to be exposed to risks associated with political instability in different parts of our territories. For example, the instability in Catalonia impacting the Spanish economy and the "Gilet Jaunes" movement in France impacting the French economy.

Such instability could result in prolonged political, economic and operational uncertainty for our business, our customers and consumers, with potential impacts on tourism, private consumption and regulation.

Default by or failure of one or more of our counterparty financial institutions could cause us to incur losses.

We are exposed to the risk of default by, or failure of, counterparty financial institutions with which we do business. This risk may be heightened during economic downturns and periods of uncertainty in the financial markets.

If one of our counterparties became insolvent or filed for bankruptcy, our ability to recover amounts owed from or held in accounts with the counterparty may be limited. In this event we could incur losses, which could negatively impact our results and financial condition.

The relationship with TCCC and other franchisors

Our business success, including our financial results, depends on our relationship with TCCC and other franchisors.

More than 90% of our revenue for the year ended 31 December 2019 was derived from the distribution of beverages under agreements with TCCC. We make, sell and distribute products of TCCC through fixed term bottling agreements with TCCC, which typically include the following terms:

- We purchase our entire requirement of concentrates and syrups for Coca-Cola trademark beverages (sparkling beverages bearing the trademark "Coca-Cola" or the "Coke" brand name) and allied beverages (beverages of TCCC or its subsidiaries that are sparkling beverages, but not Coca-Cola trademark beverages or energy drinks) from TCCC. Prices, terms of payment, and other terms and conditions of supply are determined from time to time by TCCC at its sole discretion.
- There are no limits on the prices that TCCC may charge for concentrate. TCCC maintains current effective concentrate incidence at the same levels that CCE, CCIP and CCEG had in place before the Merger, provided certain specific mutually agreed metrics are achieved.
- Much of the marketing and promotional support that we receive from TCCC is at TCCC's discretion. Programmes may contain requirements, or be subject to conditions, established by TCCC that we may not be able to achieve or satisfy. The terms of most of the marketing programmes do not and will not contain an express obligation for TCCC to participate in future programmes or continue past levels of payments into the future.
- Our bottling agreements with TCCC are for fixed terms, and most of them are renewable only at the discretion of TCCC at the conclusion of their terms. A decision by TCCC not to renew a fixed term bottling agreement at the end of its term could substantially and adversely affect our financial results.
- We are obligated to maintain sound financial capacity to perform our duties, as required and determined by TCCC at its sole discretion. These duties include, but are not limited to, making certain investments in marketing activities to stimulate the demand for products in our territories and making infrastructure improvements to ensure our facilities and distribution network are capable of handling the demand for these beverages.

Disagreements with TCCC concerning business issues may lead TCCC to act adversely to our interests with respect to these relationships.

Product quality

Our business could be adversely affected if CCEP, TCCC or other franchisors and manufacturers of the products we distribute are unable to maintain a positive brand image as a result of product quality issues.

Our success depends on our products, and those of TCCC and other licensors, having a positive brand image among customers and consumers. Product quality issues, whether real or perceived, or allegations of product contamination, even if false or unfounded, could tarnish the image of our products and result in customers and consumers choosing other products.

Product liability claims or product recalls could also negatively impact our brand image and business results. We could be liable if the consumption of our products causes injury or illness. We could also be required to recall products if they become or are perceived to become contaminated, or are damaged or mislabelled.

Adverse publicity around health and wellness concerns, water usage, customer disputes, labour relations, product ingredients, packaging recovery, and the environmental impact of products could negatively affect our overall reputation and our products' acceptance by our customers and consumers. This could happen even when the publicity results from actions occurring outside our territory or control. Similarly, if product quality issues arise from products not manufactured by us but imported into one of our territories, our reputation and consumer goodwill could be damaged.

Opinions about our business, including opinions about the health and safety of our products, can spread quickly through social media. If we fail to respond to any negative opinions effectively and in a timely manner, this could harm the perception of our brands and damage our reputation, regardless of the validity of the statements, and negatively impact our financial results.

Other risks

Our business is vulnerable to products being imported from outside its territories, which adversely affects our sales.

The territories in which we operate are susceptible to the import of products manufactured by bottlers from countries outside our territories. When these imports come from members of the European Economic Area (EEA), we are generally prohibited from taking action to stop such imports.

Adverse weather conditions could limit the demand for our products.

Our sales are significantly influenced by weather conditions in the markets in which we operate. In particular, due to the seasonality of our business, cold or wet weather during the summer months may have a negative impact on the demand for our products and contribute to lower sales. This could have an adverse effect on our financial results.

Global or regional catastrophic events could negatively impact our business and financial results.

Our business may be affected by major IT outages, large scale natural disasters or terrorist acts, especially those occurring in our territories or other major industrialised countries. Other catastrophic events that could affect our business include the loss of key employees, shortages of key raw materials, the outbreak or escalation of armed hostilities or widespread outbreaks of infectious disease such as coronavirus (COVID-19).

Such events in the geographic regions where we do business could have a material adverse impact on our sales volume, cost of sales, earnings, and overall financial condition.

Legal claims against our vendors could affect their ability to provide us with products and services, which could negatively impact our financial results.

Many of our vendors supply us with products and services that rely on certain intellectual property rights or other proprietary information, and are subject to other third party rights, laws and regulations. If these vendors face legal claims brought by third parties or regulatory authorities, they could be required to pay large settlements or even cease providing us with products and services as well as exposing CCEP to risk.

These outcomes could require us to change vendors or develop replacement solutions or be subject to third party claims. This could result in business inefficiencies or higher costs, which could negatively impact CCEP's financial results.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

CCEP is a party to various litigation claims and legal proceedings. We evaluate these claims and proceedings to assess the likelihood of unfavourable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves or disclose the relevant claims or proceedings, as appropriate.

These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgement. As a result, actual outcomes or losses may differ materially from those in the current assessments and estimates.

We have bottling and other business operations in markets with strong legal compliance environments. Our policies and procedures require strict compliance with all laws and regulations that apply to our business operations, including those prohibiting improper payments to government officials. Those policies are supported by leadership and are ingrained in our business through our compliance culture and training. Nonetheless, we cannot guarantee that our employees will always ensure full compliance with all applicable legal requirements. Improper conduct by our employees could damage our reputation or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines as well as disgorgement of profits.

Increases in the cost of wages and employee benefits, including pension retirement benefits, could impact our financial results and cash flow.

The 2019 collective bargaining agreements were negotiated and concluded within budget. Wage increases and other employee benefit costs above what we have budgeted for would be detrimental to our operating income.

TCCC and Olive Partners, S.A. (Olive Partners) hold significant shareholdings in CCEP and their views may differ from those of our public shareholders.

Around 19% and 36% of CCEP's Shares are owned by European Refreshments (ER, a wholly owned subsidiary of TCCC) and Olive Partners respectively. As a result of their shareholdings, TCCC and Olive Partners can influence (or, potentially, control the outcome of) matters requiring shareholder approval, subject to our Articles of Association and the Shareholders' Agreement. The views of TCCC and Olive Partners may not always align with each other or our other shareholders.

Other Group information

Shareholder information

The Company was incorporated in England and Wales on 4 August 2015, as a private company under the Companies Act 2006 (the Companies Act). On 4 May 2016, the Company was reregistered as a public company limited by shares and changed its name from Coca-Cola European Partners Limited to Coca-Cola European Partners plc. It is registered at Companies House, Cardiff, under company number 9717350. The business address for Directors and senior management is Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, England.

The Company is resident in the UK for tax purposes. Its primary objective is to make, sell and distribute ready to drink beverages.

Annual General Meeting

The Company's 2020 Annual General Meeting (AGM) will be held at Pemberton House, Bakers Road, Uxbridge, UB8 1EZ in May 2020.

Registered shareholders will be sent a Notice of AGM, or notice of availability of the Notice of AGM, closer to the time of the meeting.

Investor calendar

Ex-dividend date for interim H1 dividend(A)	21 May 2020
Record date for interim H1 dividend(A)	22 May 2020
Interim H1 dividend payment date(A)	4 June 2020
AGM	May 2020
Ex-dividend date for H2 interim dividend(A)	16 November 2020
Record date for interim H2 dividend(A)	17 November 2020
Interim H2 dividend payment date(A)	1 December 2020

(A) Subject to Board approval.

Directors and senior management

Biographies of the Board of Directors and senior management are set out on pages 60 to 66. Sol Daurella and Alfonso Líbano Daurella are first cousins.

Service contracts and loss of office arrangements

It is the Remuneration Committee's policy that there should be no element of reward for failure. When considering payments in the event of a loss of office, it takes 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 share and pension plan rules.

Service contracts for Executive Directors provide for a notice period of not more than 12 months from CCEP and not more than 12 months from the individual. The standard Executive Director service contract does not confer any right to additional payments in the event of termination. However, it does reserve the right for the Group to impose garden leave (i.e. leave with pay) on the Executive Director during any notice period. In the event of redundancy, benefits would be paid according to CCEP's redundancy guidelines for GB prevailing at that time. Executive Directors may be eligible for a pro rata bonus for the period served, subject to performance, but no bonus will be paid in the event of gross misconduct. The treatment of unvested long-term incentive awards is governed by the rules of the relevant plan and depends on the reasons for leaving. The cost of legal fees spent on reviewing a settlement agreement on departure may be provided where appropriate. The Company also reserves the right to pay for outplacement services as appropriate.

The Non-executive Directors (NEDs), including the Chairman of the Board, do not have service contracts but have letters of appointment. NEDs are not entitled to compensation on leaving the Board.

Directors and senior management interest in shares

Other than Sol Daurella, Alfonso Líbano Daurella and José Ignacio Comenge Sánchez-Real, who indirectly owned 7.1% (32,551,890 Shares), 1.4% (6,534,845 Shares), and 1.7% (7,787,663 Shares) of the Shares outstanding as of 28 February 2020, respectively, no Director or member of senior management individually owned more than 1% of the Company's Shares as of 28 February 2020.

Table 1 shows the number of share options held by Directors and other members of senior management as at 28 February 2020, including the applicable exercise price and the date when the applicable exercise period ends.

Other employee related matters

Note 17 to the consolidated financial statements provides a breakdown of employees by main category of activity. As at 31 December 2019, we had around 23,300 employees, of whom one was located in the US. A number of our employees in Europe are covered by collectively bargained labour agreements, most of which do not expire. However, wage rates must be renegotiated at various dates throughout 2020. We believe we will be able to renegotiate these wage rates with satisfactory terms.

Table 1

Share options held by Directors and other members of senior management as at 28 February 2020

Name	Grant date	Expiry date	Exercise price	Total number of Shares subject to outstanding options including exercisable and unvested options
Damian Gammell	5 November 2015	5 November 2025	$39.00	324,643
Stephen Moorhouse	3 November 2011	3 November 2021	$19.68	17,155
Stephen Moorhouse	31 October 2013	31 October 2023	$31.46	11,446
Stephen Moorhouse	30 October 2014	30 October 2024	$32.51	1,476
Stephen Moorhouse	30 October 2014	30 October 2024	$32.51	9,598
Lauren Sayeski	31 October 2013	31 October 2023	$31.46	1,517
Lauren Sayeski	31 October 2013	31 October 2023	$31.46	1,661

Nature of trading market

The Company has one class of ordinary shares. These shares are traded on the New York Stock Exchange (NYSE), London Stock Exchange (LSE), Euronext Amsterdam and the Spanish Stock Exchanges.

Listing information	
Ticker symbol (all exchanges)	CCEP
ISIN code	GB00BDCPN049
Legal entity identifier	549300LTH67W4GWMRF57
CUSIP	G25839104
SEDOL number	BDCPN04

Share capital

The Articles of Association of the Company (the Articles) contain no upper limit on the authorised share capital of the Company. Subject to certain limitations under the Shareholders' Agreement, the Board has the authority to offer, allot, grant options over or otherwise deal with or dispose of shares to such persons, at such times, for such consideration and upon such terms as the Board may decide, only if approved by ordinary resolution of our shareholders.

As of 31 December 2019 the Company had 456,399,877 Shares issued and fully paid. As of 28 February 2020, the Company had 455,960,558 Shares issued and fully paid.

Under the Shareholders' Agreement and the Articles, the Company is permitted to issue, or grant to any person rights to be issued, securities, in one or a series of related transactions, in each case representing 20% or more of our issued share capital, only if approved in advance by special resolution of our shareholders.

Pursuant to this authority, our shareholders have passed resolutions allowing a maximum of a further 325,442,330 Shares (as of 28 February 2020) to be allotted and issued, subject to the restrictions set out below:

1. pursuant to a shareholder resolution passed on 26 May 2016, the Board is authorised to grant rights to subscribe for or to convert any security into, and/or allot and issue, shares up to an aggregate maximum of 18,000,000 Shares in connection with the assumption or replacement by the Company of equity awards granted under certain CCE share plans, of which 7,342,391 have been issued as of 28 February 2020;
2. pursuant to a shareholder resolution passed on 29 May 2019 regarding the authority to allot new shares, the Board is authorised to allot shares and to grant rights to subscribe for or convert any security into shares:
   a. up to a nominal amount of €1,573,923.60 (representing 157,392,360 Shares; such amount to be reduced by any allotments or grants made under paragraph 2(b) below in excess of such sum); and
   b. comprising equity securities (as defined in the Companies Act) up to a nominal amount of €3,147,847.21 (representing 314,784,721 Shares; such amount to be reduced by any allotments or grants made under paragraph 2(a) above) in connection with an offer by way of a rights issue:
      i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
      ii. to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

      and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

3. pursuant to a shareholder resolution passed on 29 May 2019 regarding authority to disapply pre-emption rights, the Board is authorised to allot equity securities (as defined in the Companies Act) for cash under the authority given by the shareholder resolution described in paragraph 2 above and/or to sell shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to be limited:
   a. to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph 2(b) above, by way of a rights issue only):
      i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
      ii. to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

      and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
   b. in the case of the authority granted under paragraph 2(a) above and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 3(a) above) up to a nominal amount of €236,088.54 (representing 23,608,854 Shares).

Shares not representing capital

None.

Shares held by CCEP

We are not permitted under English law to hold our own Shares unless they are repurchased by us and held in treasury. At our 2019 AGM, our shareholders passed a special resolution that allows us to buy back our own Shares in the market as permitted by the Companies Act. On 12 September 2018, the Board announced a €1.5 billion share buyback programme, to begin as soon as possible, subject to trading volumes. This buyback programme completed in 2019. On 13 February 2020, the Board announced a further share buyback programme of up to €1 billion. All Shares repurchased as part of the buyback programmes have been cancelled. Details of the Shares bought back are provided under share buyback programmes below.

Share-based payment awards

Table 2 on page 198 shows the share-based payment awards outstanding under each of the CCE 2010 Incentive Award Plan (2010 Plan) and the Long-Term Incentive Plan 2016 (CCEP LTIP) as at 31 December 2019 and 28 February 2020. For more details about the share plans and awards granted, see Note 21 to the consolidated financial statements on pages 164 to 165.

History of share capital

Table 3 on page 199 sets out the history of our share capital for the period from 1 January 2017 until 28 February 2020.

Share buyback programmes

Table 4 on page 199 sets out details of our share buyback programmes from 1 January 2019 until 28 February 2020.

US shareholders

To the knowledge of the Company, 213 holders of record with an address in the US held a total of 455,886,403 Shares (or 99.98% of the total number of issued Shares outstanding) as at 28 February 2020. However, some Shares are registered in the names of nominees, meaning that the number of shareholders with registered addresses in the US may not be representative of the number of beneficial owners of Shares resident in the US.

Table 2

Outstanding share-based payment awards

Plan	Date of award (dd/mm/yy)	Type of award[A]	Total number of Shares awarded to employees outstanding as at 31 December 2019	Total number of Shares awarded to employees outstanding as at 28 February 2020[B]	Price per Share payable on exercise/ transfer ($)	Expiration date (dd/mm/yy)
2010 Plan	04/11/10	Option	20,496	9,849	18.40	04/11/20
	04/11/10	Option	17,127	17,127	18.40	15/01/21
	12/11/10	Option	7,950	5,300	18.80	12/05/20
	03/11/11	Option	778,260	500,796	19.68	03/11/21
	14/11/11	Option	11,550	11,550	19.82	14/05/21
	05/11/12	Option	429	—	23.21	28/05/20
	05/11/12	Option	9,048	9,048	23.21	15/01/21
	05/11/12	Option	836,326	835,826	23.21	05/11/22
	31/10/13	Option	382	—	31.46	28/05/20
	31/10/13	Option	827	827	31.46	31/05/20
	31/10/13	Option	955	955	31.46	01/09/20
	31/10/13	Option	109,452	109,452	31.46	30/09/20
	31/10/13	Option	6,835	6,835	31.46	15/01/21
	31/10/13	Option	382	382	31.46	30/06/21
	31/10/13	Option	806,836	805,802	31.46	31/10/23
	30/10/14	Option	371	—	32.51	28/05/20
	30/10/14	Option	737	737	32.51	31/05/20
	30/10/14	Option	923	923	32.51	01/09/20
	30/10/14	Option	117,412	117,412	32.51	30/09/20
	30/10/14	Option	6,920	6,920	32.51	15/01/21
	30/10/14	Option	769	769	32.51	30/06/21
	30/10/14	Option	1,071,209	1,069,381	32.51	30/10/24
	05/11/15	Option	1,009,881	1,009,881	39.00	05/11/25
	27/03/17	PSU	3,044	2,875	Nil	27/03/20
CCEP LTIP	03/10/16	RSU	16,667	16,667	Nil	03/10/20
	27/03/17	PSU	356,279	354,252	Nil	27/03/20
	27/03/17	RSU	87,552	85,356	Nil	27/03/20
	01/09/17	RSU	8,874	8,874	Nil	01/09/20
	12/03/18	PSU	296,351	293,749	Nil	12/03/21
	12/03/18	RSU	83,051	80,449	Nil	12/03/21
	15/06/18	PSU	—	794	Nil	27/03/20
	15/06/18	RSU	3,651	3,651	Nil	27/03/20
	15/06/18	RSU	2,614	2,614	Nil	13/03/21
	15/06/18	PSU	3,408	2,614	Nil	15/06/21
	01/03/19	PSU	422,690	414,752	Nil	01/03/22
	01/03/19	RSU	42,312	40,671	Nil	01/03/22
	11/12/19	RSU	8,685	8,685	Nil	27/03/20
	11/12/19	RSU	9,396	9,396	Nil	12/03/21
	11/12/19	PSU	15,276	15,276	Nil	01/03/22
	11/12/19	RSU	7,597	7,597	Nil	01/03/22

(A) PSU is performance share unit. RSU is restricted stock unit.
(B) When an employee leaves CCEP, the expiration date of their options is shortened so options with a new expiration date may appear between the year end and the later reporting date. These are not new options but options that have been moved from another row in the table.

Table 3

Share capital history

Period	Nature of Share issuance	Number of Shares	Consideration	Cumulative balance of issued Shares at end of period
1 January 2017	Opening balance	483,076,396	N/A	483,076,396
1 January to 31 December 2017	Shares issued in connection with the exercise of stock options	838,486	Exercise price per Share ranging from $5.09 to $32.51	483,914,882
1 January to 31 December 2017	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	671,546	Nil	484,586,428
1 January to 31 December 2018	Shares issued in connection with the exercise of stock options	2,022,729	Exercise price per Share ranging from $5.09 to $39.00	486,609,157
1 January to 31 December 2018	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	740,509	Nil	487,349,666
1 January to 31 December 2018	Shares cancelled as part of buyback programme	(12,429,600)	€500 million (see table 4 for more details)	474,920,066
1 January to 31 December 2019	Shares issued in connection with the exercise of stock options	1,741,820	Exercise price per Share ranging from $9.89 to $39.00	476,661,886
1 January to 31 December 2019	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	350,584	Nil	477,012,470
1 January to 31 December 2019	Shares cancelled as part of buyback programme	(20,612,593)	€1 billion	456,399,877
1 January to 28 February 2020	Shares issued in connection with the exercise of stock options	297,581	Exercise price per Share ranging from $9.89 to $32.51	456,697,458
1 January to 28 February 2020	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	—	N/A	456,697,458
1 January to 28 February 2020	Shares cancelled as part of buyback programme	(736,900)	€38 million	455,960,558

Table 4

Share buyback programmes

Period	(a) Total number of Shares purchased	(b) Average price paid per Share (€)	(c) Total number of Shares purchased as part of publicly announced plans or programmes(A)	(d) Approximate value of Shares that may yet be purchased under the plans or programmes(A) (€ million)
1 to 31 January 2019	—	—	12,429,600	1,000
1 to 28 February 2019	1,079,800	41.220023	13,509,400	956
1 to 31 March 2019	2,427,200	43.440465	15,936,600	850
1 to 30 April 2019	2,021,151	46.054759	17,957,751	757
1 to 31 May 2019	2,225,310	49.341490	20,183,061	647
1 to 30 June 2019	2,009,525	50.760539	22,192,586	545
1 to 31 July 2019	1,866,307	50.892373	24,058,893	450
1 to 31 August 2019	2,542,400	49.387181	26,601,293	325
1 to 30 September 2019	2,609,300	50.533407	29,210,593	193
1 to 31 October 2019	3,098,600	50.963202	32,309,193	35
1 to 30 November 2019	733,000	46.927113	33,042,193	0
1 to 31 December 2019	—	—	33,042,193	—
1 to 31 January 2020	—	—	33,042,193	—
1 to 28 February 2020	976,900	50.224742	34,019,093	951

(A) On 12 September 2018, the Company announced a share buyback programme of up to €1.5 billion to reduce the Company's share capital. The total number of Shares acquired under this buyback programme in 2018 was 12,492,600 and in 2019 was 20,612,593. On 13 February 2020, the Company announced a further share buyback programme of up to €1 billion. The total number of Shares purchased under this buyback programme to 28 February 2020 was 976,900. The share buyback programmes have been carried out in accordance with the authorities granted by shareholders at the 2018 and 2019 AGMs. The maximum number of Shares authorised for purchase at the 2019 AGM was 43,333,647 Shares, representing 10% of the issued Shares at 2 April 2019, reduced by the number of Shares purchased, or agreed to be purchased, between 2 April and 29 May 2019. The existing authority to buy back Shares will expire at the 2020 AGM. We intend to seek shareholder approval to renew the authority to buy back Shares.

Marketing

CCEP relies extensively on advertising and sales promotions to market its products. TCCC and other franchisors advertise in all major media to promote sales in the local areas we serve. We also benefit from regional, local and global advertising programmes conducted by TCCC and other franchisors. Certain advertising expenditures by TCCC and other franchisors are made pursuant to annual arrangements.

CCEP and TCCC engage in a variety of marketing programmes to promote the sale of TCCC's products in territories in which we operate. The amounts to be paid to us by TCCC under the programmes are determined annually and are periodically reassessed as the programmes progress. Marketing support funding programmes entered into with TCCC provide financial support, principally based on our product sales or on the completion of stated requirements, to offset a portion of the cost of our marketing programmes. Except in certain limited circumstances, TCCC has no specified contractual obligation to participate in expenditures for advertising, marketing and other support in our territories. The terms of similar programmes TCCC may have with other licensees and the amounts paid by TCCC under them could differ from CCEP's arrangements.

We take part in various programmes and arrangements with customers to increase the sale of products. These include arrangements under which allowances can be earned by customers for attaining agreed sales levels or for participating in specific marketing programmes.

Dependence on franchisors

As a franchise business, CCEP's business success, including its financial results, depends upon our relationships with TCCC and its other franchisors. For more about our relationships with franchisors, see the Risk factors on page 192.

Competition

CCEP competes mainly in the manufacturing, sale and distribution of non-alcoholic ready to drink (NARTD) beverages industry and adjacencies, including squashes/cordials, hot beverages and premium spirits. CCEP competes in the Western Europe segment, and primarily manufactures, sells and distributes the products of TCCC, as well as those of other franchisors such as Monster Energy and Capri Sun AG.

CCEP competes mainly with:

- NARTD and non-alcoholic, non-ready to drink (for example squashes/cordials and hot beverages) brand and private label manufacturers, sellers and distributors
- Alcoholic beverage manufacturers, sellers and distributors - in the sense that some of their products may be considered to be substitutes to CCEP's own products for certain consumer occasions

A small number of such companies may also be contracted by CCEP as manufacturers (e.g. co-packers) or commercial partners (e.g. on behalf of which CCEP sells and/or distributes, or which sells and/or distributes on CCEP's behalf).

CCEP sells and distributes to a wide range of customers, including both physical and online food and beverage retailers, wholesalers and out of retail customers. The market is highly competitive and all CCEP customers and consumers may choose freely between products of CCEP and its competitors. Many of CCEP's customers are under increasing competitive pressure, including with the increasing market share of discounters, the growth of e-commerce food and beverage players, and customer consolidation.

CCEP competes with respect to a wide range of commercial factors, including brand awareness, product and packaging innovations, supply chain efficacy, customer service, sales strategy, marketing, and pricing and promotions.

The level of competition faced by CCEP may be affected by, for example, changing customer and consumer product, brand, and packaging preferences; shifts in customers' industries; competitor strategy shifts; new competitor entrants; supplier dynamics; the weather; and social, economic, political or other external landscape shifts.

Key factors affecting CCEP's competitive strength include, for example, CCEP's strategic choices; investments; partnerships (e.g. with customers, franchisors and suppliers); people management; asset base (e.g. property, plant, fleet, and equipment); technological sophistication; and processes and systems.

Impact of governmental regulation

Our business is sensitive to the economic and political action and conditions in our countries of operation. The risks this can pose to our business are set out in our Principal risks on pages 44 to 49 and in our Risk factors on pages 186 to 194. By responding to these challenges positively we can gain a competitive advantage.

Material contracts

There have been no material contracts, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Group is a party, for the two years immediately preceding the publication of this document.

Articles of Association

For a summary of certain principal provisions of the Company's Articles of Association (the Articles), see Other Information - Other Group information - Articles of Association of the 2018 Annual Report on Form 20-F, filed on 14 March 2019. A copy of the Company's Articles has been filed as Exhibit 1 to this Form 20-F.

Documents on display

CCEP is subject to the information requirements of the US Securities Exchange Act of 1934 (the Exchange Act), as amended, applicable to FPIs. In accordance with these requirements, we file our Annual Report on Form 20-F and other related documents with the US Securities and Exchange Commission (SEC). It is possible to read and copy documents that we have filed with the SEC at the SEC's office. Please call the SEC at 1-800-SEC-0330 for information about using their public reference rooms and their copy charges. Filings with the SEC are also available to the public from commercial document retrieval services, and from the website maintained by the SEC at www.sec.gov.

Our Annual Report on Form 20-F is also available on our website at www.cocacolaep.com/about-us/governance. Shareholders may also order a hard copy, free of charge - see Useful Addresses on page 219.

Exchange controls

Other than those individuals and entities subject to economic sanctions that may be in force from time to time, we are not aware of any other legislative or legal provision currently in force in the UK, the US, the Netherlands or Spain restricting remittances to non-resident holders of CCEP's Shares or affecting the import or export of capital for the Company's use.

Taxation information for shareholders

US federal income taxation

US federal income tax consequences to US holders of the ownership and disposition of CCEP Shares

This section summarises the material US federal income tax consequences of owning shares as capital assets for tax purposes. It is not, however, a comprehensive analysis of all the potential US tax consequences for such holders, and it does not discuss the tax consequences of members of special classes of holders which may be subject to other rules, including, but not limited to: tax exempt entities, life insurance companies, dealers in securities, traders in securities that elect a mark-to-market method of accounting for securities holdings, investors liable for alternative minimum tax, holders that, directly or indirectly, hold 10% or more (by vote or by value) of the Company's stock, holders that hold shares as part of a straddle or a hedging or conversion transaction, holders that purchase or sell shares as part of a wash sale for US federal income tax purposes, or holders whose functional currency is not the US dollar. In addition, if a partnership holds shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership and may not be described fully below. This summary does not address any aspect of US taxation other than US federal taxation (such as the estate and gift tax, the Medicare tax on net investment income or US state or local tax).

Investors should consult their tax advisors regarding the US federal, state, local and other tax consequences of owning and disposing of shares in their particular circumstances.

This section is based on the Internal Revenue Code of 1986, as amended (the IRC), its legislative history, existing and proposed regulations, published rulings and court decisions, and on the United Kingdom-United States Tax Treaty, all of which are subject to change, possibly on a retroactive basis.

A US holder is a beneficial owner of CCEP Shares that is, for US federal income tax purposes, (i) a citizen or individual resident of the US, (ii) a US domestic corporation, (iii) an estate whose income is subject to US federal income taxation regardless of its source, or (iv) a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust. A non-US holder is a beneficial owner of shares that is neither a US holder nor a partnership for US federal income tax purposes.

Taxation of dividends

Subject to the passive foreign investment company (PFIC) rules discussed below, a US holder is subject to US federal income taxation on the gross amount of any dividend paid by CCEP out of the Company's current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends paid to a non-corporate US holder will generally constitute "qualified dividend income" and be taxable to the holder at a preferential rate, provided that the holder has a holding period in the shares of more than 60 days during the 121 day period beginning 60 days before the ex-dividend date and meets other holding period requirements.

For US federal income tax purposes, a dividend must be included in income when the US holder actually or constructively receives the dividend. Dividends paid by CCEP to corporate US holders will generally not be eligible for the dividends received deduction allowed to US corporations in respect of dividends received from other US or foreign corporations, unless such corporate US holder holds 10% or more (by vote or by value) of the Company's stock. For foreign tax credit purposes, dividends will generally be income from sources outside the US and will, depending on a US holder's circumstances, be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to a US holder.

The amount of a dividend distribution on shares that is paid in a currency other than the US dollar will generally be included in ordinary income in an amount equal to the US dollar value of the currency received on the date such dividend distribution is includible in income, regardless of whether the payment is, in fact, converted into US dollars on such date. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss and will not be eligible for the preferential tax rate on qualified dividend income. Generally, the gain or loss will be income or loss from sources within the US for foreign tax credit purposes.

Distributions in excess of CCEP's earnings and profits, as determined for US federal income tax purposes, will be treated as a return of capital to the extent of the US holder's basis in its shares and thereafter as capital gain, subject to taxation as described below.

Taxation of capital gains

Subject to the PFIC rules discussed below, a US holder will generally recognise gain or loss on any sale, exchange, redemption or other taxable disposition of shares in an amount equal to the difference between the US dollar value of the amount realised on the disposition and the US holder's tax basis, determined in US dollars, in the shares. Any such capital gain or loss will generally be long-term gain or loss, subject to tax at a preferential rate for a non-corporate US holder, if the US holder's holding period for such shares exceeds one year. Any gain or loss recognised by a US holder on the sale or exchange of shares will generally be treated as income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

PFIC status

Currently, we do not believe that CCEP Shares will be treated as stock of a PFIC for US federal income tax purposes. However, we review this annually, and therefore this conclusion is subject to change. If CCEP was to be treated as a PFIC, unless a US holder elects to be taxed annually on a mark-to-market basis with respect to its shares, any gain realised on the sale or exchange of such shares would in general not be treated as capital gain. Instead, a US holder would be treated as if he or she had realised such gain ratably over the holding period for shares and generally would be taxed at the highest tax rate in effect for each such year to which the gain was allocated. In this case, an interest charge in respect of the tax attributable to each such year would apply. Certain distributions would be similarly treated if CCEP were treated as a PFIC. In addition, distributions made by a PFIC generally do not constitute qualified dividend income and are not eligible for the preferential tax rate applicable to such income.

Information reporting and backup withholding

In general, information reporting requirements will apply to dividends received by US holders of CCEP Shares, and the proceeds received on the disposition of Shares effected within the US (and, in certain cases, outside the US), in each case, other than US holders that are exempt recipients (such as corporations). Backup withholding may apply to such amounts if the US holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent or the US holder's broker) or is otherwise subject to backup withholding.

Dividends with respect to CCEP Shares and proceeds from the sale or other disposition of Shares received in the US or through certain US related financial intermediaries by a non-US holder, may be subject to information reporting and backup withholding unless such non-US holder provides to the applicable withholding agent the required certification showing its non-US status, such as a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or otherwise establishes an exemption, and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a holder's US federal income tax liability, if any, provided the required information is given to the IRS on a timely basis.

US federal income tax consequences to non-US holders of the ownership and disposition of CCEP Shares

In general, a non-US holder of CCEP Shares will not be subject to US federal income tax or, subject to the discussion above under Information reporting and backup withholding, US federal withholding tax on any dividends received on CCEP Shares or any gain recognised on a sale or other disposition of shares including any distribution to the extent it exceeds the adjusted basis in the non-US holder's shares unless:

- the dividend or gain is effectively connected with such non-US holder's conduct of a trade or business in the US (and, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-US holder in the US); or
- in the case of gain only, such non-US holder is a non-resident alien individual present in the US for 183 days or more during the taxable year of the sale or disposition, and certain other requirements are met.

Special rules may apply to a non-US holder who was previously a US holder and who again becomes a US holder in a later year.

A non-US holder that is a corporation may also be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable tax treaty) on its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

UK taxation consequences for US holders

The following summarises certain UK tax consequences of the ownership and disposition of CCEP Shares for US holders who are not resident in the UK for tax purposes and to whom split year treatment does not apply, who do not carry on a trade, profession or vocation through a permanent establishment or branch or agency in the UK, and who are the absolute beneficial owners of their CCEP Shares and hold such shares as a capital investment.

This information is a general discussion based on UK tax law and what is understood to be the practice of HMRC, all as in effect on the date of publication, and all of which are subject to differing interpretations and change at any time, possibly with retroactive effect. It is not a complete analysis of all potential UK tax considerations that may apply to a US holder. In addition, this discussion neither addresses all aspects of UK tax law that may be relevant to particular US holders nor takes into account the individual facts and circumstances of any particular US holder. Accordingly, it is not intended to be, and should not be construed as, tax advice.

Distributions on CCEP Shares

No UK tax is required to be withheld from cash distributions on shares paid to US holders. In addition, US holders will not be subject to UK tax in respect of their receipt of cash distributions on their shares.

Sale, exchange, redemption or other dispositions of CCEP Shares

US holders will not be subject to UK tax on capital gains in respect of any gain realised by such US holders on a sale, exchange, redemption or other disposition of their shares. Special rules may apply to individual US holders who have ceased to be resident in the UK for tax purposes and who make a disposition of their shares before becoming once again resident in the UK for tax purposes.

While shares are held within the DTC clearance system, and provided that DTC satisfies various conditions specified in UK legislation, electronic book entry transfers of such shares should not be subject to UK stamp duty, and agreements to transfer such shares should not be subject to Stamp Duty Reserve Tax (SDRT). Confirmation of this position was obtained by way of formal clearance by HMRC. Likewise, transfers of, or agreements to transfer, such shares from the DTC clearance system into another clearance system (or into a depositary receipt system) should not, provided that the other clearance system or depositary receipt system satisfies various conditions specified in UK legislation, be subject to UK stamp duty or SDRT.

In the event that CCEP Shares have left the DTC clearance system, other than into another clearance system or depositary receipt system, any subsequent transfer of, or agreement to transfer, such shares may, subject to any available exemption or relief, be subject to UK stamp duty or SDRT at a rate of 0.5% of the consideration for such transfer or agreement (in the case of UK stamp duty, rounded up to the next multiple of £5). Any such UK stamp duty or SDRT will generally be payable by the transferee and must be paid (and any relevant transfer document duly stamped by HMRC) before the transfer can be registered in the books of the Company. In the event that CCEP Shares that have left the DTC clearance system, other than into another clearance system or depositary receipt system, are subsequently transferred back into a clearance system or depositary receipt system, such transfer or agreement may, subject to any available exemption or relief, be subject to UK stamp duty or SDRT at a rate of 1.5% of the consideration for such transfer (or, where there is no such consideration, 1.5% of the value of such shares). Notwithstanding the foregoing provisions of this paragraph, a transfer of listed securities may in certain circumstances be subject to UK stamp duty or SDRT based on the value of the relevant securities if this is higher than the amount of the consideration for the relevant transfer.

THIS SUMMARY IS NOT EXHAUSTIVE OF ALL POSSIBLE TAX CONSEQUENCES. IT IS NOT INTENDED AS LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER OF SHARES AND SHOULD NOT BE SO CONSTRUED. HOLDERS OF SHARES SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES APPLICABLE TO THEM IN THEIR OWN PARTICULAR CIRCUMSTANCES.

Selected financial data

The following selected financial data has been extracted from, and should be read in conjunction with the consolidated financial statements of the Group and their accompanying notes.

Coca-Cola European Partners plc was created through the Merger on 28 May 2016 of the businesses of CCE, CCIP and CCEG. As part of the Merger, in July 2016, the Company completed the acquisition of Vifilfell hf., the Coca-Cola bottler in Iceland. Upon the consummation of the Merger, the historical consolidated financial statements of CCE became CCEP's historical financial statements as CCE was deemed to be the predecessor to CCEP. Therefore, the financial results presented here for the year ended 31 December 2015 and for the period from 1 January 2016 to 27 May 2016 refer to CCE and its consolidated subsidiaries, and the periods subsequent to 28 May 2016 refer to the combined financial results of CCEP.

For all periods up to and including the year ended 31 December 2015, CCE prepared and published its consolidated financial statements in accordance with US GAAP. As part of first time adoption of IFRS for CCEP and to provide comparative period information, the financial statements of CCE for 2015 were prepared in accordance with IFRS. The date of transition to IFRS was 1 January 2014, at which date an opening IFRS statement of financial position was prepared.

The financial information presented here has been prepared in accordance with IFRS as issued by the IASB and adopted by the EU. There are no differences between IFRS as issued by the IASB and IFRS as adopted by the EU that have an impact for the years presented.

	2019	2018	2017	2016	2015
Income statement	**€ million**	€ million	€ million	€ million	€ million
Revenue	12,017	11,518	11,062	9,133	6,329
Cost of sales	(7,424)	(7,060)	(6,772)	(5,584)	(4,017)
Gross profit	**4,593**	**4,458**	**4,290**	**3,549**	**2,312**
Selling and distribution expenses	(2,258)	(2,178)	(2,124)	(1,615)	(919)
Administrative expenses	(787)	(980)	(906)	(1,083)	(634)
Operating profit	**1,548**	**1,300**	**1,260**	**851**	**759**
Finance income	49	47	48	31	24
Finance costs	(145)	(140)	(148)	(154)	(134)
Total finance costs, net	(96)	(93)	(100)	(123)	(110)
Non-operating items	2	(2)	(1)	(9)	(5)
Profit before taxes	**1,454**	**1,205**	**1,159**	**719**	**644**
Taxes	(364)	(296)	(471)	(170)	(131)
Profit after taxes	**1,090**	**909**	**688**	**549**	**513**

Statement of financial position	2019 € million	2018 € million	2017 € million	2016 € million	2015 € million
Non-current assets	15,582	15,225	14,880	15,143	5,113
Current assets	3,103	2,991	3,314	3,425	1,883
Total assets	**18,685**	**18,216**	**18,194**	**18,568**	**6,996**
Non-current liabilities	8,414	7,860	8,222	8,355	4,119
Current liabilities	4,115	3,792	3,287	3,752	2,006
Total liabilities	**12,529**	**11,652**	**11,509**	**12,107**	**6,125**
Total equity	**6,156**	**6,564**	**6,685**	**6,461**	**871**
Total equity and liabilities	**18,685**	**18,216**	**18,194**	**18,568**	**6,996**

Capital stock data					
Number of shares (in millions)	456	475	485	483	227
Share capital (in € million)	5	5	5	5	3
Share premium (in € million)	178	152	127	114	2,729

Per share data					
Basic earnings per share (€)	2.34	1.88	1.42	1.45	2.23
Diluted earnings per share (€)	2.32	1.86	1.41	1.42	2.19
Dividends declared per share (€)[(A)]	1.24	1.06	0.84	0.86	1.01
Dividends declared per share ($)[(A)]	n/a	n/a	n/a	0.97	1.12

(A) As a result of the Merger, dividends declared in 2016 may be viewed in two separate categories: dividends declared by CCEP in euros and dividends declared by CCE in US dollars. Dividends declared by CCE in 2016 in US dollars have been converted to euro from US dollars to provide an annualised dividend amount for 2016 using the average exchange rate for the respective period. Similarly, dividends declared by CCEP in euros in 2016 have been converted to US dollars to provide an annualised dividend amount for 2016 using the average exchange rate for the respective period. All dividends declared prior to 2016 were declared in US dollars and have been converted to euro using the average exchange rate for each respective period.

Operations review

Revenue

Revenue increased by €0.5 billion, or 4.5%, from €11.5 billion in 2018 to €12.0 billion in 2019. Refer to the Business and financial review for a discussion of significant factors that impacted revenue in 2019, as compared to 2018.

2018 vs 2017

Refer to Other Information - Other Group information - Operations review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Volume

Refer to the Business and financial review for a discussion of significant factors that impacted volume in 2019, as compared to 2018.

2018 vs 2017

Refer to Other Information - Other Group information - Operations review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Cost of sales

On a reported basis, cost of sales increased 5.0%, from €7.1 billion in 2018 to €7.4 billion in 2019. Refer to the Business and financial review for a discussion of significant factors that impacted cost of sales in 2019, as compared to 2018.

2018 vs 2017

Refer to Other Information - Other Group information - Operations review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Selling and distribution expenses and administrative expenses

The following table presents selling and distribution expenses and administrative expenses for the periods presented:

	2019 € million	2018 € million
Selling and distribution expenses	2,258	2,178
Administrative expenses	787	980
Total	**3,045**	**3,158**

On a reported basis, total operating expenses decreased by 3.5% from €3.2 billion in 2018 to €3.0 billion in 2019, including restructuring costs.

Selling and distribution expenses increased by €80 million, or 3.5%, versus 2018, primarily due to higher restructuring charges from the transformation of cold drink operations and other restructuring activities.

Administrative expenses decreased by €193 million, or 19.5%, versus 2018 mainly reflecting the higher restructuring activity in 2018 primarily related to the supply chain site consolidation in Iberia.

On a comparable basis, total operating expenses increased by €11 million, or 0.5%, driven mainly by our continued spending for the future, such as expanding our field sales teams, offset by synergy benefits and a continued focus on managing expenses.

2018 vs 2017

Refer to Other Information - Other Group information - Operations review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Finance costs, net

Finance costs, net totalled €96 million and €93 million in 2019 and 2018, respectively. The following table summarise the primary items impacting our interest expense during the periods presented:

	2019	2018
Average outstanding debt balance (€ million)	6,399	5,674
Weighted average cost of debt	1.5%	1.6%
Fixed rate debt (% of portfolio)	91%	87%
Floating rate debt (% of portfolio)	9%	13%

Other non-operating items

Other non-operating items represented an expense of €2 million in 2018 and an income of €2 million in 2019. Our other non-operating expense is primarily made up of remeasurement gains and losses related to currency exchange rate fluctuations on financing transactions denominated in a currency other than the subsidiary's functional currency. Non-operating items are shown on a net basis and reflect the impact of any derivative instruments utilised to hedge the foreign currency movements of the underlying financing transactions.

Tax expense

In 2019, our reported effective tax rate was 25.0%. This includes a €3 million deferred tax expense due to the enactment of deceleration of corporate income tax rate reductions in France and the Netherlands.

In 2018, our reported effective tax rate was 24.6%. This includes the impact of an €11 million non-recurring tax expense related to the continuing impact assessment of the US Tax Act enacted in 2017. Our 2018 reported effective tax rate also reflected a deferred tax benefit of €38 million due to the enactment of corporate income tax rate reductions and rule changes in the Basque region, the Netherlands and Sweden. In addition, our 2018 reported effective tax rate also includes a €24 million deferred tax expense reflecting a change in tax basis related to the simplification of our debt and capital structure.

Cash flow and liquidity review

Liquidity and capital resources

Our sources of capital include, but are not limited to, cash flows from operating activities, public and private issuances of debt and equity securities and bank borrowings. Based on information currently available, we do not believe we are at significant risk of default by our counterparties.

The Group satisfies seasonal working capital needs and other financing requirements with operating cash flow, cash on hand, short-term borrowings and a line of credit. At 31 December 2019, the Group had €688 million in third party debt maturities in the next 12 months, €221 million of which was in the form of short-term commercial paper and €467 million of US dollar denominated notes. In addition to using operating cash flow and cash in hand, the Group may repay its short-term obligations by issuing more debt, which may take the form of commercial paper and/or longer term debt. Further details regarding the level of borrowings at the year end are provided in Note 13 of the consolidated financial statements.

In line with our commitments to deliver long-term value to shareholders, in April and October 2019, the Board declared interim dividends of €0.62 per Share, an increase of 17% versus 2018. For the year ended 31 December 2019, dividend payments totalled €574 million (2018: €513 million).

In September 2018, the Company announced a €1.5 billion share buyback programme. For the year ended 31 December 2019, 20,612,593 Shares were repurchased by the Company and cancelled under this programme. The total cost of the repurchased Shares of €1,005 million, including €5 million of directly attributable tax costs, was deducted from retained earnings. This programme was completed in November 2019. For further details of the share buyback programme refer to Note 16 of the consolidated financial statements.

On 13 February 2020, CCEP announced its intention to commence a new €1 billion share buyback programme, in accordance with the general authority to repurchase Shares granted by shareholders at the Company's AGM in 2019, and subject to further shareholder approval at the AGM in 2020. The value of the programme may be adjusted depending on economic, operating, or other factors, including acquisition opportunities.

Credit ratings and covenants

The Group's credit ratings are periodically reviewed by rating agencies. Currently, the Group's long-term ratings continue to be investment grade with stable outlook. Changes in the operating results, cash flows or financial position could impact the ratings assigned by the various rating agencies. The credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, and capital management activities of TCCC, and/or changes in the credit rating of TCCC. Should the credit ratings be adjusted downward, the Group may incur higher costs to borrow, which could have a material impact on the financial condition and results of operations.

Summary of cash flow activities

2019

During 2019, our primary sources of cash included: (1) €1,904 million from operating activities, net of cash payments related to restructuring programmes of €147 million and contributions to our defined benefit pension plans of €61 million and cash receipts of €126 million relating to the ongoing VAT dispute with the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region); and (2) proceeds of €1,089 million from the issuance of €493 million 1.125% notes due in 2029, €495 million 0.7% notes due in 2031 and €101 million net issuances of short-term borrowings.

Our primary uses of cash were: (1) repayments on borrowings of €753 million (refer to Financing activities below) and net interest payments of €86 million; (2) dividend payments of €574 million; (3) purchases of Shares under our share buyback programme of €1,005 million; and (4) spend on property, plant and equipment of €506 million and software of €96 million.

2018

During 2018, our primary sources of cash included: (1) €1,806 million from operating activities, net of cash payments related to restructuring programmes of €245 million and contributions to our defined benefit pension plans of €56 million; and (2) proceeds of €398 million from the issuance of €400 million 1.5% rate notes due in 2027.

Our primary uses of cash were: (1) payments on debt of €444 million (refer to Financing activities below); (2) dividend payments of €513 million; and (3) payments related to the share buyback programme of €502 million; (4) capital spend on property, plant and equipment of €525 million and on software of €75 million; (5) net changes in short-term borrowings of €131 million; and (6) net interest paid of €81 million.

The discussion of our 2017 cash flow activities has not been included as this can be found under Other Information - Other Group information - Cash flow and liquidity review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Operating activities

2019 vs 2018

Our cash derived from operating activities totalled €1,904 million in 2019 versus €1,806 million in 2018. This increase was primarily due to higher profit before tax achieved for the year, a reduction in restructuring cash outflows of €98 million as well as the classification of payments of principal on lease obligations as a financing activity resulting from the adoption of IFRS 16 on 1 January 2019.

2018 vs 2017

Refer to Other Information - Other Group information - Cash flow and liquidity review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Investing activities

Capital asset investments represent a primary use of cash for our investing activities.

The following table summarises the capital investments for the periods presented:

	2019 € million	2018 € million
Supply chain infrastructure	382	409
Cold drink equipment	120	109
Fleet and other	4	7
Total capital asset investments	**506**	**525**

Investments in supply chain infrastructure relate to investments in our manufacturing and distribution facilities.

In addition, during 2019 the Group spent €96 million (2018: €75 million) on capitalised development activity, primarily in relation to the business capability programme. No significant other investing activities took place during the years ended 31 December 2019 and 2018.

During 2020, we expect our capital expenditures to be in a range of €650 million to €700 million, including payments of principal on lease obligations, and to be invested in similar categories as those listed in the table above. We believe our operating cash flow, cash in hand and available short-term and long-term capital resources are sufficient to fund these plans.

The discussion of our 2017 investing activities has not been included as this can be found under Other Information - Other Group information - Cash flow and liquidity review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Financing activities

Our net cash used in financing activities totalled €1,302 million in 2019, versus €1,259 million in 2018.

The following table summarises our financing activities related to the issuances of and payments on debt for the periods presented (in € millions):

Issuances of debt	Maturity date	Rate	2019	2018
€400 million notes	November 2027	1.5%	—	398
€500 million notes	April 2029	1.1%	493	—
€500 million notes	September 2031	0.7%	495	—
Net issuances of short-term borrowings	—	(A)	101	—
Total issuances of debt, net of issuance costs			**1,089**	**398**

Payments on debt	Maturity date	Rate	2019	2018
Term loan	May 2018-2021	floating	(275)	(425)
€350 million notes	December 2019	2.0%	(350)	—
Payments of other non-current borrowings	—	6.7%	—	(1)
Net payments of short-term borrowings	—	(A)	—	(131)
Total payments on debt			**(625)**	**(557)**

(A) These amounts represent short-term euro commercial paper with varying interest rates.

Our financing activities during 2019 included dividend payments totalling €574 million. These included two dividend payments, each based on a dividend rate of €0.62 per Share. In 2018, dividend payments totalled €513 million.

In September 2018, the Company announced a €1.5 billion share buyback programme. For the year ended 31 December 2019, 20,612,593 Shares were repurchased by the Company and cancelled under this programme. The total payments under this programme in 2019 were €1,005 million (including €5 million of directly attributable tax costs). This compares to total payments of €502 million relating to Shares that were repurchased in 2018. The programme was completed in November 2019.

During 2019 and 2018, €60 million and €5 million, respectively, were drawn against a credit facility and subsequently repaid prior to 31 December.

Lease obligations

Cash outflows relating to operating leases had previously been presented in net cash flows from operating activities. From 1 January 2019, these equivalent cash flows are included as cash flows from financing activities. During the year ended 31 December 2019, total cash outflows from payments of principal on lease obligations were €128 million. In 2018, while our operating lease cash flows were presented as operating cash flows, our finance lease cash flows were included within financing activities and amounted to €18 million.

The discussion of our 2017 financing activities has not been included as this can be found under Other Information - Other Group information - Cash flow and liquidity review of the 2018 Annual Report on Form 20-F, filed on 14 March 2019.

Raw materials

CCEP purchases concentrates and syrups from TCCC and other franchisors to manufacture products. In addition, the Group purchases sweeteners, juices, coffee, mineral waters, finished product, carbon dioxide, fuel, PET (plastic) preforms, glass, aluminium and plastic bottles, aluminium and steel cans, pouches, closures, post-mix and packaging materials. The Group generally purchases raw materials, other than concentrates, syrups and mineral waters, from multiple suppliers. The product licensing and bottling agreements with TCCC and agreements with some of our other franchisors provide that all authorised containers, closures, cases, cartons and other packages, and labels for their products must be purchased from manufacturers approved by the respective franchisor. The principal sweetener we use is sugar derived from sugar beets. Our sugar purchases are made from multiple suppliers. The Group does not separately purchase low-calorie sweeteners because sweeteners for low-calorie beverage products are contained in the concentrates or syrups we purchase.

The Group produces most of its plastic bottle requirements within the production facilities using preforms purchased from multiple suppliers. The Group believes the self manufacture of certain packages serves to ensure supply and to reduce or manage costs. The Group does not use any materials or supplies that are currently in short supply, although the supply and price of specific materials or supplies are, at times, adversely affected by strikes, weather conditions, speculation, abnormally high demand, governmental controls, new taxes, national emergencies, natural disasters, price or supply fluctuations of their raw material components, and currency fluctuations.

Off-balance sheet arrangements

The Group does not have any off-balance sheet arrangements, as defined by the SEC in Item 5.E of Form 20-F, that have or are reasonably likely to have a current or future effect on the Group's financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual obligations

The following table reflects the Group's contractual obligations as at 31 December 2019:

	Total € million	Less than 1 year € million	1 to 3 years € million	3 to 5 years € million	More than 5 years € million
Borrowings[(A)]	6,034	688	1,535	844	2,967
Lease obligations[(B)]	421	128	158	67	68
Interest obligations[(C)]	495	84	140	113	158
Purchase agreements[(D)]	295	216	64	10	5
	7,245	**1,116**	**1,897**	**1,034**	**3,198**

(A) These amounts represent the Group's scheduled debt maturities, excluding lease obligations. Refer to Note 13 of the consolidated financial statements for further details about the borrowings of CCEP.
(B) These amounts represent the Group's minimum lease payments (including amounts representing interest), obligations related to lease agreements committed to but not yet commenced and lease payments due under non-cancellable short-term or low value lease agreements.
(C) These amounts represent estimated interest payments related to the Group's long-term debt obligations, excluding leases. Interest on fixed rate debt has been calculated based on applicable rates and payment dates. Interest on variable rate debt has been calculated using the forward interest rate curve. Refer to Note 24 of the consolidated financial statements for further details about financial risk management within CCEP.
(D) These amounts represent non-cancellable purchase agreements with various suppliers that are enforceable and legally binding and that specify a fixed or minimum quantity that we must purchase. All purchases made under these agreements have standard quality and performance criteria. In addition to these amounts, the Group has outstanding capital expenditure purchase orders of approximately €175 million as at 31 December 2019. The Group also has other purchase orders raised in the ordinary course of business which are settled in a reasonably short period of time. These are excluded from the table above. The Group expects that the net cash flows generated from operating activities will be able to meet these liabilities as they fall due.

The above table does not reflect the impact of derivatives and hedging instruments, other than for long-term debt, which are discussed in Note 24 of the consolidated financial statements.

The above table also does not reflect employee benefit liabilities of €238 million, which include current liabilities of €17 million and non-current liabilities of €221 million as at 31 December 2019. Refer to Note 15 of the consolidated financial statements for further information.

Properties

The Group's principal properties include production facilities, distribution and logistics centres, shared service centres, business unit headquarter offices and corporate offices.

The table below summarises the main properties which the Group uses as at 31 December 2019:

	Great Britain	France	Belgium/ Luxembourg	Netherlands	Norway	Sweden	Germany	Iberia	Iceland	Total
Production facilities[(A)]										
Leased	5	—	—	—	—	—	2	1	—	**8**
Owned	—	5	3	1	1	1	16	11	2	**40**
Total	**5**	**5**	**3**	**1**	**1**	**1**	**18**	**12**	**2**	**48**
Distribution and logistics facilities										
Leased	1	—	3	—	—	—	22	4	—	**30**
Owned	—	—	—	—	—	—	7	5	—	**12**
Total	**1**	**—**	**3**	**—**	**—**	**—**	**29**	**9**	**—**	**42**
Corporate offices and business unit headquarters										
Leased	2	1	1	1	—	—	1	3	—	**9**
Owned	—	—	—	—	—	—	—	—	—	**—**
Total	**2**	**1**	**1**	**1**	**—**	**—**	**1**	**3**	**—**	**9**

(A) All production facilities are a combination of production and warehouse facilities.

The Group uses two shared service centres, both located in Bulgaria.

The Group's principal properties cover approximately 4.8 million square metres in the aggregate of which 0.7 million square metres is leased and 4.1 million square metres is owned. The Group believes that its facilities are adequately utilised and sufficient to meet its present operating needs.

At 31 December 2019, the Group operated approximately 13 thousand vehicles of various types, the majority of which are leased. The Group also owned approximately 1.2 million pieces of cold drink equipment, principally coolers and vending machines.

Disclosure controls and procedures

Evaluation of disclosure controls and procedures

The Group maintains "disclosure controls and procedures", as defined in Rule 13a-15(e) under the Exchange Act, which are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarised and reported within the time periods specified in the US SEC's rules and forms, and that such information is accumulated and communicated to the Group's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Group's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Group's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as at 31 December 2019. Based on that evaluation, the Group's Chief Executive Officer and Chief Financial Officer have concluded that the Group's disclosure controls and procedures were effective.

Management's report on internal control over financial reporting

The Group's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group, as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed under the supervision of the principal executive and financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with IFRS issued by the IASB. The Group's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Group's transactions and dispositions of assets; (2) are designed to provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the Group's consolidated financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorisations of management and the Directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the Group's consolidated financial statements. Internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Group's internal control over financial reporting as at 31 December 2019, using the criteria set forth in the Internal Control-Integrated Framework issued by The Committee of Sponsoring Organisations of the Treadway Commission. Based on this assessment, management has determined that the Group's internal control over financial reporting as at 31 December 2019 was effective. Ernst & Young LLP, the Group's independent registered public accounting firm, has issued an attestation report on the Group's internal control over financial reporting as at 31 December 2019, which is set out on page 125.

Changes in internal control over financial reporting

There has been no change in the Group's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during 2019 that has materially affected, or is reasonably likely to materially affect, the Group's internal control over financial reporting.

Principal accountants' fees and services

The Audit Committee has established policies and procedures for the engagement of the independent registered public accounting firm, Ernst & Young LLP (EY), to render audit and certain assurance and tax services. The policies provide for pre-approval by the Audit Committee of specifically defined audit, audit-related, tax and other services that are not prohibited by regulatory or other professional requirements. EY is engaged for these services when its expertise and experience of CCEP are important. Most of this work is of an audit nature.

Under the policy, pre-approval is given for specific services within the following categories: advice on accounting, auditing and financial reporting matters; internal accounting and risk management control reviews (excluding any services relating to information systems design and implementation); non-statutory audit; project assurance and advice on business and accounting process improvement (excluding any services relating to information systems design and implementation relating to CCEP's financial statements or accounting records); due diligence in connection with acquisitions, disposals and arrangements in which two or more parties have joint control (excluding valuation or involvement in prospective financial information); income tax and indirect tax compliance and advisory services; employee tax services (excluding tax services that could impair independence); provision of, or access to, EY publications, workshops, seminars and other training materials; provision of reports from data gathered on non-financial policies and information; and assistance with understanding non-financial regulatory requirements. The Audit Committee has delegated authority to the Chairman of the Audit Committee to approve permitted services provided that the Chairman reports any decisions to the Committee at its next scheduled meeting. Any proposed service not included in the approved service list must be approved in advance by the Audit Committee Chairman and reported to the Committee, or approved by the full Audit Committee in advance of commencement of the engagement.

The Audit Committee evaluates the performance of the auditor each year. The Committee keeps under review the scope and results of audit work and the independence and objectivity of the auditor. The audit fees payable to EY are reviewed by the Committee for cost effectiveness each year. External regulation and CCEP policy requires the auditor to rotate its lead audit partner every five years. (See Note 17 of the consolidated financial statements for details of fees for services provided by the auditor.)

Form 20-F table of cross references

Exhibits

The following documents, which form a part of this Annual Report on Form 20-F, have been filed with the US Securities and Exchange Commission (SEC) via its EDGAR system and can be viewed on the SEC's website at www.sec.gov.

Exhibit 1	Articles of Association of CCEP (incorporated by reference to Exhibit 99.1 to CCEP's Form 6-K filed with the SEC on May 30, 2019).
Exhibit 2	Description of rights attached to each class of CCEP securities registered under Section 12 of the Exchange Act as at 31 December 2019.
Exhibit 3	Shareholders' Agreement by and among the Company, Olive Partners, S.A., European Refreshments, Coca-Cola GmbH and Vivaqa Beteiligungs GmbH & Co. KG (incorporated by reference to Annex C to the proxy statement/prospectus contained in CCEP's Form F-4/A registration statement filed with the SEC on April 11, 2016).
Exhibit 4.1	Form of Bottler's Agreement entered into between The Coca-Cola Company and the bottling subsidiaries of CCEP (incorporated by reference to Exhibit 10.7 to the Company's Form F-4/A registration statement filed with the SEC on April 7, 2016).
Exhibit 4.2	Coca-Cola European Partners plc Long-Term Incentive Plan 2016 (incorporated by reference to Exhibit 4.1 to CCEP's Form S-8 registration statement filed with the SEC on June 1, 2016).
Exhibit 4.3	Rules of the Coca-Cola Enterprises Belgium/Coca-Cola Enterprises Services Belgian and Luxembourg Share Savings Plan (incorporated by reference to Exhibit 4.3 to CCEP's Form S-8 registration statement filed with the SEC on June 1, 2016).
Exhibit 4.4	Trust Deed and Rules of Coca-Cola Enterprises UK Share Plan (incorporated by reference to Exhibit 4.2 to the Company's Form S-8 registration statement filed with the SEC on June 1, 2016).
Exhibit 4.5	The Coca-Cola Enterprises, Inc. 2010 Incentive Award Plan (As Amended Effective February 7, 2012) (incorporated by reference to Exhibit 99.1 to Coca-Cola Enterprises, Inc.'s Current Report on Form 8-K filed on February 9, 2012).
Exhibit 4.6	Deed of Assumption and Replacement relating to Equity Awards of Coca-Cola Enterprises, Inc. (incorporated by reference to Exhibit 4.3 to the Company's Post-Effective Amendment No. 1 on Form S-8 to Form F-4 registration statement filed with the SEC on June 1, 2016).
Exhibit 8	List of Subsidiaries of the Company (included in Note 27 of the consolidated financial statements in this Annual Report on Form 20-F).
Exhibit 12.1	Rule 13a-14(a) Certification of Damian Gammell
Exhibit 12.2	Rule 13a-14(a) Certification of Nik Jhangiani
Exhibit 13	Rule 13a-14(b) Certifications
Exhibit 15.1	Consent of Ernst & Young LLP, UK
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

The total amount of long-term debt securities of the Company and its subsidiaries authorised under any one instrument does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish copies of any or all such instruments to the SEC on request.

Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign the Annual Report on Form 20-F on its behalf.

Coca-Cola European Partners plc

/s/ Damian Gammell
Damian Gammell
Chief Executive Officer
16 March 2020

Glossary

Unless the context otherwise requires, the following terms have the meanings shown below.

2010 Plan	CCE 2010 Incentive Award Plan
Admission	the date of the Company's admission to the UK market (28 May 2016)
AGM	Annual General Meeting
ARR	Annual report on remuneration
Articles	Articles of Association of Coca-Cola European Partners plc
BCM	business continuity management
BEIS	UK Department for Business, Environment and Industrial Strategy
Board	Board of Directors of Coca-Cola European Partners plc
BPF	Business Performance Factor
BPT	business process and technology
Brexit	the departure of the UK from the EU
BU	a business unit of the Group
CCE or Coca-Cola Enterprises	Coca-Cola Enterprises, Inc.
CCEG or Coca-Cola Erfrischungsgetränke	Coca-Cola Erfrischungsgetränke GmbH (which changed its name to Coca-Cola European Partners Deutschland GmbH from 22 August 2016)
CCEP or the Group	Coca-Cola European Partners plc (registered in England and Wales number 9717350) and its subsidiaries and subsidiary undertakings from time to time
CCEP LTIP	CCEP Long-Term Incentive Plan 2016
CCIP or Coca-Cola Iberian Partners	Coca-Cola Iberian Partners, S.A. (which changed its name to Coca-Cola European Partners Iberia S.L.U. from 1 January 2017)
CDP	Climate Disclosure Project, formerly known as the Carbon Disclosure Project
CEO	Chief Executive Officer (of Coca-Cola European Partners plc)
CFO	Chief Financial Officer (of Coca-Cola European Partners plc)
CGU	cash generating unit
Chairman	the Chairman of Coca-Cola European Partners plc
Cobega	Cobega, S.A.
Coca-Cola system	comprises The Coca-Cola Company and around 225 bottling partners worldwide
CoC	Code of Conduct
CODM	chief operating decision maker
Committee(s)	the five committees with delegated authority from the Board: the Audit, Remuneration, Nomination, Corporate Social Responsibility and Affiliated Transaction Committees
Committee Chairman/Chairmen	the Chairman/Chairmen of the Committee(s)
Committee member(s)	member(s) of the Committees
Companies Act	the UK Companies Act 2006, as amended
Company or Parent Company	Coca-Cola European Partners plc
Company Secretary	Company Secretary (of Coca-Cola European Partners plc)
CSR	Corporate Social Responsibility
CTA	Contractual Trust Arrangement
Defra	UK Department for Environment, Food and Rural Affairs
Deloitte	Deloitte LLP
Director(s)	a (the) director(s) of Coca-Cola European Partners plc
DRS	deposit return scheme(s)
DTRs	the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority
EBITDA	earnings before interest, tax, depreciation and amortisation
EEA	European Economic Area
EIR	effective interest rate
EPS	earnings per share
ERM	enterprise risk management
EY	Ernst & Young LLP
ESP	GB Employee Share Plan
EU	European Union
European Refreshments or ER	European Refreshments, a wholly-owned subsidiary of TCCC
Exchange Act	the US Securities Exchange Act of 1934

Executive Leadership Team or ELT	the CEO and his direct senior leadership reports
E&C	ethics and compliance
FCPA	US Foreign Corrupt Practices Act of 1977
FIFO	first-in, first-out method
FMCG	fast moving consumer goods
FPI	foreign private issuer, a term that applies to a company under the rules of the New York Stock Exchange that is not a domestic US company
FRC	the Financial Reporting Council
FRS	Financial Reporting Standards
FTSE4Good	a series of ethical investment stock market indices launched in 2001 by the FTSE Group
GAAP	Generally Accepted Accounting Principles
GB Scheme	the Great Britain defined benefit pension plan
GHG	greenhouse gas
GHG Protocol or WRI/WBCSD GHG Protocol	the GHG Protocol is the internationally recognised, standard framework for measuring greenhouse gas (GHG) emissions from private and public sector operations and their value chains
GRC	governance, risk and compliance
Group or CCEP	Cola-Cola European Partners plc and its subsidiaries and subsidiary undertakings from time to time
HMRC	Her Majesty's Revenue and Customs, the UK's tax authority
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IAS Regulations	International Accounting Standards (IAS) Regulations relate to the harmonisation of the financial information presented by issuers of securities in the European Union
IBR	incremental borrowing rate
IEA	International Energy Agency
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IGD	Institute of Grocery Distribution in the UK
INEDs	independent non-executive directors of Coca-Cola European Partners plc
IPF	Individual Performance Factor
IRC	the US Internal Revenue Code of 1986, as amended
IRS	US Internal Revenue Service
ISAE 3000	International Standard on Assurance Engagements 3000
ISO	International Organisation for Standardisation
IT	information technology
Listing Rules or LRs	the Listing Rules of the UK Financial Conduct Authority
LSE	London Stock Exchange
LTI	long-term incentive
LTIP	Long-Term Incentive Plan
Merger	the formation of Coca-Cola European Partners plc on 28 May 2016 through the combination of the businesses of Coca-Cola Enterprises, Inc., Coca-Cola Iberian Partners, S.A. and Coca-Cola Erfrischungsgetränke GmbH
NARTD	non-alcoholic ready to drink
NEDs	non-executive directors of Coca-Cola European Partners plc
NGO	non-governmental organisation
NYSE	New York Stock Exchange
NYSE Rules	the corporate governance rules of the NYSE
OCI	other comprehensive income
OFAC	Office of Foreign Assets Control of the US Department of the Treasury
Official List	the Official List is the list maintained by the Financial Conduct Authority of securities issued by companies for the purpose of those securities being traded on a UK regulated market such as London Stock Exchange
Olive Partners	Olive Partners, S.A.
PACS	public affairs, communications and sustainability
Parent Company or Company	Coca-Cola European Partners plc
Paris Agreement	the agreement on climate change resulting from UN COP21, the UN Climate Change Conference, also known as the 2015 Paris Climate Conference
Partnership	the partnership agreement entered into between the Group, the GB Scheme and CCEP Scottish Limited Partnership to support a long-term funding arrangement
Pension Plan 1 and Pension Plan 2	the Germany defined benefit pension plans
PET	polyethylene terephthalate

PFIC	passive foreign investment company
QESH	quality, environmental, safety and health
Remuneration policy	the remuneration policy as approved by shareholders at the Company's AGM held on 22 June 2017
rPET	recycled PET
PRN	Packaging Recovery Notes
PSU	performance share unit
ROIC	return on invested capital
ROU	right of use
RSU	restricted stock unit
SBTi	Science Based Targets initiative
SAGP	Sustainable Agriculture Guiding Principles
SDRT	stamp duty reserve tax
SGP	Supplier Guiding Principles
SDG	UN Sustainable Development Goals
SEC	Securities Exchange Commission of the US
Shareholders' Agreement	the shareholders' agreement dated 28 May 2016 between Coca-Cola European Partners plc and Olive Partners, S.A., European Refreshments, Coca-Cola GmbH and Vivaqa Beteiligungs Gmbh & Co. KG
Shares	ordinary shares of €0.01 each of Coca-Cola European Partners plc
SI	strategic imperative
SID	Senior Independent Director
SOX or the Sarbanes-Oxley Act	the US Sarbanes-Oxley Act of 2002
S&P	Standard & Poor's
the Spanish Stock Exchanges	the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges
SPO	Sustainable Packaging Office
SVA	source water vulnerability assessment
SWPP	source water protection plan
TCCC	The Coca-Cola Company
TCFD	Task Force on Climate-related Financial Disclosures
TSR	total shareholder return
UK Accounting Standards	Financial Reporting Standards issued by the Accounting Standards Board
UKBA	UK Bribery Act 2010
UKCGC	UK Corporate Governance Code 2018
UNESDA	Union of European Soft Drinks Associations
unit case	approximately 5.678 litres or 24 eight ounce servings, a typical volume measurement unit
US GAAP	the US Generally Accepted Accounting Principles
US Tax Act	US Tax Cuts and Jobs Act 2017
VAT	value added tax
WEEE	EU Directive on Waste Electrical and Electronic Equipment
WRI/WBCSD GHG Protocol or GHG Protocol	the GHG Protocol is the internationally recognised, standard framework for measuring greenhouse gas (GHG) emissions from private and public sector operations and their value chains

Useful addresses

Registered office

Coca-Cola European Partners plc
Pemberton House
Bakers Road
Uxbridge
UB8 1EZ

Registered in England and Wales
Company number: 9717350

+44 (0)1895 231313

Share registration

US shareholders:

Computershare
462 South 4th Street
Suite 1600
Louisville
KY 40202

1-800-418-4223

Shareholders in Europe and outside the US:

Computershare
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

+44 (0)370 702 0003

Report ordering

Shareholders who would like a paper copy of the Integrated Report, which will be despatched from around 16 April 2020, can make their request by post to the Company Secretary, Pemberton House, Bakers Road, Uxbridge UB8 1EZ, United Kingdom or by making a request via www.cocacolaep.com/financial-reports-and-results/integrated-reports or by sending an email to sendmaterial@proxyvote.com or by making a request via www.proxyvote.com or by phoning (in the US) 1-800-579-1639 or (outside the US) +1-800-579-1639.

Agent for service of process in the US

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

Forward-looking statements

This document contains statements, estimates or projections that constitute "forward-looking statements" concerning the financial condition, performance, results, strategy and objectives of Coca-Cola European Partners plc and its subsidiaries (together "CCEP" or the "Group"). Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "plan," "seek," "may," "could," "would," "should," "might," "will," "forecast," "outlook," "guidance," "possible," "potential," "predict," "objective" and similar expressions identify forward-looking statements, which generally are not historical in nature.

Forward-looking statements are subject to certain risks that could cause actual results to differ materially from CCEP's historical experience and present expectations or projections. As a result, undue reliance should not be placed on forward-looking statements, which speak only as of the date on which they are made. These risks include but are not limited to those set forth in the "Risk Factors" section of this 2019 Annual Report on Form 20-F, including the statements under the following headings: Packaging (such as marine litter); Perceived health impacts of our beverages and ingredients, and changing consumer preferences (such as sugar alternatives); Legal, regulatory and tax change (such as the development of regulations regarding packaging, taxes and deposit return schemes); Market (such as disruption due to customer negotiations, customer consolidation and route to market); Cyber and social engineering attacks; Competitiveness and transformation; Climate change and water (such as net zero emission legislation and regulation, and resource scarcity); Economic and political conditions (such as continuing developments in relation to the UK's exit from the EU); The relationship with TCCC and other franchisors; Product quality; and Other risks (such as widespread outbreaks of infectious disease).

Due to these risks, CCEP's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set out in CCEP's forward-looking statements. Additional risks that may impact CCEP's future financial condition and performance are identified in filings with the SEC which are available on the SEC's website at www.sec.gov. CCEP does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required under applicable rules, laws and regulations. CCEP assumes no responsibility for the accuracy and completeness of any forward-looking statements. Any or all of the forward-looking statements contained in this filing and in any other of CCEP's respective public statements may prove to be incorrect.

Designed by Salterbaxter
An MSL Company

This report has been printed on Revive 100 Silk – an FSC® certified paper fibre derived from 100% pre and post-consumer waste accredited with the ISO 14001 and EMAS environmental standards. Printed by CPI Colour. CPI Colour are ISO14001 certified, CarbonNeutral®, Alcohol Free and are FSC® Chain of Custody certified. The inks used are vegetable oil based.

COCA-COLA EUROPEAN PARTNERS PLC

Registered office:
Pemberton House
Bakers Road
Uxbridge UB8 1EZ
Registered in England and Wales
Company number: 9717350

WWW.COCACOLAEP.COM