

# RESPONSIBLE SOURCING POLICY



## INTRODUCTION

At Coca-Cola Europacific Partners (CCEP), we recognise the importance of having ethical and sustainable procurement practices that support our business and sustainability goals.

This policy reflects our commitment to sustainable practices that are an integral part of how we conduct our business. We believe CCEP can play an active role in driving social, environmental and economic improvements in our supply chain that create benefits for our communities and society as a whole.

We recognise that CCEP has a broad and diverse range of suppliers from around the globe and therefore it is imperative that we have responsible procurement practices of the highest ethical and professional standards to ensure we appropriately manage risk with external suppliers.

This policy is a set of **mandatory guidelines** that all our suppliers directly or indirectly (such as sub-contractors) must comply with to be eligible to do business with CCEP.

While our desire is to work only with suppliers that adhere to our mandatory guidelines, we want to go beyond and show preference to suppliers that exceed them and move towards **best practices**.

As a key bottling partner of The Coca-Cola Company (TCCC), we are committed to upholding The Coca-Cola Company's Supplier Guiding Principles and Principles for Sustainable Agriculture which are incorporated into this policy.

We expect our suppliers to ensure **that their suppliers are compliant with obligations no less onerous than those of the supplier in this policy**.

# DOING BUSINESS WITH CCEP

## CCEP PROCUREMENT: HOW WE WANT TO OPERATE WITH SUPPLIERS

We have a Code of Conduct, which applies to all employees across the CCEP Group. The purpose of our Code of Conduct is to help employees achieve CCEP objectives (in the community, internally at CCEP and with our suppliers and customers) in the right way.

We also expect our suppliers to act in an ethical manner, consistent with our Code of Conduct, and accordingly this policy extends the key principles of the Code of Conduct throughout our supply chain.

A number of the key standards from the Code of Conduct are set out below, and we expect compliance with such standards (at a minimum) and that suppliers also have their own internal Code of Conduct which addresses such topics (at a minimum) with their employees.

**Confidentiality:** Information is a valuable asset to our business and suppliers must keep CCEP's and all other customers' information confidential at all times. Suppliers must not disclose any non-public information outside the intended circle of communication.

**Intellectual Property:** Suppliers must respect intellectual property rights and safeguard CCEP's and all other customers' information.

**Anti-Corruption:** Suppliers must not engage in any form of bribery, corruption, extortion or embezzlement.

**Modern Slavery:** suppliers must ensure that goods and/or services provided to CCEP are not a product of supply chains in which modern slavery is taking place. Suppliers must thoroughly investigate their labour practices and have processes, monitoring systems and compliance programmes in place to ensure that there is no modern slavery used in their operations or supply chains.

**Gifts and Entertainment:** Any gifts or entertainment offered by suppliers must support legitimate business interests and be reasonable, appropriate and proportionate.

**Legal Compliance:** Suppliers must maintain awareness of, and comply with, all applicable laws of the countries in which they operate.

## OUR SEVEN STEP SOURCING PROCESS (7SSP)

CCEP Procurement is constantly searching for qualified suppliers that meet the highest quality standards.

Business is awarded based on the best combination of the following factors: low total cost of ownership, high quality of goods and services, delivery that exceeds our needs, continuous investment in innovation and growth, a commitment to Corporate Social Responsibility and Sustainability, sound financial standing, and a single point of communication.

We have been working to embed sustainability criteria into all our procurement processes, from sourcing new suppliers to tendering. 7SSP is a fair and transparent process that gives all tendering parties the opportunity to submit a proposal to CCEP and be provided with feedback from CCEP around how this meets CCEP's decision making criteria highlighted above.

Where it makes sense, we will actively seek opportunities to **source locally** and encourage small and medium enterprises to participate in our procurement processes. We will support our suppliers that provide benefits to the economy through business practices that provide job creation, diversity opportunities, training and skill development. We will also encourage our suppliers to provide benefits to society through supporting our community or volunteering work programmes.



# MANDATORY REQUIREMENTS FOR OUR SUPPLIERS

In order to do business with CCEP, ALL suppliers are required to comply with our:

## 1. Supplier Guiding Principles (SGP)

- a. Our SGP sets out the mandatory requirements that all suppliers and approved sub-contractors, must comply with.
- b. We work with suppliers to build SGP into all contracts and they also form part of CCEP's Standard Conditions of Purchase.
- c. Our SGP are linked in the Appendix or can be found [here](#).
- d. We expect all our suppliers to constantly monitor their own and their sub-contractors' compliance to these standards and they are encouraged to promptly notify us if they become aware of any potential risk of non-compliance.

## 2. Principles for Sustainable Agriculture (PSA)

- a. Our PSA sets out the mandatory requirements for those suppliers who supply CCEP with agricultural products and packaging materials of agricultural origin.
- b. The PSA reflects principles based on four environmental, social and economic criteria;
  - i. Human and Workplace Rights;
  - ii. Environment and Ecosystem;
  - iii. Animal Health and Welfare; and
  - iv. Farm Management Systems.
- c. Our PSA are linked in the Appendix or can be found [here](#).
- d. We expect all our suppliers to constantly monitor their own and their sub-contractors' compliance to these standards and they are encouraged to promptly notify us if they become aware of any potential risk of non-compliance.

## 3. No-Deforestation Policy

We expect our suppliers to support CCEP's compliance with our no-deforestation objectives. For more information on our approach to biodiversity and forest stewardship, please click [here](#).

In addition for those suppliers who are making available on the European Union (EU) market and/or exporting from the EU market commodities and products listed in the Regulation (EU) 2023/1115 we also expect you to comply with the due-diligence and other obligations contained within the Regulation. For more information on the European Deforestation Regulation please click [here](#).

In addition to SGP, PSA and Deforestation Policy, suppliers who are categorised by CCEP as Strategic Suppliers and/or Carbon Strategic Suppliers, must also comply with additional requirements as defined below:

## 4. Strategic Suppliers

- a. Are defined as those suppliers which account for 80% of total CCEP annual spend on goods and services and will be notified of their status.
- b. Are required to undergo a sustainability performance by EcoVadis, an independent evaluation company which assesses suppliers against criteria such as environment, carbon management, human rights and fair business practices. Specifically, we expect our Strategic Suppliers to:
  - i. Complete an EcoVadis assessment within 3 months of doing business with CCEP;
  - ii. Achieve a minimum score of 50 overall and above 35 on each criteria;
  - iii. Get reassessed:
    1. Every year if the minimum score is not achieved, or
    2. Every 2 years if the overall score is between 50 - 65, or
    3. Every 3 years if the overall score is above 65; and
  - iv. Develop an improvement action plan for achieving an overall score above 65.

## 5. Carbon Strategic Suppliers

- a. Are defined as those suppliers who account for 80% of CCEP's Scope 3 carbon footprint regardless of annual spend, but we may also deem other suppliers to fall within these categories. Suppliers will be notified of their status.
- b. Are required to conduct their business in an environmentally responsible manner and commit to minimising the environmental impact of the goods and services they supply to CCEP for the purposes of carbon reduction. Specifically, we expect our Carbon Strategic Suppliers to:
  - i. Set their own science-based carbon reduction targets and complete their registration via the Science Based Targets Initiative (SBTi) website by 2023 (Europe\*) and 2025 (API<sup>^</sup>);
  - ii. Share their carbon footprint data with us; and
  - iii. Shift to 100% renewable electricity by 2023 (Europe\*) and 2030 (API<sup>^</sup>).

CCEP procurement teams seek to build long-term working relationships with these suppliers to ensure identification of opportunities for improvement and achievement of common objectives.

We understand the importance of close collaboration, including sharing experience and insights on carbon reduction solutions, with our suppliers to achieve our net zero 2040 ambition. CCEP will provide support and guidance to suppliers to ensure they meet our objectives.

<sup>^</sup> Australia, Pacific (New Zealand, Fiji, Samoa), Indonesia and PNG

\* Great Britain, France, Iberia, Germany Northern Europe (Belgium, Luxemburg, Netherlands, Sweden, Norway and Iceland)

### For more information

- For more information on our net zero 2040 ambition please click [here](#).

# COMPLIANCE TO THE POLICY

CCEP will use a range of due diligence and verification tools to ensure that suppliers are compliant with the principles laid out in this policy as follows;

- inclusion of policy within Supplier Agreements (as required) and on Purchase Orders;
- acknowledgement of the policy;
- annual reviews of EcoVadis certification and scores;
- adherence to TCCC 3rd party audits as required;
- annual submissions of letters of attestation and/or certifications of compliance to PSA; and
- 6 monthly review of compliance to carbon reduction commitments.
- Ongoing External third party monitoring tools

We expect our suppliers to support this policy and to work towards compliance by ensuring the suppliers' organisations and their employees have full knowledge of this policy and abide by its requirements.

We expect all our suppliers to engage with us in a journey of continuous improvement and to verify their responsible sourcing processes and practices in line with this policy.

The principles of this policy are based on supplier engagement, through dialogue and mutual trust, and we promote as much as possible transparency and working in collaboration with our suppliers.

## COMPLIANCE COMMITMENT

By electronically signing this document, the Supplier acknowledges that it understands and agrees to comply with these Responsible Sourcing Policies and agrees to permit CCEP to verify the Supplier's compliance with the Policy as CCEP may reasonably request

**THANK YOU FOR READING...NOW PLEASE CLICK ON THIS [LINK](#) TO ELECTRONICALLY SIGN VIA OUR MICROSOFT FORMS REGISTRY.**

## ADDITIONAL RESOURCES

### CCEP's website

- [CocaColaEP.com](https://CocaColaEP.com)

### TCCC's website

- [The Coca-Cola Company Supplier Guiding Principles](#)
- [The Coca-Cola Company Principles for Sustainable Agriculture](#)

### Other Useful links

- [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [United Nations Declaration of Human Rights](#)
- [Science Based Targets Initiatives](#)

### Contacting Us

If you have any questions relating to this policy, please contact your local CCEP procurement category manager.