EU taxonomy continued

EU taxonomy-eligible but not taxonomy-aligned activities[1]	Substantial contribution to environmental objective	% turnover	% Capex	% Opex
1. Manufacturing				
1.1 Manufacture of plastic packaging goods	Transition to a circular economy	–	0.13%	0.11%
6. Transport				
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Climate change mitigation	–	3.65%	7.73%
7. Construction and real estate activities				
7.3 Installation, maintenance and repair of energy efficiency equipment	Climate change mitigation	–	11.60%	16.68%
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Climate change mitigation	–	0.01%	–
7.7 Acquisition and ownership of buildings	Climate change mitigation	–	4.10%	11.18%
Total taxonomy-eligible but not taxonomy-aligned activities		**–**	**19.49%**	**35.70%**

Next steps

EU taxonomy regulation is still evolving, and we remain alert for any amendments to the existing Delegated Acts or the introduction of new ones. As we work towards meeting our NetZeroBy40 commitment, we aspire to improve alignment with EU taxonomy by cooperating closely with our suppliers and by addressing any gaps identified. Undoubtedly, in the case that our main economic activity of food and beverage manufacturing will be included in future Delegated Acts, it will be considered eligible, hence expanding the scope of the EU taxonomy application for CCH.

Finally, the implementation of the CSRD earlier this year will significantly increase the sustainability disclosure requirements. Building on the strong foundation of robust ESG reporting over many years, we are committed to carrying out all the necessary implementation activities that will facilitate and ensure CSRD compliance for financial year 2024.

1. Turnover, Capex and Opex % have been calculated following the EU taxonomy guidelines.

SASB index

The majority of the information required by the Sustainability Accounting Standards Board (SASB) framework is included in the 2023 IAR and the 2023 GRI Content Index. Part of the information refers to our public website https://www.coca-colahellenic.com/

Coca-Cola HBC AG 2023 IAR has been prepared in accordance with the Global Reporting Initiative Standards (GRI Universal Standards 2021). It has been independently assured by PwC. The independent assurance statement is on pages 302 to 309 of the 2023 IAR.

All the numbers refer to total CCHBC markets including Egypt unless otherwise stated. Currently, we do not track all metrics included in the Non-Alcoholic Beverages Standards and will work towards including more data in the future.

Table 1. Sustainability disclosure topics and accounting metrics

Topic	Accounting metric	Category	Unit of measure	Code	Response
Fleet fuel management	Fleet fuel consumed	Quantitative	Gigajoules (GJ)	FB-NB-110a.1	1,171,751
	Percentage renewable		Percentage (%)		0%
Energy management	Operational energy consumed	Quantitative	Gigajoules (GJ)	FB-NB-130a.1	6,262,163
	Percentage grid electricity		Percentage (%)		38%
	Percentage renewable		Percentage (%)		36%
Water management	Total water withdrawn	Quantitative	Thousand cubic metres (m^3)	FB-NB-140a.1	29,764
	Total water consumed		Thousand cubic metres (m^3)		17,941
	and percentage of each in regions with High or Extremely High Baseline Water Stress		Percentage (%)		31% (excluding Egypt)
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	FB-NB-140a.2	2023 IAR, Water section, Managing Risk, and TCFD sections. 2023 GRI Content Index (GRI 303: Water and Effluents). Our water management practices don't result in tradeoffs in land use, energy production, and greenhouse gas (GHG) emissions.
					CCHBC website – Water stewardship (https://www.coca-colahellenic.com/en/a-more-sustainable-future/mission-2025/water-reduction-and-stewardship)
Health and nutrition	Revenue from: zero- and low-calorie beverages	Quantitative	EUR	FB-NB-260a.1	€1,507.7 million only from SSD portfolio, 21.3% of total SSD revenue
	No added sugar beverages		EUR		Not reported; we report towards our Mission 2025 commitment for calorie reduction per 100ml SSD by 25% (2025 vs 2015): in 2023 we reduced the calories in our SSD by 19% vs 2015.
	Artificially sweetened beverages		EUR		CCHBC website – Sustainability section – Nutrition (https://www.coca-colahellenic.com/en/a-more-sustainable-future/mission-2025/nutrition)
					Not reported

SASB index continued

Table 1. Sustainability disclosure topics and accounting metrics continued

Topic	Accounting metric	Category	Unit of measure	Code	Response
Product labelling and marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)	FB-NB-270a.1	Not reported. As a member of both the Coca-Cola System and UNESDA, we abide by the respective responsible marketing guidelines. In addition, we have a responsible marketing policy for alcoholic beverages, while our strategic approach towards marketing to children is covered by our health and wellness policy. • https://www.unesda.eu/advertising-marketing-practices/ • Health and Wellness Policy (https://www.coca-colahellenic.com/en/about-us/corporate-governance/policies/health-wellness-policy) • Responsible Marketing Policy for Alcoholic Beverages (https://www.coca-colahellenic.com/en/about-us/corporate-governance/policies/responsible-marketing-policy-for-alcoholic-beverages)
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting currency	FB-NB-270a.2	(1) None – we don't produce/sell GMO products. (2) Non-GMO: €10,184 million (100% of the portfolio). CCHBC website – GMO Policy (https://www.coca-colahellenic.com/en/about-us/corporate-governance/policies/genetically-modified-organism-position-statement)
	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Quantitative	Number	FB-NB-270a.3	12 incidents of non-compliance with regulatory labelling and 6 isolated incidents in 2 out of 17 business units with industry marketing codes in 2023, with mitigation plans in place for all of the above incidents. 4 out of 6 mitigation actions (67%) were already completed by February 2024. Refer to the 2023 GRI Content Index (417-2 and 417-3).
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices	Quantitative	Reporting currency	FB-NB-270a.4	Total amount of monetary losses: €1,733.58 in 2023. Refer to the 2023 GRI Content Index (417-2 and 417-3).
Packaging lifecycle management	Total weight of packaging	Quantitative	Metric tonnes (t)	FB-NB-410a.1	964,319
	(2) Percentage made from recycled and/or renewable materials		Percentage (%)		16% rPET (placed on the market); 31% recycled glass; 47% recycled aluminium
	(3) Percentage that is recyclable, reusable, and/or compostable		Percentage (%)		100% of primary packaging (recyclable by design)
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	n/a	FB-NB-410a.2	CCHBC website – Sustainability section – World without waste (https://www.coca-colahellenic.com/en/a-more-sustainable-future/mission-2025/world-without-waste)

SASB index continued

Table 1. Sustainability disclosure topics and accounting metrics continued

Topic	Accounting metric	Category	Unit of measure	Code	Response
Environmental and social impacts of ingredient supply chain	Suppliers' social and environmental responsibility audit: non-conformance rate and associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-NB-430a.1	2023 GRI Content Index (2-6, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2). CCHBC website – Sustainable sourcing and Our suppliers sections (https://www.coca-colahellenic.com/en/about-us/what-we-do/supply-chain) CCHBC website – Sustainability section – Sourcing (https://www.coca-colahellenic.com/en/a-more-sustainable-future/mission-2025/sourcing) CCHBC website – Supplier Guiding Principles (https://www.coca-colahellenic.com/en/about-us/corporate-governance/policies/supplier-guiding-principles)
Ingredient sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-NB-440a.1	1.3% of ingredients of suppliers spend (on total spend) is in high/very high water risk areas, as per our assessment by using WWF Water Risk Filter. 3.4% of ingredients of suppliers spend (on total ingredients spend) is in high/very high water risk areas, as per our assessment by using WWF Water Risk Filter.
	List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	Discussion and Analysis	n/a	FB-NB-440a.2	CCHBC website – Sustainability section – Sourcing (https://www.coca-colahellenic.com/en/a-more-sustainable-future/mission-2025/sourcing) 2023 GRI Content Index (2-6, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2). CCHBC website – Sustainable sourcing and Our suppliers sections (https://www.coca-colahellenic.com/en/about-us/what-we-do/supply-chain)

Table 2. Activity Metrics

Topic	Accounting metric	Category	Unit of measure	Code	Response
Volume of products sold		Quantitative	Millions of hectolitres (Mhl)	FB-NB-000.A	16,012.33
Number of production facilities		Quantitative	Number	FB-NB-000.B	60 production facilities for non-alcoholic beverages
Total fleet road miles travelled		Quantitative	Kilometres	FB-NB-000.C	387,262,652

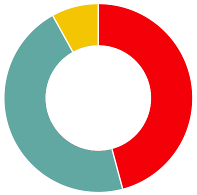
Corporate Governance Report

Governance at a glance

Corporate Governance Compliance statement

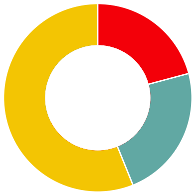
As a Swiss corporation listed on the London Stock Exchange (LSE) with a secondary listing on the Athens Exchange, we aim to ensure that our corporate governance systems remain in line with international best practices. Our corporate governance standards and procedures are continuously reviewed in light of current developments and rulemaking processes in the UK, Switzerland and also the EU. Find out more on pages 127 to 129.

Board Independence (number and %)



Independent NEDs	6	46%
NEDs	6	46%
Executive directors	1	8%

Shareholder structure (%)



TCCC	21
KAR-Tess Holding	23
Free float	56

Board gender diversity (number and %)

Men	8	62%
Women	5	38%

Tenure (years)

1–2	2	15%
2–3	1	8%
3–4	1	8%
5–6	1	8%
6–7	1	8%
7–8	2	15%
8–9	2	15%
9–10	2	15%
17–18	1	8%

Nationalities

American	1	8%
American/Brazilian	1	8%
British	5	38%
Bulgarian	1	8%
Croatian	1	8%
Greek	2	15%
Nigerian	1	8%
Swiss	1	8%

Compliance with the UK Corporate Governance Code

Board Leadership and Company Purpose

A. Effective and entrepreneurial Board to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

B. Purpose, values and strategy with alignment to culture.

C. Resources for the Company to meet its objectives and measure performance. Controls framework for management and assessment of risks.

D. Effective engagement with shareholders and stakeholders.

E. Consistency of workforce policies and practices to support long-term sustainable success: 124
- Letter from the Chair of the Board 5,124
- Board Leadership and Company Purpose 133
- Strategic Report 2
- Engaging with our key stakeholders 134-135
- Culture in action 138
- Overseeing strategic delivery 136
- Audit and Risk Committee 157
- Conflicts of interest 129

Division of Responsibilities

F. Leadership of Board by Chair

G. Board composition and responsibilities

H. Role of NEDs.

I. Company's policies, processes, information, time and resources:
- Board composition 128
- Key roles and responsibilities 139
- Division of responsibilities for the Board 139
- Support and training for the Board 148
- Board appointments and succession planning 148

Composition, succession and evaluation

J. Board appointments and succession plans for Board and senior management and promotion of diversity.

K. Skills, experience and knowledge of Board and length of service of Board as a whole.

L. Annual evaluation of Board, Committees and Directors and demonstration of whether each Director continues to contribute effectively:
- Board composition 128
- Application of the Company's corporate governance practices 127
- Diversity, tenure and experience 123, 149
- Performance evaluation of the Board 150
- Nomination Committee 146

Audit, risk and internal controls

M. Independence and effectiveness of internal and external audit functions and integrity of financial and narrative statements.

N. Fair, balanced and understandable assessment of the Company's position and prospects.

O. Risk management and internal control framework and principal risks the Company is willing to take to achieve its long-term objectives:
- Audit and Risk Committee 157
- Strategic Report 86-107
- Fair, balanced and understandable Annual Report 154, 155, 185
- Going concern basis of accounting 185
- Viability statement 113

Remuneration

P. Remuneration policies and practices to support strategy and promote long-term sustainable success with executive remuneration aligned to Company purpose and values.

Q. Procedure for Executive Director and senior management remuneration.

R. Authorisation of remuneration outcomes:
- Remuneration Committee report 159

Letter from the Chair of the Board

The governance imperative in times of change

"In 2023, the Board has carefully sought to position our company for continued success, preparing to anticipate and seize opportunities, endeavouring to overcome challenges and continuing to focus on good governance: doing what is right over what is easy."

Dear Stakeholder,

It is my pleasure to share this Corporate Governance Report, which details robust governance arrangements throughout the Group, alongside key updates and decisions undertaken by the Board during 2023.

2023 was a successful year for Coca-Cola HBC, despite the ongoing challenges of high inflation and the conflict in Ukraine. The Company continued the momentum of 2022 into 2023, focusing on the health and safety of our people across the business and reacting to cost pressures with measured and focused price and mix changes. Underpinned by the introduction of our clear purpose and the consistent application of our 24/7 beverage strategy, Zoran and our executive team have delivered another year of strong operational and strategic progress and record financial results.

Leading with purpose

In March, I had the pleasure of attending, alongside other members of the Board, our senior leadership conference in Cairo. This was a significant meeting for the Company, our first in four years where we'd been able to bring together our team to unify around some common objectives and celebrate the progress we've made since 2019. Our people have consistently risen to the challenges presented over the last few years. This was passionately showcased by all disciplines within the business and hosted with grace and professionalism by our Egyptian team, the latest country to join our Group. At the event we were joined by many members of The Coca-Cola Company and other key partners who also shared their thoughts on the future of our business.

The leadership conference showcased how our talented, passionate people have adapted and embraced opportunities, ensuring that our company continues to be resilient and enjoy such a strong performance.

The event also showcased our new purpose, endorsed by the Board – to open up moments that refresh us all. This revision provides greater clarity and inspiration, and also supports our alignment with the Coca-Cola System.

The long-term success of our business remains connected to the success of our customers and partners, and our ability to delight consumers with the beverages and brands that they love. We are able to accomplish this due to our well-embedded, values-based culture. The Board plays a critical role in shaping the culture of the Company by promoting growth-focused and values-based conduct and ensuring increased focus on continued learning and the smart risk taking necessary for the Company's adaptation. The Board is overseeing the development and implementation of a new culture manifesto and leadership model, ensuring that the revised purpose is well-embedded in the Company's culture.

We monitor our progress in integrating our values through various indicators, including our employee engagement index, diversity indicators, and health and safety indicators, and our Directors lead by example as ambassadors of our values, cascading good behaviour throughout the organisation.

One all-employee pulse survey, one culture and engagement survey and two Collaborating for Impact surveys were conducted in 2023. While Charlotte Boyle is our designated non-Executive Director responsible for engaging with our people to provide feedback to the Board, feedback from our people through these surveys was brought to the full Board's attention in 2023 to facilitate understanding of the concerns raised and ensure a rapid response.

The Board and I would like to thank our leadership and all our colleagues for making Coca-Cola HBC a better business every day, working together as a team, delivering our Growth Story and making impressive progress on our journey of becoming the leading 24/7 beverage partner.

Seizing opportunities

In 2022 we acquired the Coca-Cola bottler in Egypt expanding our footprint in long-term high-growth markets. A key priority for the Board during 2023 has been the successful integration of the business into the Coca-Cola HBC family and I am pleased to report that has gone very well. Despite the challenging macroeconomic conditions in the country in 2023, we remain confident for the prospects of our business in Egypt .

In 2023 we undertook a different type of acquisition with the purchase of Finlandia, a superb vodka business, from our long-term partner, Brown-Forman. Zoran and the team have started integration of the business and we expect significant growth opportunities to come as we build-out this excellent brand across our footprint.

Protecting our people

The Board is constantly vigilant of the ongoing conflict in Ukraine. First and foremost, we are focused on protecting our employees and ensuring, in so far as possible, their health and safety. We believe that the decisions we have taken to date achieve the best balance for our team on the ground and our wider stakeholders. We continue to monitor matters closely and will take further actions if needed.

Letter from the Chair of the Board continued

Strategy and performance

Our Growth Story 2025 has remained a cornerstone for the business throughout 2023. We continue to prioritise the actions and investments that strengthen our capabilities and position the Company for sustained success.

Our performance in 2023 demonstrated the benefits of our approach. Coca-Cola HBC delivered strong financial performance with record levels of revenue and comparable EBIT, with a good margin improvement, strong free cash flow reaching all time high and improved ROIC.

I was pleased to launch proceedings at our investor day in May in Rome, where Zoran, Ben, Naya and the team outlined the many actions we are taking to drive revenue growth, margin improvements and sustained strong cash generation. The Board fully supports the raised mid-term guidance Zoran and the team shared with you at the time. Delivering these goals will not be easy, but we have laid strong foundations with sustained investment over the last few years and have developed a culture of resilience and adaptability that serves us well.

Presenting at our Investor Day in May

Leadership in action

2023 was a year full of opportunity and challenge. I am very reassured by the Board's strong contribution to our decision making, representing effectively the interests and viewpoints of all stakeholders in wide ranging topics. This has supported a thorough evaluation of our strategic investments, stretching goals for our management and a continued strong focus on sustainability.

Through our Mission 2025 framework and biodiversity policy, we are committed to reducing emissions and water use, by preserving and re-instating water priority areas, and by sourcing agricultural ingredients sustainably. While index performance is not a goal in itself, we continue to be assured by our ranking as the world's most sustainable beverage company in the Dow Jones Sustainability Index, for another year. Consistent progress underpins our aim to leave nature in a state better than the one we found it in.

For more on our Mission 2025 sustainability plan,

see p72 to 74

This year, together with The Coca-Cola Company and seven other bottling partners, we each committed $15 million to a new venture capital fund, the Greycroft Coca-Cola System Sustainability Fund. This $137.7 million fund will focus on innovative solutions to drive carbon footprint reduction, helping accelerate our journey towards our NetZeroby40 goal. And in December, we were proud to announce the establishment of the CCHBC Foundation dedicated to supporting communities in the areas where we operate, with an initial €10 million transfer to the foundation.

We had two new Board members in 2023, Evguenia Stoichkova and George Pavlos Leventis, both bringing a wealth of experience from the beverage sector.

Dividend growth and capital returns

The Board has maintained our progressive dividend, and for 2023 is proposing €0.93 per share, a 19% increase on the dividend per share versus the prior year, representing a 45% pay-out ratio, within our targeted range of 40 to 50% of comparable EPS.

The consistent growth of our dividend is testament to our confidence in the strong fundamentals of our business, as well as our commitment to shareholders.

Letter from the Chair of the Board continued

At the same time, in November 2023 we announced the start of a two-year share buyback programme, aimed at returning up to €400 million to shareholders. We remain committed to a disciplined approach to capital allocation that continues to drive shareholder value. The Group's capital allocation framework follows clear priorities: organic investment in the business to drive delivery of our medium-term financial targets; paying a progressive dividend, targeting a payout of 40%-50% of earnings per share; strategic M&A; and finally, additional capital return. With these priorities in mind, the Board believed that the 2023 share price undervalued the Company's future growth opportunities, and the approval of a share buyback programme provided a compelling opportunity to enhance value for shareholders while continuing to invest in the business.

The importance of good governance

As a Board, our aim is to always ensure the highest standards of corporate governance, accountability and risk management. Our internal policies and procedures, which have been consistently effective since the Group was formed, are properly documented and communicated against the framework applicable to companies with a premium listing in the UK. The Board and its committees have conducted an annual review of the effectiveness of our risk management system and internal controls, further details of which are set out in the Audit and Risk Committee report on pages 153 to 158. The Board confirms that it has concluded that our risk management and internal control systems are effective.

We are subject to the UK Corporate Governance Code 2018. It sets out the principles of good practice in relation to: Board leadership and Company purpose; division of responsibilities; composition, success and evaluation; audit, risk and internal controls; and remuneration. Further information on how we have applied the principles and complied with the provisions of the UK Corporate Governance Code 2018 for the year ended 31 December 2023 can be found in this report on pages 123 and 127.

Board meetings normally take place in Zug, Switzerland, but also in selected markets across our territories.

Board evaluation

In line with our commitment to adhere to best corporate governance practices, an externally-facilitated Board effectiveness evaluation was conducted in the second half of 2023. Key outcomes are included on page 150 of the Nomination Committee report. The evaluation will be conducted again in 2024 to apply learnings.

Board composition and diversity

We believe that our Board is well-balanced and diverse, with the right mix of international skills, experience, background, independence, and knowledge in order to discharge its duties and responsibilities effectively. However, the composition and size of the Board continue to be kept under review.

The Financial Conduct Authority's (FCA) Listing Rules on targets for gender and ethnic diversity apply for the first time and our disclosures are in the Nomination Committee report (see pages 148 to 149). We continue to attach great importance to all aspects of diversity in our nomination processes at Board and senior management levels, while appointing candidates with the credentials that are necessary for the continued growth and performance of our operations within our highly specialised industry. We believe that a diverse Board fosters both innovation and resilience and are proud of our track record of female and ethnic minority representation. As of the date of this report, female Directors comprised more than 38% of our Board (compared with 33% in 2022), while ethnic minorities represented 8%, same as in 2022.

Looking ahead

A further record year in 2023 confirms our resilience, despite the impact of cost inflation and the conflict in Ukraine. This reflects the continued investments we have made in the business, focused on strengthening the most critical drivers of future performance.

We will continue to ensure the management team is properly incentivised and stretched to deliver exceptional results. I am proud of the fact that we've been able to reward our teams with healthy remuneration in recent years, consistent we believe with the outcomes they've delivered. We ask for dedication, professionalism and a strong performance from them and they have achieved a great deal in difficult times.

We may have seen the worst of the anticipated inflation, but economic risks remain. As Zoran explains in his statement in the Strategic Report (see page 6), we have taken successful actions to improve price and mix within our portfolio while also being mindful of maintaining affordability for all our consumers. In several countries, consumers are being squeezed by the legacy of high-inflation and weaker economic conditions. Providing relevant products with the right appeal and pricing, working with our customers on appropriate promotions, remains at the heart of how we make ourselves relevant for all consumers. It is this focus and drive that will enable us to deliver on our Growth Story 2025 and our mid-term targets.

Doing all of this sustainably is critical. Within this, climate change remains a top priority. We are well equipped to face these challenges thanks to the strength of our portfolio, proven capabilities and committed partnerships.

This work continues, as we embed our values-based culture to deliver on our clear purpose.

I would like to thank the Board members for their continued commitment and counsel this year, as well as extending my thanks to all CCHBC colleagues, customers, consumers and partners. Our people and culture are at the heart of everything we do. Opening up moments that refresh us all was at the heart of our success in 2023 and will underpin our progress for generations to come.

Anastassis G. David
Chairman of the Board

Application of the Company's corporate governance practices

Compliance with the UK Corporate Governance Code 2018

As a Swiss corporation listed on the LSE with a secondary listing on the Athens Exchange, we aim to ensure that our corporate governance systems remain in line with international best practices. Our corporate governance standards and procedures are continuously reviewed in light of current developments and rulemaking processes in the UK, Switzerland and also the EU. Further details are available on our website. In respect of the year ended 31 December 2023, the Company was subject to the UK Corporate Governance Code 2018 (a copy is available at www.frc.org.uk). Our Board confirms that the Company applied the principles and complied with the provisions of the UK Corporate Governance Code throughout the financial year ended December 2023, except for the following provisions:

(1) The Chair was not independent on appointment (provision 9) and has been a Board member for more than nine years (provision 19). Anastassis David was originally appointed as non-Executive Director (NED) in 2006 at the request of Kar-Tess Holding and was not, at the time of his appointment as Chair, in 2016, independent as defined by the UK Corporate Governance Code. In view of Anastassis David's strong identification with the Company and its shareholder interests, combined with his deep knowledge and experience of the Coca-Cola System, the Board deemed it to be in the best interests of the Group and its shareholders for him to be appointed as Chair, with unanimous support, to continue to promote an effective and appropriately balanced leadership of the Group.

In accordance with the established policy of appointing all Directors for one year at a time, the Board continues to keep all positions under regular review and subject to annual election by shareholders at the Annual General Meeting (AGM). The Board continues to believe that the proven leadership of our Chair in combination with his deep knowledge of the Coca-Cola System position him as unique to steer the Group at the current time.

(2) Provision 38 requires alignment of Executive Director pension contributions with the wider workforce. Our difficulties in compliance with this provision due to existing contractual obligations were outlined in the Annual Report published in 2021 and are explained on page 166 of the Directors' Remuneration Report. On the appointment of any new Executive Director, we intend that their pension contributions will be aligned with the pension scheme for the wider workforce. Pursuant to our obligations under the Listing Rules, we apply the principles and comply with the provisions of the UK Corporate Governance Code or explain any instances of non-compliance in our Annual Report. The Company has applied the principles as far as possible and in accordance with and as permitted by Swiss law. Further information on appointment of Directors and compliance with the UK Corporate Governance Code can be found on the page 123.

Swiss corporate rules

There is no mandatory Corporate Governance Code under Swiss law applicable to the Company. The main source of law for Swiss governance rules is the company law contained in article 620 et seqq. of the Swiss Code of Obligations. Swiss company law includes provisions regarding the compensation in listed companies and further limits the authority of the Remuneration Committee and the Board to determine compensation. The effective limitations include requiring that the AGM approve the maximum total compensation of each member of the Board and the Executive Leadership Team (ELT), requiring that certain compensation elements be authorised in the Articles of Association and prohibiting certain forms of compensation, such as severance payments and financial or monetary incentives for the acquisition or disposal of firms. We are in compliance with the requirements of Swiss company law and the specific provisions therein regarding the compensation in listed companies.

UK's City Code on Takeovers and Mergers

The UK's City Code on Takeovers and Mergers (the 'City Code') does not apply to the Company, because the Company does not have its registered office in the United Kingdom, the Channel Islands or the Isle of Man. The Articles of Association include specific provisions designed to prevent any person acquiring shares carrying 30% or more of the voting rights (taken together with any interest in shares held or acquired by the acquirer or persons acting in concert with the acquirer) except if (subject to certain exceptions) such acquisition would not have been prohibited by the City Code or if such acquisition is made through an offer conducted in accordance with the City Code. For further details, please refer to the Company's Articles of Association, which are available on our website.

Application of the Company's corporate governance practices continued

Amending the Articles of Association

The Articles of Association may only be amended by a resolution of the shareholders passed by a majority of at least two-thirds of the voting rights represented and an absolute majority of the nominal value of the shares represented.

Share capital structure

The Company has ordinary shares in issue with a nominal value of CHF 6.70 each. Rights attaching to each share are identical and each share carries one vote. The Company's Articles of Association also allow, subject to shareholder approval, for the conversion of registered shares into bearer shares and bearer shares into registered shares. Details of the movement in ordinary share capital during the year can be found on page 257. There are no persons holding shares that carry special rights with regard to the control of the Company.

Powers of Directors to issue and buy back shares

Subject to the provisions of the relevant laws and the Articles of Association, the Board acting collectively has the ultimate responsibility for running the Company and the supervision and control of its executive management. The Directors may take decisions on all matters that are not expressly reserved to the shareholders by the Articles of Association. Pursuant to the provisions of the Articles of Association, the Directors require shareholder authority to issue shares. In accordance with the FCA's Listing Rules, the Directors require shareholder authority to repurchase shares. At the AGM on 17 May 2023, the shareholders authorised the Directors to repurchase ordinary shares of CHF 6.70 each in the capital of the Company up to a maximum aggregate number of 10,000,000 representing less than 10% of the Company's issued share capital as of 4 April 2023. The authority will expire at the conclusion of the 2024 AGM on 21 May 2024 or at midnight on 30 June 2024, whichever is earlier. The Company commenced a share buyback programme on 21 November 2023 and is expected to run for a period of around two years. As at 31 December 2023, the Company reported that 1,638,298 ordinary shares had been purchased at an average price of 2,239.8482 pence per ordinary share and are held in treasury. The buyback programme continues and as at 11 March 2024 (the latest practicable date for inclusion in this report), since 31 December 2023, the Company purchased a further 1,154,432 shares at an average price of 2,475.6449 pence per share and these shares are also held in treasury. Shares held in treasury as at 11 March 2024 total 7,215,615 out of which 3,785,480 are held by CCHBC AG (including the purchased shares) and 3,430,135 shares are held by its subsidiary, CCHBC Services MEPE.

Board composition

On 31 December 2023, our Board comprised 13 Directors: the Chair, one Senior Independent Director, ten NEDs and one Executive Director.

The NEDs are experienced individuals from a range of backgrounds, countries and industries, as shown by their biographies on pages 130 to 132. Evguenia Stoichkova and George Pavlos Leventis were appointed to the Board at the 2023 AGM and at the conclusion of the AGM, Bruno Pietracci and Ryan Rudolph retired from the Board. Evguenia Stoichkova was also elected as a member of the Social Responsibility Committee. This is our first year of reporting on gender and ethnicity metrics in accordance with the FCA Listing Rules. Further details are disclosed on pages 148 to 149 of the Nomination Committee Report.

External appointments

The Articles of Association of the Company (article 36) set limits on the maximum number of external appointments that members of our Board and executive management may hold. In addition, if a Board member wishes to take up an external appointment, he or she must obtain prior Board approval. The Board will assess all requests on a case-by-case basis, including whether the appointment in question could negatively impact the Company or the performance of the Director's duties to the Group. The nature of the appointment and the expected time commitment are also assessed to ensure that the effectiveness of the Board would not be compromised. Details of the external appointments of our Directors are contained in their respective biographies on pages 130 to 132.

Our Chair is active in the international community. With regard to his external appointments, the Board considers that fewer than four of the positions held by the Chair are considered to be significant. A number of our other Directors also have other external roles. With effect from 1 January 2023 Swiss law has amended the definition of 'external appointments' and requires disclosure of external appointments in other undertakings (public or private) with a commercial purpose (opposed to the requirement under the old law to disclose external appointments in legal entities registered in a commercial register or similar register). The Board is satisfied that any additionally disclosed positions are not considered significant. Having considered the scope of the external appointments of all Directors, including the Chair, our Board is satisfied that they do not compromise the effectiveness of the Board. Each Director has sufficient time to devote to as necessary for the performance of their duties and, according to the terms of appointment to the Board. This will include attendance annually at approximately ten Board meetings, AGMs and other meetings. As can be seen in the table of attendance of Board and Board Committee meetings on page 140, the Directors were able to devote the time required to discharge their duties and the Board has determined that each member commits sufficient time and energy to the role, continuing to make a valuable contribution to the Board and its committees.

Application of the Company's corporate governance practices continued

Independence

Our Board has concluded that Charlotte J. Boyle, Olusola (Sola) David-Borha, Anna Diamantopoulou, William W. (Bill) Douglas III, Reto Francioni and Alexandra Papalexopoulou are deemed to be independent, representing half of the Board, excluding the Chair, in accordance with the criteria set out in the UK Corporate Governance Code, with such individuals being independent in both character and judgement. The other non-Executive Directors were appointed following nomination by the two major shareholders (see details below) and they are therefore not considered by the Board, to be independent as defined by the UK Corporate Governance Code.

Anastassis David was appointed as Chair on 27 January 2016. The Board believes that Anastassis David embodies the Company's core values, heritage and culture and that these attributes, together with his strong identification with the Company and its shareholders' interests and his deep knowledge and experience of the Coca-Cola System, ensure an effective and appropriately balanced leadership of the Board and the Company. Anastassis David was first appointed as a member of the Board in 2006 before being appointed Chair in 2016. Prior to his appointment as Chair, major shareholders were consulted, and an external search consultancy engaged to find suitable candidates. The consensus was that Anastassis David was the appropriate candidate to become Chair and that he continues to be effective in his leadership of the Board. In accordance with the established policy of appointing all Directors for one year at a time, the Board continues to keep all positions under regular review and subject to annual election by shareholders at the AGM. The Board continues to believe that the proven leadership of our Chair in combination with his deep knowledge of the Coca-Cola System position him as unique to steer the Group at the current time. Accordingly, Anastassis David has the continuing support of the Board and major shareholders to remain as Chair.

Shareholder nominees

As described on page 309, since the main listing of the Company on the Official List of the London Stock Exchange in 2013, Kar-Tess Holding, TCCC and their respective affiliates have no special rights in relation to the appointment or re-election of nominee Directors. Those Directors who were originally nominated for appointment by TCCC or Kar-Tess Holding will be required to stand for re-election on an annual basis in the same way as the other Directors. The Nomination Committee is responsible for identifying and recommending candidates for subsequent nomination by the Board for election as Directors by the shareholders on an annual basis.

As our Board currently comprises 13 Directors, neither Kar-Tess Holding nor TCCC is in a position to control (positively or negatively) decisions of the Board that are subject to simple majority approval. However, decisions of the Board that are subject to the special quorum provisions and supermajority requirements contained in the Articles of Association, in practice, require the support of Directors nominated at the request of at least one of either TCCC or Kar-Tess Holding to be approved. In addition, based on their current shareholdings, neither Kar-Tess Holding nor TCCC is in a position to control a decision of the shareholders (positively or negatively), except to block a resolution to wind up or dissolve the Company or to amend the supermajority voting requirements. The latter requires the approval of 80% of the total number of shareholders being represented and voting. Depending on the attendance levels at AGMs, Kar-Tess Holding or TCCC may also be in a position to control other matters requiring supermajority shareholder approval.

Anastassis G. David, Anastasios I. Leventis, Christo Leventis, and George Pavlos Leventis were all originally nominated for appointment by Kar-Tess Holding. Henrique Braun and Evguenia Stoichkova were nominated for appointment by TCCC. The two Directors who retired at the 2023 AGM had been nominated by the two major shareholders: Bruno Pietracci was nominated by TCCC and Ryan Rudolph by Kar-Tess Holding.

Conflicts of interest

In accordance with the Company's Organisational Regulations, Directors are required to arrange their personal and business affairs to avoid a conflict of interest with the Group. Each Director must disclose to the Chair the nature and extent of any conflict of interest arising generally or in relation to any matter to be discussed at a Board meeting as soon as the Director becomes aware of its existence. In the event that the Chair becomes aware of a Director's conflict of interest, the Chair is required to contact that Director promptly and discuss the nature and extent of such a conflict of interest. Subject to exceptional circumstances in which the best interests of the Company dictate otherwise, the Director affected by a conflict of interest is not permitted to participate in discussions and decision-making involving the interest at stake.

Board of Directors

Anastassis G. David

Non-Executive Chair

Appointed: January 2016. He joined the Board of CCHBC as a non-Executive Director in 2006 and was appointed Vice Chair in 2014.

Skills, experience and contribution: Anastassis brings to his role more than 20 years' experience as an investor and NED in the beverage industry. Anastassis is also a former Chair of Navios Corporation. He holds a BA in History from Tufts University.

For more information on skills and experience see page 147.

External appointments: Anastassis is active in the international community. He serves as Vice Chair of Aegean Airlines S.A., Vice Chair of the Cyprus Union of Shipowners, Chair of the board of Sea Trade Holdings Inc., a ship-owning company of dry cargo vessels, Chair of the board of Nephele Navigation Inc., and member of Adcom Advisory Ltd.

He holds the following positions within the Kar-Tess group of companies: board member of Kar-Tess Holding and Executive of Boval Ltd.

Also, he is a member of the board of trustees of College Year in Athens, and Director of George and Kaity David Foundation.

Nationality: British-Cypriot

Anastassis David has a shared directorship with Alexandra Papalexopoulou, both being a director of Aegean Airlines S.A.. He also has a shared directorship with Anastasis Leventis, both being directors in Nephele Navigation Inc. and has a shared directorship with Anastasios I. Leventis, Christo Leventis and George Pavlos Levelntis, all being directors of Adcom Advisory Ltd.

Zoran Bogdanovic

Chief Executive Officer, Executive Director

Appointed: June 2018.

Skills, experience and contribution: Zoran was previously the Company's Regional Director responsible for operations in 12 countries and has been a member of the Executive Leadership Team since 2013. He joined the Company in 1996 and has held a number of senior leadership positions, including as General Manager of the Company's operations in Croatia, Switzerland and Greece. Before joining the Company, Zoran was an auditor with auditing and consulting firm Arthur Andersen. Zoran has a track record of delivering results across our territories and demonstrating the values that are the foundation of our Company culture.

For more information on skills and experience see page 147.

External appointments: None

Nationality: Croatian

Charlotte J. Boyle

N R

Independent non-Executive Director

Appointed: June 2017.

Skills, experience and contribution: After 14 years with The Zygos Partnership, an international executive search and Board advisory firm, including nine years as a partner, she retired from her position in July 2017. Prior to that, Charlotte worked at Goldman Sachs International and at Egon Zehnder International, an international executive search and management assessment firm. Charlotte obtained an MBA from the London Business School and an MA from Oxford University and was a Bahrain British Foundation Scholar.

For more information on skills and experience see page 147.

External appointments: Charlotte serves as Chair of UK for UN High Commission for Refugees (UNHCR), an independent non-executive director and chair of the Environment, Sustainability and Community Committee of Shaftesbury Capital PLC, an independent director of Thatchers Cider Company Ltd, a non-executive adviser to the Group Executive Board of Knight Frank LLP and as a Trustee and Chair of the Finance Committee of Alfanar, the venture philanthropy organisation.

Nationality: British

Henrique Braun

Non-Executive Director

Appointed: June 2021.

Skills, experience and contribution: Henrique has vast experience in corporate functions as well as regional and business unit operations in TCCC. He joined TCCC in 1996 in Atlanta and progressed with increased responsibilities in North America, Europe and Latin America. His career responsibilities have included supply chain, new business development, marketing, innovation, general management and bottling operations. From 2020 to 2022, Henrique served as President of the Latin America operating unit, from 2016 to 2020, he served as the President of the Brazil business unit and from 2013 to 2016, he was the President for Greater China and Korea. His other roles in TCCC in the past include Vice President of Innovation and Operations in Brazil and Director for Still Beverages (non-carbonated beverages) in Europe. He first joined TCCC as a trainee in Global Engineering in the US. Henrique holds a bachelor's degree in agricultural engineering from the University Federal of Rio de Janeiro, a master's in industrial engineering from Michigan State University and an MBA from Georgia State University.

For more information on skills and experience see page 147.

External appointments: Henrique currently serves as Executive Vice President, International Development for TCCC, overseeing the company's operating units for Latin America, Japan and South Korea, ASEAN and South Pacific, Greater China and Mongolia, Africa, India and Southwest Asia and Eurasia and Middle East.

Nationality: American and Brazilian

Board committees

- Committee Chair
- A Audit and Risk Committee
- N Nomination Committee
- S Social Responsibility Committee
- R Remuneration Committee

Board of Directors continued

Olusola (Sola) David-Borha

A

Independent non-Executive Director

Appointed: June 2015.

Skills, experience and contribution:
Sola has more than 30 years' experience in financial services and held several senior roles within the Standard Bank Group. She was the CEO of the Africa Regions (excluding South Africa) for Standard Bank between 2017 and 2021. Prior to that role, she served as CEO of Stanbic IBTC Holdings Plc, a subsidiary of Standard Bank Group listed on the Nigerian Exchange. Her prior Board appointments include serving as Chairman Stanbic IBTC Bank and a Non-Executive Director on Stanbic Uganda Holdings and Stanbic Bank Uganda.

Sola holds a first degree in Economics and obtained an MBA degree from Manchester Business School. Her executive education experience includes the Advanced Management Programme of the Harvard Business School and the Global CEO Programme of CEIBS, Wharton and IESE.

For more information on skills and experience see page 147.

External appointments:
Sola serves as NED on the Board of Stanbic IBTC Holdings Plc, a listed entity that is a member of the Standard Bank Group.

Nationality: Nigerian

Anna Diamantopoulou

N S R

Independent non-Executive Director

Appointed: June 2020.

Skills, experience and contribution: Anna, as a former European Commissioner, brings to the Group a unique expertise on matters of employment and equal opportunity together with deep knowledge of the European CSR agenda. Anna was an elected Member of the Greek Parliament for over a decade, during which time she served as Deputy Minister for Industries, Minister of Education, Lifelong Learning and Religious Affairs and Minister of Development, Competitiveness and Shipping of the Hellenic Republic. From 1999 to 2004, Anna served as a member of the European Commission in charge of Employment, Social Affairs and Equal Opportunities.

For more information on skills and experience see page 147.

External appointments: Founder and President of DIKTIO-Network for Reform in Greece and Europe, a leading Athens-based independent, non-partisan policy institute. A Council Member of the European Council on Foreign Relations and an Advisory Board Member of Delphi Economic Forum. She is also the Chair of the European Commission's High-Level Group on the future of social protection and the welfare state in the EU. Finally, Anna is a member of the Global Advisory Board of KEKST CNC.

Nationality: Greek

William W. (Bill) Douglas III

A

Independent non-Executive Director

Appointed: June 2016.

Skills, experience and contribution:
Bill is a former Vice President of Coca-Cola Enterprises, a position in which he served from July 2004 until his retirement in June 2016. From 2000 until 2004, Bill served as Chief Financial Officer (CFO) of CCHBC. Bill has held various positions within the Coca-Cola System since 1985, including positions with responsibility for the IT function, including cyber issues. Before joining TCCC, Bill was associated with Ernst & Whinney, an international accounting firm. He received his undergraduate degree from the J.M. Tull School of Accounting at the University of Georgia.

For more information on skills and experience see page 147.

External appointments: Bill is the Lead Director and Chair of the Audit Committee of SiteOne Landscape Supply, Inc. He is also a non executive Chair of the Board of Directors of The North Highland company. He also serves on the Board and is a past Chair of the University of Georgia Trustees.

Nationality: American

Reto Francioni

N R

Senior Independent non-Executive Director

Appointed: June 2016.

Skills, experience and contribution:
Reto has been Professor of Applied Capital Markets Theory at the University of Basel since 2006 and is the author of several highly respected books on capital market issues. From 2005 until 2015, Reto was CEO of Deutsche Börse AG and from 2002 until 2005, he served as Chair of the Supervisory Board and President of the SWX Group, which owns the Swiss Stock Exchange and has holdings in other exchanges. Between 2000 and 2002, Reto was Co-CEO and Spokesman for the Board of Directors of Consors AG. Between 1993 and 2000, he held various management positions at Deutsche Börse AG, including that of Deputy CEO. He earned his Doctorate of Law at the University of Zurich.

For more information on skills and experience see page 147.

External appointments: Reto serves as Chair of the Supervisory Board of UBS Europe SE and also as the Chair of the Supervisory Board of Swiss International Airlines. Reto is also a Vice Chair at the Board of Directors of Medtech Innovation Partners AG, Basel.

Nationality: Swiss

Anastasios I. Leventis

S

Non-Executive Director

Appointed: June 2014.

Skills, experience and contribution:
Anastasios began his career as a banking analyst at Credit Suisse and then American Express Bank. He has previously served on the Boards of the Cyprus Development Bank and Papoutsanis SA. He holds a BA in Classics from the University of Exeter and an MBA from New York University's Leonard Stern School of Business.

For more information on skills and experience see page 147.

External appointments: Anastasios is a Board member of A.G. Leventis (Nigeria) Ltd, Vice Chair of the board of Nephele Navigation Inc, a board member of Maxenta Invest Corp., of Middle East Finance Sarl and of Adcom Advisory Ltd. He is a board member of Kar-Tess Holding.

Furthermore, Anastasios is a member of the European Council of the Nature Conservancy, a Board Member of WWF Hellas (Greek branch of WWF), a member of the board of Overseers of the Gennadius Library in Athens, a member of the University of Exeter Global Advancement Board, co founder of the Cyclades Preservation Fund, Member of the Board of Trustees of A.G. Leventis Foundation, and Director of Leventis Foundation Nigeria.

Nationality: British

Anastasios Leventis has a shared directorship with Anastassis David, Christo Leventis and George Pavlos Leventis, all being directors of Adcom Advisory Ltd. He also has shared directorship with Anastassis David, both being directors of Nephele Navigation Inc, and a shared directorship with Christo Leventis, both being directors in Middle East Finance Sarl.

Board of Directors continued

Christo Leventis

Non-Executive Director

Appointed: June 2014.

Skills, experience and contribution:
Christo worked as an Investment Analyst with Credit Suisse Asset Management from 1994 to 1999. In 2001, he joined J.P. Morgan Securities as an Equity Research Analyst focusing on European beverage companies. From 2003 until March 2014, Christo was a member of the board of directors of Frigoglass S.A.I.C., a leading global manufacturer of commercial refrigeration products for the beverage industry. Christo holds a BA in Classics from University College London and an MBA from the Kellogg School of Management in Chicago.

For more information on skills and experience see page 147.

External appointments:
Christo is a board member of Alpheus Capital, a single family private equity investment office, a board member of Adcom Advisory Ltd, a board member of Middle East Finance Sarl and holds the following positions within the Kar-Tess group of companies: a board member of Kar-Tess Holding and a board member of Torval Investment Corp.

Furthermore, he is a Director of the A.G. Leventis Foundation.

Nationality: British

Christo Leventis has a shared directorship with Anastassis David, Anastasios Leventis and George Pavlos Leventis, all being directors of Adcom Advisory Ltd. He also has a shared directorship with Anastasios Leventis, both being directors in Middle East Finance Sarl and with George Pavlos Leventis, both being directors in Torval Investment Corp.

A

Alexandra Papalexopoulou

Independent non-Executive Director

Appointed: June 2015.

Skills, experience and contribution:
Alexandra worked previously for the OECD and the consultancy firm Booz, Allen & Hamilton, in Paris. From 2003 until February 2015, she served as a member of the Board of Directors of Frigoglass S.A.I.C. From 2010 to 2015, she served as a member of the board of directors of National Bank of Greece and from 2007 to 2009, she served as a member of the board of directors of Emporiki Bank. She is an experienced executive director having been appointed in 1995 to the board of Titan Cement Company S.A., where she is employed since 1992. Alexandra holds a BA in Economics and Mathematics from Swarthmore College in the US and an MBA from INSEAD in France.

For more information on skills and experience see page 147.

External appointments: Alexandra is an Executive Member of the Board of Directors of Titan Cement International and Chair of the Board Strategy Committee. Alexandra is treasurer and a member of the Board of Directors of the Paul and Alexandra Canellopoulos Foundation, a member of the Board of Trustees of the INSEAD business school and an independent non-executive Director of Aegean Airlines S.A..

Nationality: Greek

Alexandra Papalexopoulou has a shared directorship with Anastassis David, both being a director of Aegean Airlines S.A.

S

Evguenia Stoichkova

Non-Executive Director

Appointed: May 2023.

Skills, experience and contribution:
Evguenia is currently the President of Global Ventures for TCCC, a unit that focuses on globally scaling acquisitions and brands, including COSTA Coffee and investment in Monster Beverage Corp. Prior to her current role, Evguenia served as President of the company's Eurasia & Middle East operating unit. From 2017 to 2020, Evguenia was president of the Turkey, Caucasus and Central Asia business unit. From 2013 to 2017, Evguenia served as Franchise General Manager for Italy and Albania. From 2010 to 2013, she was Franchise Operations director for Romania, Bulgaria, Moldova and Albania.

Evguenia joined Coca-Cola Bulgaria in 2004 as Franchise Country Manager. She became Marketing Manager for sparkling soft drinks in the Adriatic and Balkans business unit in 2007. She was named as Area Marketing Manager in Romania, Bulgaria, Moldova and Macedonia in 2008 before becoming Brand Director for still beverages for South Eastern Europe in 2009. Evguenia started her career at Danone Group in 1994 and led Danone marketing in Bulgaria from 2000 to 2004.

For more information on skills and experience see page 147.

External appointments:
President of Global Ventures at TCCC

Nationality: Bulgarian

George Pavlos Leventis

Non-Executive Director

Appointed: May 2023.

Skills, experience and contribution:
George was a non-executive member of the board of directors of Frigoglass S.A.I.C. from 2014 until May 2023 and held the position of Vice Chair. George previously worked as an analyst in fund management and holds an Investment Management Certificate from the CFA Society. He graduated with a bachelor's degree in modern history from Oxford University and holds a postgraduate Law degree from City University in the UK.

For more information on skills and experience see page 147.

External appointments: George is a board member of Adcom Advisory Ltd, a board member of Chalet Alpette Sarl and a board member of 8 Kensington Park Road Ltd. He is also a Board member of Torval Investment Corp., a company within the Kar-Tess group of companies.

Furthermore, he is a director in Terra Cypria Foundation, a charitable non-governmental organisation, that promotes environmental awareness and sustainability.

Nationality: British

George Pavlos Leventis has a shared directorship with Anastassis David, Christo Leventis and Anastasios Leventis, all being directors of Adcom Advisory Ltd. He also has a shared directorship with Christo Leventis, both being directors in Torval Investment Corp.

Corporate Governance Report
Board leadership and Company purpose

The Board has ultimate responsibility for our long-term success and for delivering sustainable shareholder value, as well as contributing to wider society. It is responsible for setting our purpose, values and strategy and ensuring alignment with culture. This includes ensuring that workforce policies and practices are consistent with our values and long-term sustainable vision.

Key activities of the Board in 2023

The key activities of the Board during the year are set out opposite. The Board recognises the value of maintaining close relationships with its stakeholders, understanding their views and the importance of these relationships in delivering our strategy. The Group's key stakeholders and their differing perspectives are taken into account as part of the Board's discussions. You can read more in our statement of section 172 of the Companies Act 2006 on page 19.

Board meeting discussions are structured using a carefully tailored agenda that is agreed in advance by the Chair in conjunction with the CEO and the Company Secretary. A typical Board meeting will comprise the following elements:

- committee reports from the Chairs of our Board Committees on the proceedings of those meetings, including the key discussion points and particular matters to bring to the Board's attention;
- performance reports including CEO Overview, COO Overview, CFO Review and operational performance reports;
- deep-dive reports into areas of strategic importance to evaluate progress, provide insight and, where necessary, decide on appropriate action; and
- legal and governance updates including regulatory updates, governance and compliance updates, proxy agencies scoring and annual Board, Committees' and Directors' assessment.

Performance

Regions and functions
Deep-dive reviews of regions and key functions

Business and financial performance
Regular reviews of business performance by reporting segments and categories, with focus on growth accelerators and new product launches; regular reviews of financial performance, financial insights, FX matters and analysts' updates

Performance measurement
Focusing on the performance of the Revenue Growth Management, Route-to-Market and big data and advanced analytics programmes in order to build the necessary insight capabilities

Retail and e-commerce
Reviewing the execution initiatives in retail, e-commerce and growth results

Culture and values

Employee engagement surveys
Discussing the employee engagement surveys and people plans

Organisational design
Reflecting on the implementation of the Group's organisational design

Engagement initiatives
Working with the designated non-Executive Director on workforce issues that are identified through the employee engagement process; engaging with other stakeholders in assessing performance against strategy

Risk management and internal control

Principal and emerging risks
Continued review of principal and emerging risks and mitigation programmes, Overshight of the internal control framework, and definition of the Group's risk appetite.

Finance and IT
Reviewing the liquidity, financing status and commodity exposure of the Group and reviewing information technology plans, including cyber security

Digital strategy
Review of the digital strategy and its key priorities around consumer and customer centricity, employee experience and operational productivity

Succession planning and diversity

Succession planning
Reviewing succession planning for Board and senior management

Talent development
Reviewing the Company's talent development plans

Academies
Monitoring the progress of our academies, including Coffee, Digital, Supply Cain and Sales Academies

Operational

Cost optimisation and investment
Ongoing review of the Group's cost optimisation and investment programmes

New acquisitions
Approved the acquisition of Finlandia Vodka; continued oversight of Egypt business integration

Capital expenditure
Review of material capital expenditure projects

Geopolitical events
Continued monitoring geopolictical events that may have operational impact

Net zero initiatives
Review of projects, including the in-house production of PET from recycled PET flakes

Stakeholders

- Our customers
- Our consumers
- The Coca-Cola Company
- NGOs
- Governments
- Our communities
- Our investors
- Our people
- Our suppliers

Corporate Governance Report continued

Engaging with our Stakeholders

The Board regularly reviews stakeholder engagement activities undertaken, both by it and the Group as whole, and is satisfied that the activities outlined in the next two pages and on pages 12 to 18 remain effective for the mutual benefit of the Company and its stakeholders. Going forward, a focus on our people, customers, consumers, communities and partners will remain high on the Board's agenda.

Shareholders

In 2023, shareholders were permitted to attend the 2023 AGM with the statutory auditors and the independent proxy adviser in person, for the first time since 2019, due to Covid-19 safety restrictions. At the 2023 AGM, more than 20% of votes were cast against three resolutions, being the advisory votes on the UK remuneration report (resolution 7), the Swiss remuneration report (resolution 9), and the re-election of Charlotte J. Boyle, Chair of the Remuneration Committee (Resolution 4.1.3). In accordance with Provision 4 of the UK Corporate Governance Code, on 15 December 2023 we published an update on the key actions that were taken by the Board of Directors and Remuneration Committee in response to this. In addition to the consultation with its largest shareholders prior to the 2023 AGM the Chair of the Remuneration Committee has further engaged with shareholders to understand their feedback regarding the votes. From this engagement, it is understood that the significant factor regarding the votes was connected to the increased 2023-2025 PSP opportunity for the CEO, even though this was within the policy limits approved by shareholders.

More information on the actions taken in response to this vote is included in the Remuneration Report on page 160.

Pursuant to Swiss law and the Articles of Association, shareholders annually elect an independent proxy and have the possibility to authorise and instruct the independent proxy electronically for our general meetings. The Chair, Senior Independent Director and Chair of the Audit and Risk Committee will be available at the 2024 AGM to answer questions from shareholders. The Board encourages shareholders to attend as it provides an opportunity to engage with the Board.

The Chairman meets and maintains a dialogue with the Company's major shareholders to understand their views on the Company's strategy and performance.

More broadly, our investor relations function reports to the CFO. Through the investor relations team, the Company and Board maintain a dialogue with institutional investors and financial analysts on our strategy, financial and sustainability performance. We engaged with the investment community and our shareholders throughout the year, as outlined in the box opposite. Feedback from shareholders was regularly considered by the Board and, where necessary, appropriate action to further engage was taken.

Other Stakeholders

We remain constantly vigilant of the ongoing conflict in Ukraine. First and foremost, we are focused on protecting our employees and ensuring, in so far as possible, their health and safety. We believe that the decisions we have taken to date achieve the best balance for our team on the ground and our wider stakeholders. We continue to monitor matters closely and will take further actions if needed.

Stakeholder interests and matters were also carefully considered by the Board in the context of the acquisition of Brown-Forman Finland Oy, owner of Finlandia, a leading vodka brand in Central and Eastern Europe, on 1 November 2023 and its subsequent integration. The acquisition represents a unique opportunity for the Group as it enhances our journey towards becoming the leading 24/7 beverage partner and creating value for our stakeholders. We have been distributing Finlandia and other premium spirits brands for more than 17 years and the acquisition, which we assessed as an attractive investment is expected to further enrich and strengthen our portfolio across more of our markets. Ownership of the Finlandia vodka business is also expected to enhance our premium spirits credentials; driving mixability opportunities with premium and super-premium NARTD products, helping capture more drinking occasions for our consumers, and strengthening partnerships with customers in strategically important channels such as hotels, restaurants and cafés and creating more value for our partners and customers by capturing new opportunities with our well-rounded beverage portfolio.

Investor relations highlights

February
- US management roadshow – Miami, Boston, New York
- Europe and UK management roadshow (London, Frankfurt)

May
- AGM in Steinhausen
- Investor Day in Rome

June
- dbAccess, Deutsche Bank, Global Consumer Conference 2023 – Paris
- BNP Paribas Exane CEO Conference – Paris
- 3rd Annual Evercore ISI Consumer and Retail Conference – Virtual
- US investor relations roadshow (Chicago, Denver, California, San Francisco)

September
- Toronto investor relations roadshow
- Barclays Global Consumer Staples Conference 2023 – Boston
- Baader Investment Conference – Munich

November
- UK management roadshow (London)
- US management roadshow (New York)
- Jefferies Miami Consumer Conference
- Bank of America Consumer and Retail conference – Miami
- Morgan Stanley and Athens Exchange Greek Investment Conference – London
- Milan – Madrid investor relations Roadshow
- Citi's Global Consumer Conference – London

Corporate Governance Report continued
Engaging with our Stakeholders continued

Championing workforce rights at Board level

Charlotte Boyle, our designated NED for workforce engagement, attended meetings with our European Works Council during the year. She heard from elected employee representatives from our businesses in EU countries, hearing first-hand their experiences during the last couple of years. The insights gained contributed to the Board's decisions in relation to ensuring the appropriate support and resources for our people – not only in terms of safety, but to aid them in their roles.

Charlotte frequently interacted with our Head of Labor Relations Director, who is also responsible for monitoring diversity, equity and inclusion, to better understand the steps we are taking to be more diverse and inclusive (see page 49). To embed these attributes within the Company's culture, multiple initiatives have been launched to increase awareness and understanding and improve policies and practices to create a more equitable and inclusive workplace for all. Again, Charlotte reported back to the Board on her observations and matters raised by employees, ensuring Board deliberations and decision making were fully informed.

Our people

The Board recognises that our people are core to our strategy – our success depends on our ability to attract, retain and develop the best talent. The safety of our workforce continued to be a focus throughout 2023, ensuring appropriate measures were in place so that people could continue in their roles and that we were supporting a healthy working environment, particularly for colleagues and their families based in or around Russia and Ukraine. The Board closely monitors and reviews the results of the employee engagement surveys. It also reviews talent development initiatives designed to support long-term success. For further details on investing in our people please see below and the Growth Pillar 4 on pages 45 to 51. For further details on rewarding our people please see the Remuneration Committee Report on pages 159 to 184.

Charlotte Boyle, our designated non-Executive Director has the mandate for engagement with our people. Employee engagement survey results are shared with and reviewed by the Nomination Committee and the Board. The CEO held engagement sessions with employees during the year, including Q&As.

Stakeholder group	How the Board engages with Stakeholders	Read more
Our people	To understand what our people needed to work in continually changing circumstances, the Company conducted in total four all-employee surveys in 2023. There is a designated non-Executive Director for engagement with our people but the practice, which began during the beginning of the COVID-19 pandemic, of presenting survey results to the full Board continued. The CEO also held engagement sessions with employees during the year, including several calls with Q&A sessions.	p45.
Our customers	Regular business updates on performance and market execution, regular visits, dedicated account teams, joint business planning, joint value-creation initiatives, customer care centres, customer satisfaction surveys.	p33.
Our consumers	Regular business updates on performance and market execution, and consumer trends and insights, consumer hotlines, local websites, plant tours, research, surveys, insights, focus groups.	p24.
Governments	Regulatory updates on issues and developments relevant to the Company's business, Trade Associations, recycling and recovery initiatives, EU Code of Conduct on Responsible Food Business and Marketing Practices, Physical Activity and Health, foreign investment advisory councils, chambers of commerce.	p52.
Our communities	Plant visits, community meetings, partnerships on common issues, sponsorship activities, lectures at universities, training opportunities and support to young people currently not in education, training or employment.	p52.
NGOs	Dialogue, policy work, partnerships on common issues, membership of business and industry associations.	p52.
The Coca-Cola Company	Regular engagement with the Chair on performance against strategy and governance matters, day-to-day interaction as business partners, joint projects, joint business planning, functional groups on strategic issues, 'top-to-top' senior management meetings.	p18.
Our investors	Annual General Meeting, investor roadshows and results briefings, webcasts, engagement of Chair with major shareholders, engagement of Committee Chairs on significant matters pertaining to their areas of responsibility. Regular business updates on performance and market execution, ongoing dialogue with analysts and investors,	p18.
Our suppliers	Engagement with our suppliers, consultants and counterparts in related industries.	p40.

Corporate Governance Report continued

Overseeing strategic delivery

Our growth pillars	What did the Board consider?	What did the Board discuss and approve?	What were the material stakeholder considerations?
1 Leverage our unique 24/7 portfolio	• Reviewing the accelerators for the future including Sparkling, Energy and Coffee • Assessing business development opportunities	• Roll out of Jack and Coke alcoholic ready to drink in prioritized markets • Roll out of Vitamin Water • Discussed Coffee performance and acceleration and engaged with brand owner stakeholders, including Carolina Vergnano of Caffè Vergnano • Deep dive session with TCCC CFO, John Murphy on strategy, priorities, market insights and consumer trends • 2024 business plan review • Acquisition of Finlandia vodka business from long-term partner Brown Forman and business prospects	• Consumer needs and trends, including quality and freshness of products, health and nutrition, affordability, innovation, reducing waste • Creating value for our shareholders and our customers and how a strategic approach to a segmented portfolio can play a critical role to accelerate revenue • Partnerships create long term value for all stakeholders • Marketplace economic conditions
2 Win in the marketplace	• Market execution excellence and initiatives • Digital commerce progress and initiatives, including customer portals and digital marketing • How to maximise use of digital tools and artificial intelligence	• Regular updates from the ELT on business performance, operational priorities and market execution initiatives • Development of eMarketplace solutions to address a growing need for smaller customers looking for effective purchasing aggregation. • Partnership with Microsoft to build in house generative Artificial Intelligence productivity and other tools	• Consumer needs and trends • Customer engagement and satisfaction • Marketplace economic conditions • Shareholder value creation
3 Fuel growth through competitiveness and investment	• Financial performance, insights and trends • CapEx required and timelines for investments for capacity and efficiency, capability building and sustainability • Business development and other investment opportunities • Enterprise wide initiative to drive processes' and projects' efficiency and simplification	• Regular updates from the ELT on financial performance, financial insights, incl. FX matters and analysts' updates; approval of half-year and annual results announcements • Quarterly reports by the Audit and Risk Committee of the Board • Capital expenditure to fuel business growth • Update on Investors' day held in Rome in May by the Group CFO • Share Buy Back programme to run for 2 years to return to shareholders up to €400 million • Approval of EMTN programme update to allow the Company to issue new notes in the market in the next 12 months • Update on enterprise wide initiative to drive processes' and projects' efficiency and simplification • 2024 Business plan review of financials	• Consumers' and customers' evolving needs and trends plus sustainability considerations • Shareholder value creation

Corporate Governance Report continued
Overseeing strategic delivery continued

Our growth pillars	What did the Board consider?	What did the Board discuss and approve?	What were the material stakeholder considerations?
4 Cultivate the potential of our people	• How to deliver our new purpose and culture manifesto • Attracting, maintaining and developing talent • Employee engagement drivers • Progress against our gender diversity KPIs	• Regular reviews of people, talent, succession plans and culture matters • Quarterly reports by the Nomination and Remuneration Committees of the Board • Consideration of employee engagement survey outputs and actions proposed • Update from ELT members on the Company's culture manifesto • Review of initiatives to enhance the Company's employer branding and attractiveness	• Our people and how to engage, retain and develop them and open up opportunities for them in line with our new purpose
5 Earn our licence to operate	• How to do the right thing and deliver against our ambitious ESG targets • Corporate governance as a critical enabler for our license to operate • Regulatory developments	• Regular updates and reviews of sustainability projects • Quarterly reports by the Social Responsibility Committee of the Board • Review of Health & Safety update and approval of improvement plan • Review of ESG benchmarks • Launched the Coca-Cola HBC Foundation, with an initial commitment of €10 million, dedicated to supporting the communities in which the Company operates • Participation to the Greycroft Coca-Cola System Sustainability Fund by committing $15 million for sustainability related investments • Corporate governance updates and overview, including AGM results and consultation process, internal controls and risk management processes, external auditors review, UK Corporate Governance Code requirements and compliance; approval of 2022 integrated annual report; Board self-assessment overview and prioritizing focus areas for 2024. • Regulatory updates, including on UK corporate governance rules & upcoming changes and sweeteners regulations • The Company's insurance renewal proposal review and approval	• Delivering against our ESG targets, within Mission 2025, NetZeroby40 roadmap and biodiversity goals to meet broad stakeholder expectations on sustainability, for employees, consumers, customers, shareholders, regulators and NGOs • Support our communities in need and at time of crisis, prioritising natural disaster relief, packaging and waste management, corporate citizenship and empowering youth and women

Corporate Governance Report continued
Culture in action

The Board is responsible for monitoring and assessing our culture. The Chair ensures that the Board is operating appropriately and sets the Board's culture, which in turn sets the standard for the culture of the Company.

The CEO, supported by members of the ELT, is responsible for ensuring culture is embedded throughout the business and its operations and in all our dealings with our stakeholders. The Board measures the culture of the Group using internal and external metrics, which also enable it to identify further actions to ensure the culture remains appropriate. The Board also assesses the alignment of the Group's policy, practices and behaviours throughout the business with the company's purpose, values and strategy, and, if not satisfied, seeks assurance that the management is taking corrective action. The Board also monitors the Group's performance against its peer group within the same sector.

What defines our culture is who we are, our purpose, our vision, our values, how we need to evolve and the behaviours we commit to each other. In 2023, we further defined this with our Culture Story' which was rolled-out during our Leadership Conference in Cairo. The Board monitored progress through the regular updates from the management team, and culture and engagement surveys ran during the year – see page 47.

Doing the right thing

- continued to prioritise the health, safety and wellbeing of our people and support our local communities in need, including local communities and our people in Ukraine, which continues to be impacted by the conflict – see pages 47 to 48.
- established the Coca-Cola HBC Foundation, with an initial donation of EUR 10 million, dedicated to supporting the communities in which we operate, primarily in areas of natural disaster relief, packaging and waste management, corporate citizenship and empowering youth and women – see page 66.
- continued to invest in programmes that make our people and partners' work – and lives – easier. For example, Project Oxygen is reducing bureaucracy and complexity so they can focus on value-adding activities, showing how our company value of 'making it simple' really matters – see page 46.

Investing in our people

- ran bi-annual culture and engagement surveys one pulse survey and one collaboration for impact survey during the year – see page 47.
- implemented new international Leadership Trainee programme of the Group – see page 49.
- emphasised the well-being of our people with enhancing initiatives as the Employee Assistance Programme – see page 48.
- focused on initiatives to strengthen talent attraction and promote our preferred employer status – see page 51.
- continued to strengthen the diversity of our workforce through workplace inclusion activities and are proud to report that in 2023 we received 15 diversity-related awards; on gender diversity in particular, 41.8% of management positions now held by women – see page 49.

Opening up opportunities for our consumers, customers and partners

- strengthened our portfolio and our 24/7 beverage partner strategy by acquiring Finlandia vodka business from Brown-Forman, an investment that opens up new opportunities for our consumers, partners and customers to create value and offer a broader range in consumption occasions – see page 27.
- continued measuring and continuously improving customer experience using the Net Promoter Score® metric applied through CustomerGauge 'voice of customer' software, which enables instant feedback from customers – see page 36.
- continued investing in technology that enables a personalised experience for our consumers and customers, including connected coolers, digital marketing, digital platforms – see page 43.

Sustainability

- Accelerated our #YouthEmpowered employability programme – see page 65.
- Continued to prioritise a circular approach to packaging, achieving almost 50% rPET in EU and Swiss markets, a year ahead of the 2025 deadline set as part of the Union of European Soft Drinks Associations circular packaging vision for EU markets – see page 58.
- Joined TCCC and seven other leading bottling partners to announce a sustainability-focused venture capital fund. The $137.7 million fund is initially focusing on packaging, heating and cooling, facility decarbonisation, distribution and supply chain – see page 53.
- Accelerated progress towards NetZeroby40 by investing $12 million to open a high-speed returnable glass bottling line in Austria – see page 60.
- Invested in Manna Aero, an Irish start-up leading the way in food and beverage drone deliveries, which can be up to eight times more efficient – see page 57.
- Invested in water, hygiene and sanitation projects in seven Nigerian states to help strengthen community water resilience – see page 62.

Corporate Governance Report continued

Division of responsibilities

Board of Directors

The Board reviews and approves strategy, monitors performance toward strategic objectives, oversees implementation by the ELT and approves matters reserved by the Articles of Association for decision by the Board. The governance process of the Board is set out in our Articles of Association and the Organisational Regulations and can be found at https://www.coca-colahellenic.com/en/about-us/corporate-governance.

Chair

- Leads the Board, sets the agenda and promotes a culture of openness and debate.
- Ensures the highest standards of corporate governance.
- Is the main point of contact between the Board and management.
- Ensures effective communication with stakeholders, together with the CEO.

CEO

- Leads the business, implements strategy and chairs the ELT.
- Is responsible for overall effectiveness in leading the Company and setting the culture.
- Communicates with the Board, shareholders, employees, government authorities, other stakeholders and the public.

Senior Independent Director

- Acts as a sounding Board for the Chair and appraises his performance.
- Leads the independent NEDs on matters that benefit from an independent review.
- Is available to shareholders if they have concerns that have not been resolved through the normal channels of communication.

Non-Executive Directors

- Contribute to developing Group strategy.
- Scrutinise and constructively challenge the performance of management in the execution of the Group's strategy.
- Oversee succession planning, including the appointment of Executive Directors.

Company Secretary

- Ensures that correct Board procedures are followed and ensures the Board has full and timely access to all relevant information.
- Facilitates induction and training programmes, and assists with the Board's professional development requirements.
- Advises the Board on governance matters.

Board committees

Biographies of the Chairs of the Board committees and the other members of the Board, the Audit and Risk Committee, the Nomination Committee, the Remuneration Committee and the Social Responsibility Committee are set out on pages 130 to 132.

Nomination Committee

- Identifies and nominates new Board members, including recommending Directors to be members of each Board committee.
- Ensures adequate Board training; supports the Board and each committee in conducting a self-assessment.
- Oversees the talent development framework.
- Oversees effective succession planning for the CEO, in consultation with the Chair, and for the ELT, in consultation with the CEO.

Social Responsibility Committee

- Supports the Board in its responsibilities to safeguard the Group's reputation for responsible and sustainable operations.
- Oversees engagement with stakeholders to assess their expectations and the possible consequences of these expectations for the Group.
- Establishes principles governing ESG and oversees development of performance management to achieve ESG goals.

Audit and Risk Committee

- Oversees accounting policies, financial reporting and disclosure controls; approach to internal controls and risk management; information / cyber security matters; and the quality, adequacy and scope of internal and external audit functions.
- Oversees compliance with legal, regulatory and financial reporting requirements and the internal audit function.
- External auditor reports directly to the committee.

Remuneration Committee

- Establishes the remuneration strategy; determines and agrees with the Board the remuneration of Group Executives and approves remuneration for the Chair and the CEO.
- Makes recommendations to the Board regarding remuneration matters to be approved at the AGM.
- Implements or modifies any employee benefit plan resulting in an increased annual cost of €5 million or more.

Corporate Governance Report continued
Division of responsibilities continued

Separation of roles

There is a clear separation of the roles of the Chair and the CEO. The Chair is responsible for the operation of the Board and for ensuring that all Directors are properly informed and consulted on all relevant matters. The Chair, in the context of the Board meetings and as a matter of practice, also meets separately with the non-Executive Directors without the presence of the CEO. The Chair promotes a culture of openness and debate within the Board sessions as well as outside the formal sessions. The Chair is also actively involved in the work of the Nomination Committee concerning succession planning and the selection of key people. The CEO, Zoran Bogdanovic, is responsible for the day-to-day management and performance of the Company and for the implementation of the strategy approved by the Board and leads the ELT.

Board Director	Month and year appointed	Board meeting attended/total	Nomination Committee	Social Responsibility Committee	Audit and Risk Committee	Remuneration Committee
Anastassis G. David	January 2016	8/8				
Zoran Bogdanovic	June 2018	8/8				
Charlotte J. Boyle	June 2017	8/8	4/4			4/4
Henrique Braun	June 2021	8/8				
Anna Diamantopoulou	June 2020	8/8	4/4	4/4		4/4
Olusola (Sola) David-Borha	June 2015	8/8			8/8	
William W. (Bill) Douglas III[1]	June 2016	7/8			8/8	
Reto Francioni	June 2016	8/8	4/4			4/4
Anastasios I. Leventis[2]	June 2014	7/8		3/4		
Christo Leventis	June 2014	8/8				
Alexandra Papalexopoulou[3]	June 2015	7/8			8/8	
Bruno Pietracci[4]	June 2021	2/2		1/1		
Ryan Rudolph[5]	June 2016	2/2				
George Pavlos Leventis[6]	May 2023	6/6				
Evguenia (Jeny) Stoichkova[6]	May 2023	6/6		3/3		

1. Bill Douglas III was unable to attend one Board meeting due to a personal family issue.
2. Anastasios I. Leventis was unable to attend one Board meeting and one meeting of the Social Responsibility Committee due to a pre-agreed long-standing prior commitment.
3. Alexandra Papalexopoulou was unable to attend one Board meeting due to a pre-agreed long-standing prior commitment.
4. Bruno Pietracci retired from the Board and from the Social Responsibility Committee at the AGM on 17 May 2023.
5. Ryan Rudolph retired from the Board at the AGM on 17 May 2023.
6. Evguenia Stoichkova and George Pavlos Leventis were appointed to the Board at the AGM on 17 May 2023.

Corporate Governance Report continued

The Executive Leadership Team

Zoran Bogdanovic

(51) CEO, Executive Director

Senior management tenure: Appointed June 2013, appointed Chief Executive Officer December 2017 (11 years)

Previous Group roles: Zoran was previously the Company's Region Director responsible for operations in 12 countries. He joined the Company in 1996 and has held a number of senior leadership positions, including as General Manager of the Company's operations in Croatia, Switzerland and Greece.

Previous relevant experience:

Prior to joining Coca-Cola HBC in 1996, Zoran was an auditor with auditing and consulting firm Arthur Andersen.

External appointments: None

Nationality: Croatian

Naya Kalogeraki

(53) Chief Operating Officer

Senior management tenure: Appointed July 2016, appointed Chief Operating Officer September 2020 (7 years)

Previous Group roles: Chief Customer and Commercial Officer from 2016 to 2020.

From 1998, when Naya joined the Company, she built her career assuming roles of increased scale and scope, including Marketing Director, Trade Marketing Director, Sales Director and Country Commercial Director, Greece. She has been heavily involved in Group strategic projects and task forces addressing mission-critical business imperatives. In September 2013, Naya was appointed to the role of General Manager, Greece and Cyprus.

Previous relevant experience: Naya joined the Company in 1998 from The Coca-Cola Company where she held a number of marketing positions up to Marketing Manager.

External appointments: Naya is a board member of Casa del Caffè Vergnano S.p.A., in which the Group holds a 30% equity shareholding.

Nationality: Greek

Ben Almanzar

(49) CFO

Senior management tenure: Appointed April 2021 (2 years)

Previous Group roles: None

Previous relevant experience: Before joining the Company, Ben held senior financial positions in Mars Incorporated, where he worked for 10 years as Regional CFO, Europe & Southern Africa and subsequently as Vice President for Financial Planning, Analytics and Financial Strategy. Prior to joining Mars, Ben spent 10 years with Nestlé in a variety of finance roles in Europe, including CFO of Nestlé Czech-Slovak, and CFO for Nestlé Waters in the UK.

External appointments: None

Nationality: Dominican Republic and British

On 15 January 2024 the Company announced that Ben Almanzar will be stepping down as CFO during the second quarter of 2024 and will stay with the company to ensure a smooth transition until the end of May 2024. On 7 February 2024 the Company announced the appointment of Ben's successor, Anastasis Stamoulis, who will be taking over the role of CFO as of 1 May 2024.

Jan Gustavsson

(58) General Counsel, Company Secretary and Chief Corporate Development Officer

Senior management tenure: Appointed August 2001 (22 years)

Previous Group roles: Jan served as Deputy General Counsel for Coca-Cola Beverages plc from 1999 to 2001.

Previous relevant experience: Jan started his career in 1993 with the law firm White & Case in Stockholm, Sweden. In 1995, he joined The Coca-Cola Company as Assistant Division Counsel in the Nordic and Northern Eurasia Division. From 1997 to 1999, Jan was Senior Associate in White & Case's New York office, practising securities law and M&A.

External appointments: Jan is a board member of Casa del Caffè Vergnano S.p.A., in which the Group holds a 30% equity shareholding.

Nationality: Swedish

Ebru Ozgen

(53) Chief People & Culture Officer

Senior management tenure: Appointed September 2023 (less than 1 year)

Previous Group roles: None

Previous relevant experience: Before joining the Company, Ebru worked with Coca-Cola Icecek (CCI) from 1997, where she progressed through leadership roles in finance until she was appointed as the CFO of the Turkey Operation. In 2017, she assumed the Chief Human Resources Officer role of CCI and became an Executive Committee member, where she led the People and Culture agenda and transformation in business strategy for Turkey, the Middle East, Pakistan and Central Asia operations, bringing a multidisciplinary approach and a holistic business partnering mindset to the People & Culture function. Ebru started her career in 1992 in Arthur Andersen & Co, as an auditor before moving to the FMCG sector.

External appointments: None

Nationality: Turkish

Corporate Governance Report continued
The Executive Leadership Team continued

Ivo Bjelis

(56) Chief Supply Chain Officer

Senior management tenure: Appointed January 2022 (2 years)

Previous Group roles: Ivo joined the Group in 1996 as Plant Manager in Croatia, while in 2002 he took over the position of Country Supply Chain Manager. Since 2006 Ivo built his career assuming roles of increased scale and scope, including Strategic Initiative Leader for Customer Centric Supply Chain, Group Supply Chain Processes and Capabilities Director, Regional Supply Chain Director, Group Supply Chain Services Director and Group Supply Chain Operations Director, leading the development and the transformation of the Supply Chain strategy over the years.

External appointments: None

Nationality: Croatian

Marcel Martin

(65) Chief Corporate Affairs and Sustainability Officer

Senior management tenure: Appointed Chief Supply Chain Officer January 2015, appointed Chief Corporate Affairs & Sustainability Officer January 2022 (9 years)

Previous Group roles: Marcel joined the Group in 1993, holding positions with increasing responsibility in the supply chain and commercial functions. Since 1995, he has held general management assignments in several of our markets, including as General Manager for Eastern Romania, Regional Manager Russia, Country General Manager Ukraine and General Manager Nigeria. He became General Manager of our Irish operations in 2010, Supply Chain Director in 2015 and is now our Chief Corporate Affairs and Sustainability Officer.

External appointments: None

Nationality: Romanian

Mourad Ajarti

(47) Chief Digital and Technology Officer

Senior management tenure: Appointed October 2019 (4 years)

Previous Group roles: None.

Previous relevant experience: Mourad has 20 years' experience with two fast-moving consumer goods industry leaders, Procter & Gamble and L'Oréal. Mourad started with Procter & Gamble leading SAP implementation in Morocco, Saudi Arabia and Europe, and later was CIO for different lines of business. From 2014 to 2019, Mourad was CIO for the Asia and Pacific region for L'Oréal, leading consumer and customer journey transformation and enabling the use of big data and advanced analytics.

External appointments: None

Nationality: British and Moroccan

Spyros Mello

(49) Strategy and Transformation Director

Senior management tenure: Appointed November 2021 (2 years)

Previous Group roles: Spyros served as Deputy General Counsel and Chief Compliance Officer from 2010 to 2021. He was Deputy General Counsel from 2007 to 2009 and Senior Corporate Counsel from 2005 to 2007.

Previous relevant experience: Spyros was an associate with the law firm of Sullivan & Cromwell LLP practising securities law and M&A first in New York from 1999 to 2001 and then in London from 2001 to 2004.

External appointments: None

Nationality: Greek

Minas Agelidis

(54) Region Director: Austria, Czech Republic, Estonia, Hungary, island of Ireland, Latvia, Lithuania, Poland, Slovakia, Switzerland

Senior management tenure: Appointed April 2019 (4 years)

Previous Group roles: Minas joined the Group in 1999, holding positions with increasing responsibility in the commercial function in Greece (National Account Manager, Athens Region Sales Manager, National Wholesale Manager, Country Sales Director). Since 2008, Minas has held general management assignments in a number of our markets, including those of Country General Manager Cyprus, Country General Manager Bulgaria and Country General Manager Hungary.

Previous relevant experience: Prior to joining the Group, Minas spent seven years at Unilever Greece in managerial positions in sales and marketing including those of Brand Manager, Trade Marketing Manager and National Account Manager.

External appointments: None

Nationality: Greek

Corporate Governance Report continued
The Executive Leadership Team continued

Frank O'Donnell

(56) Region Director: Armenia, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Greece, Moldova, Montenegro, North Macedonia, Romania, Serbia, Slovenia, Ukraine.

Senior management tenure: Appointed June 2023 (less than one year)

Previous Group roles: Frank joined the Group in 1992 holding positions with increasing responsibility in the commercial function in Ireland, becoming Sales Director in 2003. From 2010, Frank was Commercial Director of our Czech/Slovak business unit. Since 2014, Frank has held general management assignments in a number of our markets, including those of Country General Manager Ireland, Country General Manager Austria and Country General Manager Italy.

External appointments: None

Nationality: Irish

Aleksandar Ruzevic

(53) Region Director: Nigeria, Egypt, Belarus, and Russia

Senior management tenure: Appointed June 2023 (less than one year)

Previous Group roles: Aleksandar joined the Group in 1998 as a sales representative. He was then appointed Commercial Director for Serbia and Montenegro. In 2010 Aleksandar joined the Ukrainian team in the role of Commercial Director, which he successfully led for four years. In 2014 Aleksandar took the position of General Manager in North Macedonia. In 2016 he became Country General Manager in Serbia and Montenegro and from 2018 he led the Russia BU.

External appointments: None

Nationality: Serbian

Barbara Tönz

(53) Chief Customer and Commercial Officer

Senior management tenure: Appointed May 2021 (2 years)

Previous Group roles: Barbara joined the Group in 1998, building her career first in Switzerland as Trade Marketing Director, Sales Director and Commercial Director, and then in Austria from 2012 as Commercial Director and Interim General Manager.

Previous relevant experience: In 2016 Barbara enriched her experience within the Cola-Cola System as Country Director Sweden for TCCC, with responsibility expanded to Norway and Iceland in 2019 before she assumed the role of Commercial Execution Director Europe. Prior to joining the Group in 1998, she held positions in brand and customer development at Unilever.

External appointments: None

Nationality: Swiss

Vitaliy Novikov

(44) Digital Commerce Business Development Director

Senior management tenure: Appointed September 2020 (3 years)

Previous Group roles: Vitaliy joined the Group in 2011 as General Manager of the Baltics business unit and then held General Manager roles in Poland and Italy.

Previous relevant experience: Prior to joining the Group, Vitaliy spent four years at Johnson & Johnson as Managing Director of the Ukrainian operation and prior to this he spent seven years at Henkel in managerial positions of growing responsibility in Austria and Ukraine.

External appointments: None

Nationality: Ukrainian

Jaak Mikkel

(49) New Businesses Director

Senior management tenure: Appointed February 2023 (1 year)

Previous Group roles: Jaak joined the Group in 2008 as Sales Director for Baltics and then held roles of General Management for Pivara Skopje in North Macedonia, Romania with the latest being General Manager for Poland & Baltics.

Previous relevant experience: Prior to joining the Group, Jaak spent ten years with Shell managing Convenience Retail businesses in the Baltics, Central Eastern Europe and in the Nordics.

External appointments: None

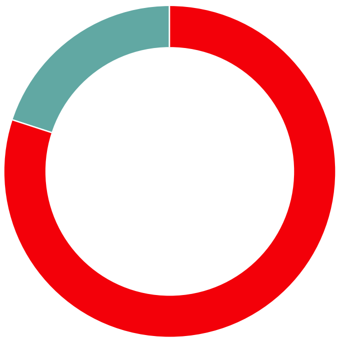
Nationality: Estonian

Corporate Governance Report continued
The Executive Leadership Team continued

Responsibilities of the ELT

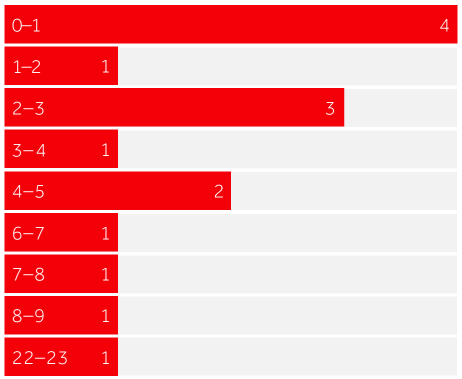
- Day-to-day executive management of the Group and its businesses, including all matters not reserved for the Board or other bodies.
- Development of Group strategies and implementation of the strategies approved by the Board.
- Providing adequate head-office support for each of the Group's countries.
- Setting annual targets and approval of annual business plans which form the basis of the Group's performance management, including a comprehensive programme of strategies and targets agreed between the Country General Managers and the Regional Directors.
- Working closely with the Country General Managers, as set out in the Group's operating framework, in order to capture benefits of scale, ensuring appropriate governance and compliance, and managing performance of the Group.
- Leading the Group's talent and capability development programmes.

Executive Leadership gender diversity (number and %)



Men	12	77%
Women	3	23%

Executive Leadership Team tenure (years)



Key activities and decisions in 2023

Frequency of meetings: monthly

Long-term direction setting

- Sponsoring the development and launch of the new redesign of the Company purpose, values and leadership manifesto.
- Assessing, approving and reviewing key initiatives related to processes and projects optimisation (project Oxygen).
- Evaluating and evolving our 24/7 portfolio strategy together with our brand partners.
- Reviewing Coffee expansion across the Group's markets.
- Assessing our sustainability priorities and progress of initiatives on the way to deliver 2025 commitments.
- Setting long-term capability building priorities and programmes.
- Review of company-wide talent strategy and of talents through talent review forums.
- Overseeing the strategic evolution of Supply Chain, People and Culture, Commercial, Finance. Digital & Technology Platform Services, Strategy & Transformation, and Corporate Affairs & Sustainability functions.
- Approving and reviewing deployment of major automation and digitalisation initiatives.

Business planning

- Aligning key priorities and investment strategy with TCCC.
- Aligning key priorities with strategic partners – Monster Energy, Premium Spirits and Coffee partners.
- Reviewing progress of the aligned priorities, investments and spending.
- Reviewing and approving annual business plans for 2024 for all operations and central functions.
- Approving Group and country talent, capabilities development and succession plans.

Risk, safety and business resilience

- Evaluating the Group's business resilience strategies.
- Evaluating and strengthening Group's Incident Management and Crisis Resolution capabilities.
- Evaluating the Group's Risk Register of major business risks as well as associated risk response plans.
- Reviewing the Group's health & safety policies and material incidents.
- Reviewing the corporate audit plan.

Business case reviews and approvals

- Reviewing and approving progress of selected key initiatives, data insight & analytics (DIA), revenue growth management (RGM), digital commerce, digital & technology platforms, sustainability, diversity & inclusion (D&I) and culture.
- Capital expenditure proposals, review and approval.

Priority projects

- Oxygen Strategic Projects.
- Culture – redesign of new Company purpose, values and leadership competencies.
- Customer satisfaction (external and internal client satisfaction via NPS).
- Initiatives that deliver sustainability benefits.
- Engagement.
- Diversity, Equity & Inclusion.
- Cyber security.
- Business Resilience.
- Digital eCommerce platforms and tools.

Corporate Governance Report continued

Board composition, succession and evaluation

Nomination Committee

Highlights 2023

- Succession planning and talent review
- Appointment of two new NEDs
- Engagement and pulse surveys
- Internships and management changes
- Roll-out of the Group's Culture Manifesto
- New International Leadership Trainee Programme
- Strengthened our status as preferred employer

Priorities for 2024

- Consideration of ethnicity and other diversity targets
- Continued focus on succession planning for the Board and the ELT
- Close monitoring of the Group's talent development framework and pipeline, including talent attraction and retention
- Engagement and culture surveys
- Externally facilitated Board and committee assessments
- Follow-up actions on outcome of 2023 evaluation assessment

Dear Stakeholder

The work of the Nomination Committee focuses on the proper composition and effective operation of the Board, Board and senior management succession planning, the oversight of the talent management framework, as well as employee engagement and diversity initiatives.

In 2023, the Committee continued to review the balance of skills, experience and diversity of the Board, and the overall length of service of the Board, both as a whole and as part of its succession planning and consideration of the need to refresh Board membership. Our Group's Nomination Policy for the Recruitment of Board members is our compass for the recruitment of new Board members. This year, following the retirement of two Board members, two new members were appointed to the Board at the 2023 AGM. As every year, this year the Committee continued to coordinate the evaluation of the Board and the Board committees' effectiveness through an externally facilitated assessment.

On the employee side, the oversight of the Group's talent development, employee engagement and diversity initiatives, which are necessary to ensure that the Group has the people and skills to deliver on its strategy, remained a key priority for the Committee. Regular engagement with senior management to review results of employee engagement surveys and get updates on the new International Leadership Trainee programme, Coke Summership programme, the progress of embedding the Group's Culture Manifesto rolled out earlier in 2023, talent movements within the Group and within the Coca-Cola System, as well as activities to enhance the Group's preferred employer status provided excellent insights for the work of the Committee and in setting our key priorities for 2024.

A summary of the Group's Nomination Policy for the recruitment of Board members is available online and for more details see page 146.

Reto Francioni
Committee Chair

Corporate Governance Report continued
Nomination Committee continued

Role and responsibilities

The function of the Nomination Committee is to establish and maintain a process for appointing new Board members, to manage, in consultation with the Chair, the succession of the CEO and to support the Board in fulfilling its duty to conduct a Board self-assessment. The formal role of the Nomination Committee is set out in the charter for the committees of the Board of Directors in Annex C of the Company's Organisational Regulations. This is available online at www.coca-colahellenic.com/en/about-us/corporate-governance.

Key elements of the Nomination Committee's role are:

- reviewing the size and composition of the Board;
- identifying candidates and nominating new members to the Board;
- planning and managing, in consultation with the Chair, a Board membership succession plan;
- ensuring, together with the Chair, the operation of a satisfactory induction programme for new members of the Board and a satisfactory ongoing training and education programme for existing members of the Board and its committees as necessary to deliver on the Group's strategy;
- setting the criteria for, and overseeing, the annual assessment of the performance and effectiveness of each member of the Board and each Board committee;
- conducting an annual assessment of the performance and effectiveness of the Board, and reporting conclusions and recommendations based on the assessment to the Board; and
- overseeing the employee and management talent development and succession plans of the Group.

The members of the Nomination Committee are Reto Francioni, Charlotte Boyle and Anna Diamantopoulou. All members of the Nomination Committee are independent NEDs. At the AGM in May 2023, Reto Francioni, Charlotte Boyle and Anna Diamantopoulou were re-elected for a one-year term by the shareholders. The Chair of the Nomination Committee attended our AGM in May 2023 and regularly interacts with representatives of our shareholders.

Members	Membership status
Reto Francioni (Chair)	Member since 2016, Chair since 2016
Charlotte J. Boyle	Member since 2017
Anna Diamantopoulou	Member since 2020

Work and activities

The Nomination Committee met four times during 2023 and discharged the responsibilities defined under Annex C of the Company's Organisational Regulations. The CEO and the Chief People and Culture Officer regularly attend meetings of the Nomination Committee. In addition, the Chair is actively involved in the work of the Nomination Committee concerning succession planning and the selection of key people. In 2023, the General Counsel also met with the Nomination Committee on several occasions. During 2023, the work of the Nomination Committee included consideration of:

- succession planning and development of plans for the recruitment of new Board members and senior management and certain members of the Group's ELT;
- composition of the Board, including the appropriate balance of skills, knowledge, experience and diversity;
- review of the talent management framework;
- review of the newly implemented international Leadership Trainee programme of the Group;
- oversight of pulse survey and engagement survey results and focus areas;
- monitoring of internship programme;
- activities and progress of embedding the Group's Cultural Manifesto following its launch in 2023;
- activities to strengthen our position in employer branding and promote our preferred employer status;
- coordination of the performance evaluation and annual assessments of the Board and its committees;
- presentation of the Board and committees' assessment and alignment on follow-up actions arising from these evaluations; and
- review of the Director induction process and training programmes.

During the Committee's discussions on all matters detailed above consideration of the Company's Inclusion and Diversity and Anti-Harassment Policy, and where appropriate, the Board Nomination Policy, as well as the Company's commitment to such policies, is taken into account to ensure they are embedded into the Group's activities, programmes and initiatives.

Board Nomination Policy

Our Board Nomination Policy requires that each Director is recognised as a person of the highest integrity and standing, both personally and professionally. Each Director must be ready to devote the time necessary to fulfil his or her responsibilities to the Company according to the terms and conditions of his or her letter of appointment. Each Director should have demonstrable experience, skills and knowledge that enhance Board effectiveness and will complement those of the other members of the Board to ensure an overall balance of experience, skills and knowledge on the Board. In addition, each Director must demonstrate familiarity with and respect for good corporate governance practices, sustainability and responsible approaches to social issues.

Committee at work

Succession planning
Board composition
Recruitment
Shortlisting
Interview
Balance of skills assessment
Appointment
Induction

Corporate Governance Report continued
Nomination Committee continued

Board members' skills and experience

Director	Corporate governance	Finance, investments & accounting	FMCG Knowledge /Experience	International exposure	Risk oversight & management	Sustainability & community engagement
	Our business involves compliance with many different regulatory and corporate governance requirements across a number of countries, as well as relationships with national governments and local authorities.	Our business is extensive and involves complex financial transactions in the various jurisdictions where we operate.	Our business involves the preparation, packaging, sale and distribution of the world's leading non-alcoholic beverage brands.	Our business is truly international with operations in 29 countries, at different stages of development, on three continents.	Our Board's responsibilities include the understanding and oversight of the key risks we are facing, establishing our risk appetite and ensuring that appropriate policies and procedures are in place to effectively manage and mitigate risks.	Building community trust through the responsible and sustainable management of our business is an indispensable part of our culture. ESG is prominent in our business, in particular workforce matters, environmental and climate change issues and supply chain sustainability.
Anastassis G. David	●	●	●	●	●	●
Zoran Bogdanovic	●	●	●	●	●	●
Charlotte Boyle	●	●	●	●	●	●
Henrique Braun	●	●	●	●	●	●
Sola David-Borha	●	●		●	●	
Anna Diamantopoulou				●		●
Bill Douglas III	●	●	●	●	●	●
Reto Francioni	●	●		●	●	
Anastasios Leventis		●	●	●	●	●
Christo Leventis	●	●	●	●	●	●
Alexandra Papalexopoulou	●	●		●	●	●
Evguenia Stoichkova		●	●	●	●	●
George Pavlos Leventis	●	●	●	●	●	●
Total	**10**	**12**	**9**	**13**	**12**	**11**

Corporate Governance Report continued
Nomination Committee continued

We are proud of the diverse skills and experiences of our Board.

For example, in relation to ESG matters, Anna Diamantopoulou's familiarity with the social protection and welfare state at the EU Commission High-Level Group, in addition to the expertise of a number of our Board members who sit on the Boards of other multi-nationals that face similar challenges and have similar concerns on the ESG agenda, helped us identify the commitments that we want to make in the area and set the relevant targets.

In addition, connected to the ESG, Anastasios Leventis, the Chairman of the Social Responsibility Committee of the Board, is a member of the European Council of The Nature Conservancy (TNC), a global environmental non-profit organisation working to create a world where people and nature can thrive, and he is a board member of WWF Hellas (the Greek branch of WWF). Those experiences support in driving the environmental agenda and in endorsing Coca-Cola HBC's bold sustainability commitments related to climate, water stewardship, biodiversity and packaging.

In relation to risk oversight and management, we are proud that the vast majority of our Board members possess strong risk management expertise, developed over time as a result of their extensive experience in senior leadership positions in large organizations, as executives and/or as board members, where the deep understanding of material risks and their potential impact, the implementation of mitigation and resolution as well as contingency plans and the setting of appropriate internal controls, processes and policies to effectively address these is paramount to successfully perform in such senior roles.

Support and training for the Board

The practices and procedures adopted by our Board ensure that the Directors are supplied on a timely basis with comprehensive information on the business development and financial position of the Company, the form and content of which is expected to enable the Directors to discharge their duties. All Directors have access to our General Counsel, as well as independent professional advice at the expense of the Company. They have full access to the CEO and senior management, as well as the external auditor and internal audit team.

The Board has in place an induction programme for new Directors. It involves meetings with the Chair, members of the ELT and other senior executives, as well as receiving orientation training in relation to the Group and its corporate governance practices. It also includes meetings with representatives of our sales force, customers and major shareholders and visits to our production plants. All Directors are given the opportunity to attend training to ensure that they are kept up to date on relevant legal, accounting and corporate governance developments. In 2023, our Chief Risk Officer ran a risk management workshop for the Board. The Directors individually attend seminars, forums, conferences and working groups on relevant topics. The Nomination Committee reviews Director training activities regularly. Finally, as part of the continuing development of the Directors, the Company Secretary ensures that our Board is kept up to date with key corporate governance developments. The Board appoints the Company Secretary, who acts as secretary to the Board.

Board appointments and succession planning

Our Board has in place plans to ensure the progressive renewal and appropriate succession planning for senior management. These cover the short, medium and long term, and are regularly reviewed. Appointments and succession plans are based on merit and objective criteria to ensure the Company is promoting diversity (including gender, social and ethnic backgrounds – see page 146 – cognitive and personal strengths. Pursuant to our Articles of Association, the Board consists of a minimum of seven and a maximum of 15 members, and the Directors are elected annually for a term of one year by the Company's shareholders, which is also in accordance with the UK Corporate Governance Code. In case of resignation or death of any member, the Board may elect a permanent guest to be proposed for election by the shareholders at the next AGM. In accordance with the Organisational Regulations, the Board proposes for election at the shareholders' meeting new Directors who have been recommended by the Nomination Committee after consultation with the Chair. In making such recommendations, the Nomination Committee and the Board must consider objective criteria as above, as well as the overall length of service of the Board as a whole when refreshing its membership. Through this process, the Board is satisfied that the Board and its committees have diversity, independence and knowledge to enable them to discharge their duties, including sufficient time commitment.

Diversity

The Group continues to have a firm commitment to policies promoting diversity, equal opportunity and talent development at every level throughout the organisation, including at Board and management level, and is constantly seeking to attract and recruit highly qualified candidates for all positions in its business. The Group's D&I Policy applies to all people who work for us. Further details on the Group's D&I Policy are set out on page 49 in the Strategic Report.

The Group believes that diversity at the Board level acts as a key driver of Board effectiveness, helps to ensure that the Group can achieve its overall business goals especially considering our geographical footprint, and is critical in promoting a diverse and inclusive culture across the whole Group. The Board has adopted a Board Nomination Policy, which guides the Nomination Committee and the Board in relation to their approach to diversity in respect of succession planning and the selection process for the appointment of new Board members. It does not include targets for either gender or ethnicity. However, the Board is cognisant of the recommendations in the FTSE Women Leaders Review, as well as the targets for gender, ethnicity and persons in senior board positions in the FCA's Listing Rules, and these will be taken into consideration for succession planning and appointment of new Board members. The Nomination Committee is responsible for implementing this policy and for monitoring progress towards the achievement of its objectives.

The requirements and objectives of the Board Nomination Policy include that the Nomination Committee is required to take into account all aspects of diversity, including age, ethnicity, gender, educational and professional background and social background when considering succession planning and new Board appointments; seek a wide pool of candidates, with a broad range of previous experience, skills and knowledge; and give preference to executive search firms that are accredited under the Enhanced Code of Conduct for Executive Search Firms. Board appointments are evaluated on merit against objective criteria with due regard for diversity to ensure that candidates contribute to the balance of skills, experience, knowledge and diversity of the Board. The Board also considers the overall length of service of the Board as a whole when considering refreshment of the membership.

Corporate Governance Report continued
Nomination Committee continued

The Board understands the benefits of diversity of gender, ethnicity, knowledge and experience, and this is reflected in the Board Nomination Policy. The Policy's objectives include ensuring female representation on the Board.

Two Directors retired at the 2023 AGM and, following recommendation by the Nomination Committee, two Directors, one male and one female, were appointed at the 2023 AGM. Female representation on the Board increased from around 33% to 38% following appointment of Evguenia Stoichkova at the 2023 AGM.

Board and ELT gender and ethnicity metrics

The FCA's new Listing Rules on targets for gender and ethnic diversity apply to the Company for the first time this financial year. As at 31 December 2023, the Company had met the target for ethnic Board diversity and had just over 38% of female Board representation. Although the female proportion has increased, the Company is slightly behind the required 40% target in the FCA Listing Rules. No senior positions on the Board as described in the FCA Listing Rules are held by women. Female representation in the ELT is 20% and in senior management positions reporting to ELT is 36,79%. The Board will prioritise improving the Board gender balance and the Nomination Committee has, and will continue to, consider this in the context of its continuous work on succession plans for the Board, as well as senior management including the ELT.

The following metrics set out the range of gender and ethnicity as they relate to our Board and ELT as at 31 December 2023. The ELT refers to the most senior level of managers reporting to the CEO, including the General Counsel/Company Secretary but excluding administrative and support staff, in accordance with the definition in the FCA's Listing Rules. The Board diversity related data is collated on an anonymous basis directly from each Director and ELT member using a questionnaire and given on a self-identifying basis.

Gender representation at Board and ELT level

	Number of Board members	% of the Board	Number of senior positions on Board (CEO, CFO, SID and Chair)[2]	Number in ELT	% of ELT
Men	8	62%	3	12	80%
Women	5	38%	0	3	20%

Ethnicity representation at Board and ELT level

	Number of Board members	% of the Board	Number of senior positions on Board[3] (CEO, CFO, SID and Chair)[2]	Number in ELT	% of ELT
White British or other White (including minority-white groups)	11	85%		12	80%
Mixed/multiple ethnic groups				2	13%
Asian/Asian British					
Black/African/Caribbean/Black British	1	8%			
Other ethnic group, including Arab				1	7%
Not specified/prefer not to say[1]	1	8%			

1 This includes, as permitted by Listing Rule 9.8.6G, those persons in respect of whom data protection laws in relevant jurisdictions prevent the collection or publication of some or all of the personal data required to be disclosed.
2 CEO is a senior position on the Board, but CFO is not.
3 Board diversity data is collated on an anonymous basis directly from each Director using a questionnaire and given on a self-identifying basis and without identifying their position on the Board.

Gender diversity and representation at Board and ELT level

The Board is committed to appointing the best people with the right skills, using non-discriminatory and fair processes during selection, recognising the importance of diversity in its business. It is the Board's responsibility to oversee senior management succession planning for a diverse pipeline of managers and talent identified from the management talent development programme. A target has been set of 50% female representation of managers, to be achieved by 2025. This links to our strategy to develop our people and ensure we attract and retain a diverse talent pool, and is one of the five pillars of our growth strategy. Further information on pages 46 to 51. The Nomination Committee, in conjunction with the ELT, will continue to monitor the proportion of women at all levels of the Group and ensure that all appointments are made with a view to having a high level of diversity within the workplace and in leadership positions.

We are a global company with a diverse geographic footprint, including in emerging markets. Our ELT is based in Switzerland where the Company is incorporated, but the majority of our senior management reporting to the ELT is located in a number of other countries. We are currently in the process of an internal review and mapping of our senior management and their ethnicity. Until the completion of this review and mapping we are not in a place to set meaningful long-term targets in respect of ethnic minority representation in senior management positions. The Board intends to set a target once it is in a position to do so. We are committed to increasing the diversity of our senior management population and there will be a number of initiatives that will be put in place over the coming years to support this and to ensure that we have the right pipeline of talent. In the future we will also look more closely at ethnic minority representation across the whole Company, not just at the management population, and report on this where appropriate.

Corporate Governance Report continued
Nomination Committee continued

Performance evaluation of the Board

The Nomination Committee led the annual evaluation of Board and committee performance with the support of Lintstock, an external advisory firm we have worked with for the past eight years. Lintstock has no other connection to the Company or individual Directors. The key areas included in the assessment were: Board composition; stakeholder oversight; Board dynamics; management of meetings; Board support; Board committees; strategic, risk and people oversight; and priorities for change in 2024. It also took actions to address the recommendations from the previous (2022) evaluation, as summarised in the box opposite. The Chair will lead on the priorities identified to be actioned during 2024.

In addition to the annual evaluation, the Chair met with Directors throughout the year to receive feedback on the functioning of the Board and its committees, boardroom dynamics and the Group's strategy. Particular focus is given to areas where a Director believes the performance of the Board and its committees could be improved.

The independent Directors met separately at every Board meeting to discuss a variety of issues, including the effectiveness of the Board. An evaluation of each Director (other than the Chair) was conducted by the Chair and the Senior Independent Director. The Senior Independent Director leads the evaluation of the Chair in conjunction with the NEDs, considering the views of the CEO, and, as a matter of practice, meets with the other independent NEDs when each Board meeting is held to discuss issues together, without the CEO or other NEDs present. The Chair also holds meetings with the NEDs without the CEO present.

2023 actions based on 2022 Board evaluation findings and previous experience

- Regular updates by the CEO, CFO and Chief Risk Officer on macro factors and considering those in strategic business decision and risk management oversight.
- Regular reviews of the Russia and Ukraine conflict issue as part of business and risk management discussions and overview.
- Focus on strategic initiatives in accelerating digital commerce activities, as well as investing in technology and solutions driving operational and administrational processes digitalisation and automation.
- Continued prioritisation on the evaluation of succession plans for Board members and senior management roles.
- Oversight of people and talent-related matters such as talent programmes, employee pulse surveys, employer branding initiatives, and health & safety performance reviews.

2023 evaluation findings

- Board composition, management of meetings, Board support and stakeholder oversight were rated very highly.
- The atmosphere in the boardroom, the quality of discussion and debate, as well as the support and challenge to management were rated very highly.
- The structure and remits of Board committees and the quality of their reports to the Board were also very highly rated.
- The Board's strategic oversight was highly rated and top priority areas to successfully execute its 2025 Growth Story strategy were validated.
- The Board's oversight on risk was very highly rated, with cyber security and geopolitical risks being identified as areas of particular focus on our risk management approach.
- The succession plans for the executive management, the Board's visibility of potential internal successors and the quality of the Company's talent development processes drew very high ratings.
- The performance of the Board was seen to have been maintained or improved since the last review.
- The opportunity for the Board to draw lessons from geopolitics over the past year was highlighted.

2024 priorities

- Prioritising ESG related topics, with particular focus on sustainability.
- Leveraging the learnings from geopolitical, macro and regulatory developments for strategic planning and risk management purposes.
- Enhance further getting external perspectives and insights on priority areas.
- Continued focus on Emerging markets.
- Talent acquisition, development, and retention to ensure a strong pool of future leaders.
- Risk management and assessment and mitigation plans and monitoring geopolitical, macroeconomic and currency risks.
- Strategic oversight and support to management in achieving the 2025 Growth Story targets.
- Technology and digital, including cyber security.

A robust, independent methodology

The first stage of the review involved Lintstock engaging with the Company Secretary and the Nomination Committee to set the context for the evaluation, and to tailor survey content to the specific circumstances of the Company. The surveys were designed to follow up on and further explore key themes identified in last year's evaluation, so that year-on-year progress can be tracked. The anonymity of all responses was guaranteed throughout the process to promote open and honest feedback. Lintstock subsequently analysed the results and delivered reports on the performance of the Board, the committees and the Chair, which were considered at a subsequent Board meeting. The results of the review were positive overall, and the Board was felt to have performed effectively and maintained a strong working dynamic. Priority areas for 2024 were identified and for the Board to focus on: (a) ESG and sustainability; (b) closely monitoring Emerging markets performance and strategy; (c) attracting, developing and retaining talent; (d) risk assessment and mitigation, and closely monitoring macro, geopolitical and currency risks; (e) strategic oversight and supporting management in achieving the 2025 Growth Story targets; and (f) technology and digital, including cyber security.

Corporate Governance Report continued

Social Responsibility Committee

Highlights 2023

- Close oversight of the 'Earn our licence to operate' pillar as part of our Growth Story 2025, including progress of public Mission 2025 commitments.
- Detailed review of the actions, initiatives, and progress versus the roadmap of NetZeroby40, the Company's commitment to reaching net zero greenhouse gas emissions by 2040, combined with science-based carbon reduction targets by 2030.
- Review of the Company's outcome of the first steps of the Science Based Target Network for Nature (SBTN) methodology, including full value chain mapping, biodiversity risk and impact assessment (upstream, downstream, direct operations) and prioritisation of the key areas for target setting.
- Shifting the Company's commitment of no deforestation across the value chain from 2030 to 2025, aligned with the Forest, Land and Agriculture (FLAG) science-based carbon reduction targets.
- Deep review of mid-term scenarios and potential initiatives to shape our Packaging Mix of the Future – advancing sustainable packaging agenda, with focus on overall decarbonisation vs 'business as usual' and accelerating reuse solutions while growing profits and revenues faster than volumes.
- Deep-dive analysis of Group results in various ESG benchmarks.
- Monitoring innovation projects and partnerships that support our ESG agenda.
- Ongoing updates on plastic packaging levies, Packaging and Packaging Waste Regulation, the new limits set by the EU Commission for Bisphenol A, product tax developments, Green Claims, Dual Quality Omnibus Directive.
- Active involvement in Annual Stakeholder Forum and in Sustainable event with suppliers.
- The launch of the System Sustainability Venture Fund in partnership with the venture-capital firm Greycroft.

Priorities for 2024

- Endorsement of the next set of the Company's sustainability commitments (2030 commitments).
- Setting the first science-based targets on biodiversity based on the outcome of the SBTN methodology.
- Partnerships for innovation in the area of ESG, with both customers and suppliers.
- Implementation of the updated NetZeroby40 roadmap and 2030 science-based targets (including separate FLAG targets, Egypt operations integration, revised target of scope 3 emissions in line with 'well below 2 degrees' pathway) after receiving an approval by the Science Based Targets initiative (SBTi).
- Progress on sustainable packaging agenda.
- Overview of the social impact programmes.
- Progress on calorie reduction and added sugar reduction across beverage categories.
- Stakeholder outreach activities.
- Reviewing and streamlining Company disclosure and reporting standards based on EU taxonomy, Corporate Sustainability Responsibility Directive (CSRD), European Sustainability Reporting Standards (ESRS) and standards issued by the International Sustainability Standards Board (ISSB).
- Ongoing activities related to ESG benchmarking, plastic packaging levies and product tax developments.

Dear Stakeholder

Two decades ago, our Company published its first Corporate Social Responsibility Report with the ambition of a 'Journey to World Class'. Since then, we have been integrating the aspects of sustainability, including the environmental and social pillars, in our business strategy, in our decision-making process and in our long-term goals. Our current sustainability commitments, Mission 2025, are approaching their target year and we proudly report that our progress there is significant.

In 2023, the Social Responsibility Committee continued its focus on the implementation of the Mission 2025 sustainability commitments and the overall integration of sustainability in the business strategy, with a core focus on net zero performance and Pack Mix of the Future scenarios and initiatives, which not only help our business to decarbonise, but also contribute to a litter-free world and support sustainability agenda for our customers. The Committee reviewed the proposed solutions of returnable glass bottles and packageless beverages, the pilot testing of Freestyle Compact® machines and approach to reusable vessels, the pilot of LitePac Top in Austria (from shrink film to cardboard holder for family packs multipacks), the results of KeelClip™ roll-out (cardboard holder for cans multipacks) across 22 countries, scenarios for increasing of the rPET content in our markets, and initiatives for post-consumer collection, including plans for Deposit Return Schemes (DRS). We monitored the development of the different ESG regulations but also the ESG reporting regulations that will be mandated to medium and large companies.

We are very proud of the bold progress in every business unit in relation to our NetZeroby40 roadmap, such as renewable energy initiatives, energy-efficient coolers, supplier engagement, and to water stewardship projects in water risk areas.

Corporate Governance Report continued
Social Responsibility Committee continued

In 2023, the Company was again named by the Dow Jones Sustainability Index as a leader, with the highest S&P Global Corporate Sustainability Assessment score in the Beverage industry, which is the seventh time we have topped the industry and marks 13 consecutive years among the top three. We now have the highest scores and rankings in ten of the most-recognised ESG ratings (DJSI, CDP Climate and Water, MSCI ESG, ISS ESG, V.E., Sustainalytics among them).

During the year we reviewed the high-level activities of the capital investments related to sustainability, sustainability communication strategy, and the capability programme prepared for different levels in our organisation aiming to build sustainability knowledge in a tailored, engaging and simple way. Going forward in 2024, the Committee will ensure that the business strategy is fully aligned with the Company's ESG agenda and that the Company continues to create value for employees, communities, society and the environment. 2024 will be the year when we are planning to publish our new set of bold, industry leading sustainability targets in the areas material for our stakeholders, for our business, for society, and for the environment. Biodiversity, water community projects, the requirements of the CSRD, initiatives to support the Company's Packaging Mix of the Future journey, human rights, our social agenda and impact, ESG programmes for our suppliers, and customer partnerships in sustainability, will be among the focus areas in 2024.

Anastasios I. Leventis
Committee Chair

Role and responsibilities

The Social Responsibility Committee is responsible for the development and supervision of procedures and systems to ensure the pursuit of the Company's social and environmental goals, as set out in the charter for the committees of the Board of Directors in Annex C to the Company's Organisational Regulations. Key areas of responsibility are:

- establishing the principles governing the Group's policies on social responsibility and the environment to guide management's decisions and actions
- overseeing the development and supervision of procedures and systems to ensure the achievement of the Group's social responsibility and environmental goals
- establishing and operating a council responsible for developing and implementing policies and strategies to achieve the Company's social responsibility and environmental goals (in all ESG pillars, such as climate change, water stewardship, packaging and waste, sustainable sourcing, health and nutrition, our people and communities, and biodiversity), and ensuring Group-wide capabilities to execute such policies and strategies
- ensuring the necessary and appropriate transparency and openness in the Group's business conduct in pursuit of its social responsibility and environmental goals
- ensuring and overseeing the Group's interactions with stakeholders in relation to its social responsibility and environmental policies, goals and achievements, including the level of compliance with internationally accepted standards
- reviewing Group policies on environmental issues, human rights and other topics as they relate to social responsibility

The Social Responsibility Committee comprises one independent and two non-independent Directors: Anastasios I. Leventis (Chair), Anna Diamantopoulou, Bruno Pietracci until May 2023 and Evguenia Stoichkova from May 2023. Anastasios I. Leventis and Anna Diamantopoulou were each re-elected and Evguenia Stoichkova was elected for the first time, for a one year term, by the shareholders at the AGM in May 2023.

Members	Membership status
Anastasios I. Leventis (Chair)	Member since 2016 Chair since 2016
Anna Diamantopoulou	Member since June 2020
Bruno Pietracci	Member from June 2021 until May 2023
Evguenia Stoichkova	Member since May 2023

Work and activities

The Social Responsibility Committee met four times during 2023. The Committee invited other members of the Board to attend the meetings, namely Charlotte J. Boyle, George Leventis and the CEO, as well as the Chief Corporate Affairs and Sustainability Officer and additional senior leaders subject to the discussion topics. During 2023, the Social Responsibility Committee reviewed and provided guidance and insights to advance the Group's sustainability approach in the following areas:

- Progress and the action plans made against the 17 publicly communicated 2025 sustainability commitments and their six focus areas.
- Biodiversity impact assessment across the entire value chain as per the SBTN guidelines.
- Sustainable packaging cross-functional team agenda and progress towards more sustainable packaging (rPET, packageless, refillables and other), and packaging collection and recovery.
- Lifecycle analysis (LCA) of different packaging scenarios and their impact on the net zero journey.
- Detailed plans and initiatives for delivery of science-based carbon reduction targets and NetZeroby40 commitment, including the Company's application for setting FLAG science-based emissions targets.
- Participation of the Company's CEO in the Alliance of CEO Climate Leaders at the World Economic Forum (WEF).
- Investments in different initiatives that deliver sustainability benefits, the internal carbon pricing and total cost of water.
- The launch of the System Sustainability Venture Fund in partnership with the venture capital firm Greycroft.
- Innovative opportunities related to digital twin in manufacturing plants, green hydrogen, rPET in-house production, potential enzymatic recycling of packaging etc.
- Review of progress in decreasing calories in our beverages;
- Health and safety programmes, including Life Saving Rules and Behavioural Based Safety.
- Social impact community programmes such as #YouthEmpowered programmes and water stewardship projects.
- Materiality assessment process and results of the annual materiality survey.
- Egyptian operations sustainability plans and reporting.
- Review of stakeholder engagement plan and the feedback from the Annual Stakeholder Forum.
- ESG reporting frameworks and benchmarks such as GRI Standards, UN SDGs, Dow Jones Sustainability Indices, CDP Climate & Water, Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB).
- Review of mandated in the near-future ESG regulations such as CSRD and the ESRS, EU taxonomy, EU Deforestation Regulation, Corporate Sustainability Due Diligence Directive (CSDDD) etc.

Corporate Governance Report continued

Audit and Risk Committee

Highlights 2023

- Compliance with financial and non-financial (including climate-related) disclosures.
- On-going monitoring of the Russia–Ukraine conflict, including sanctions related issues.
- Overview of the Group insurance renewal process.
- Preparatory work for CSRD implementation.
- Monitoring of the macroeconomic volatility in several countries of the Group, including Egypt and Nigeria.

Priorities for 2024

- Monitoring the developments in accounting and regulatory matters, including potential changes to IFRS accounting standards and respective disclosures.
- Ongoing monitoring of risks, as well as impairment testing of goodwill and intangible assets.
- Ongoing monitoring of internal financial controls, anti-fraud systems and Code of Business Conduct compliance.
- Ongoing monitoring of the Group's Business Resilience, Risk Management and Quality Assurance programmes.
- Ongoing monitoring of the Group's Cyber Security programme.
- Discussing developments and actions towards CSRD compliance.
- Initiating preparatory work in view of 2025 audit tender.
- Ongoing monitoring of financial markets and exploring financing options for the bond maturing in 2024.
- Overseeing the implementation of the necessary changes in the Corporate Audit Department and the internal audit policies and procedures, to comply with new global internal audit standards to take effect in 2025.

Dear Stakeholder

The Audit and Risk Committee continued to focus its work during 2023 on monitoring and strengthening the Group's internal financial controls, risk management, quality assurance and compliance systems, as well as the existing information system security processes, all of which are recognised by the Board as essential components of effective corporate governance. During 2023, the Audit and Risk Committee worked closely with corporate audit and finance teams in overseeing the implementation of the Group's internal control framework.

We have monitored and discussed our risk management processes, including our risk profile and mitigation, but also principal risks and risk appetite. The Audit and Risk Committee reviewed updates on new auditing standards, accounting developments and regulatory developments. Emerging risks identified by the Group were discussed by the Audit and Risk Committee, including the impact of climate change on the cost and availability of key ingredients and impact of our sustainability performance on our reputation related risks. Other areas of focus during 2023 are included in the sections about the work and activities of the Audit and Risk Committee and the areas of key significance in the preparation of the financial statements in this report.

The Audit and Risk Committee report describes in more detail the work of the Audit and Risk Committee during 2023. In performing its work, the Committee balances independent oversight with support and guidance to management. I am confident to report that the Committee, supported by senior management and the external auditor, consistently carried out its duties to a high standard during the reporting year.

William W. (Bill) Douglas III
Committee Chair

Corporate Governance Report continued
Audit and Risk Committee continued

Role and responsibilities

The Audit and Risk Committee monitors the effectiveness of our financial reporting, internal control and risk management systems, and processes. The role of the Audit and Risk Committee is set out in the charter for the committees of the Board of Directors in Annex C to the Company's Organisational Regulations. This is available in the Company's website under coca-colahellenic.com/en/about-us/corporate-governance. The key responsibilities and elements of the Audit and Risk Committee's role are:

- Providing advice to the Board on whether the Annual Report including the consolidated financial statements, taken as a whole, is a fair, balanced and understandable assessment of the Company's position and prospects and provides the information necessary for shareholders to assess the Group's position and performance, including whether there is consistency throughout the report including the financial reporting, whether the report will form a good basis of information for the shareholders, and that important messages are highlighted appropriately throughout the report.
- Monitoring the quality, fairness and integrity of the consolidated financial statements of the Group, and reviewing significant financial reporting issues and judgements contained in them.
- Reviewing the Group's internal financial control and anti-fraud systems as well as the Group's broader enterprise risk management and legal and ethical compliance programmes (including computerised information system controls and security) with the input of the external auditor and the internal audit department.
- Reviewing and evaluating the Group's major areas of financial risk and the steps taken to monitor and control such risk, as well as guidelines and policies governing risk assessment.
- Quarterly review of the company's principal risks and the actions the company is taking to manage those risks.
- Establishing and updating the Risk Appetite statement which establishes the level of risk the company is prepared to take in achieving its strategic objectives.
- Monitoring and reviewing the external auditor's independence, quality, adequacy and effectiveness, taking into consideration the requirements of all applicable laws in Switzerland and the UK, the listing requirements of the London Stock Exchange and Athens Exchange, and applicable professional standards.

The Audit and Risk Committee comprises three independent NEDs: Bill Douglas (Chair), Olusola (Sola) David-Borha and Alexandra Papalexopoulou, who were each re-elected for a one-year term by the shareholders at the AGM in May 2023.

Members	Membership status
William W. (Bill) Douglas III (Chair)	Member since 2016 Chair since 2016
Olusola (Sola) David-Borha	Member since 2015
Alexandra Papalexopoulou	Member since 2020

The Board remains satisfied that Bill Douglas, Sola David-Borha and Alexandra Papalexopoulou possess recent and relevant financial and sector experience in compliance with the UK Corporate Governance Code. Bill Douglas was formerly Executive Vice President and CFO of Coca-Cola Enterprises, Sola David- Borha has held a number of senior financial positions and Alexandra Papalexopoulou has served as a treasurer. The Board is also satisfied that the members of the Committee as a whole have competence in the sector in which the Company operates in compliance with the UK Corporate Governance Code and UK listing regime requirements.

Further details on their experience are set out in their respective biographies on pages 130 to 132 and in the table set out in page 147.

The Group CFO, as well as the General Counsel, external auditor, the Head of Corporate Audit, and the Group Financial Controller, attend all meetings of the Audit and Risk Committee. Other officers and employees are invited to attend meetings when appropriate. Two NEDs, Henrique Braun and Christo Leventis were invited to attend all meetings during 2023. The Head of Corporate Audit, and, separately, the external auditor, meet regularly with the Audit and Risk Committee without the presence of management to discuss the adequacy of internal controls over financial reporting and any other matters deemed relevant to the Audit and Risk Committee. The Chair of the Audit and Risk Committee attended our AGM in May 2023 and regularly interacts with representatives of our shareholders.

Work and activities

The Audit and Risk Committee met eight times, four of which were by video conference call, during 2023 and discharged the responsibilities defined under Annex C of the Company's Organisational Regulations. The Committee invited others to attend meetings, including other Board members, namely Henrique Braun and Christo Leventis, and additional senior leaders subject to the discussion topics. The work of the Audit and Risk Committee during the accounting year included evaluation of and review of the respective matters, as well as assessment of management's mitigating actions and response plans, in the areas below:

- the Integrated Annual Report including the consolidated financial statements and the full-year results announcement for the year ended 31 December 2022 prior to their submission to the Board for approval, and compliance with Group policies;
- the interim consolidated financial statements and interim results announcement for the six-month period ended 30 June 2023, prior to their submission to the Board for approval;
- the trading updates for the three-month period ended 1 April 2023, and the nine-month period ended 30 September 2023, as well as a trading update issued in July 2023 for upgrading its 2023 earnings expectations;
- areas of significance in the preparation of the consolidated financial statements;
- the internal control environment, principal risks and risk management systems (including the nature and extent of the principal risks resulting from the conflict in Russia and Ukraine), and the Group's statement on the effectiveness of its internal controls prior to endorsement by the Board, concluding that management has carried out a robust risk assessment process;
- review of the Group's Risk appetite statement and the framework for establishing risk tolerance levels for all risks as a key part of the risk assessment process; which supports the application of the risk appetite statement at all levels within the company;
- the viability statement scenarios and underlying assumptions and recommendations to the Board that the viability statement be approved, including discussion of management's conclusions with respect to going concern and the viability statement;
- the external auditor's report on the Group's IFRS earnings release for the financial year ended 31 December 2022; including assessment of the auditor's enhanced audit report and key audit matters and conclusion that there was nothing that warranted the attention of the Board; and review of external auditor's report on the Group's interim report for the six-month period ended 30 June 2023;

Corporate Governance Report continued
Audit and Risk Committee continued

- report on tax audits undertaken during 2023 and relevant developments for on-going tax audits in a number of territories;
- approval of changes to 2023 internal audit plan and approval of the 2024 internal audit plan;
- quarterly reports on internal audit matters across the Group's business regions, concluding that no material failings were identified;
- direct procurement matters and initiatives for 2023, including the Group's commodities risk management initiatives for 2023;
- cross-regional audits on cyber security, people and culture process, anti-bribery compliance, data privacy compliance and various other ongoing audits on specific projects;
- regular reports on health and safety, GDPR compliance and internal control framework, quality assurance, environmental protection, asset protection, treasury and financial risks, anti-bribery and fraud control, anti-money laundering;
- quarterly reports on business continuity, security, cyber security, insurance and enterprise risk management processes.
- review of market updates for Egypt and Russia;
- review of the Purchase Price Allocation exercise within the framework of the acquisition of the Finlandia business;
- review and approval of insurance renewal process proposals;
- update on CSRD;
- update on the Group's green bond issued in September 2022 progress on internal control assessment and integration of CCHBC Egypt;
- reports on litigation and regulatory investigations;
- matters arising under the Group's Code of Business Conduct and the actions taken to address any identified issues;
- an assessment of the skills of the internal auditors and the sufficiency of the internal audit budget, confirming of the Internal Auditor's quality, experience and expertise for the business. Reports to ensure that the Audit and Risk Committee can be satisfied that internal audit has the appropriate resources. The Audit & Risk Committee is satisfied that internal audit has the appropriate resources;
- updates on risk management and business resilience, including the Group's response to the conflict between Russia and Ukraine, the activation and development of business continuity strategies and the streamlining of the Group's risk management processes; Review of the Group's principal risks and the Group's updated Strategic Risk Summary;
- reports on the Group's impairment assessment processes in connection with the operations affected by the conflict between Russia and Ukraine for the interim financial report and Egypt;
- regular updates from the external auditor on accounting and regulatory developments. Also, an update on Swiss regulatory developments;
- tax related matters including:
  - monitoring progress on both the impact and implementation status of key international tax initiatives impacting the Group, namely the OECD Pillar 2 project and the EU's Public country-by-country reporting,
  - ensuring the Group is sufficiently structured and organised to meet its tax obligations (i.e., it's key tax processes and the supporting people and systems) in a rapidly changing international tax environment,
  - awareness of programmes available to provide the Group with certainty in the relationship with tax authorities, e.g., co-operative compliance programmes etc., and progress made by the Group to secure certainty to the extent possible,
  - oversight of open tax audits involving the Group and ensuring tax related risks and developments are appropriately managed,
  - tax automation initiatives aimed at solidifying governance and availability of data to support audits,
  - reviewing and endorsing the Group's annual update of its Tax Transparency Report, and
  - awareness of tax input into M&A activity and new business initiatives;
- approval of changes to chart of authority and delegation for operational activities;
- external audit plan and pre-approval of audit fees for 2024;
- consideration of the external auditor's independence, quality, and adequacy and the effectiveness of its audit of the financial statements; and
- assessment of the Company's external reporting to ensure it is fair, balanced and understandable as a result of the Board's obligation under the Corporate Governance Code.

The Audit and Risk Committee was responsible for the review of the 2023 Integrated Annual Report including the consolidated financial statements and associated reports and information. The Committee received assurances from management and details on the processes underlying the preparation of published financial information.

Following evaluation of all available information, the Audit and Risk Committee concluded and advised the Board that the 2023 Integrated Annual Report including the Consolidated financial statements is fair, balanced and understandable. Finally, the Board receives and reviews a report from the Audit and Risk Committee on its activities and discussions at the Board meeting following each Audit and Risk Committee meeting.

Areas of key significance in the preparation of the financial statements

The Audit and Risk Committee considered a number of areas of key significance in the preparation of the financial statements in 2023, including the following:

- appropriateness of critical accounting judgements and estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the consolidated financial statements (detailed in Notes 5,14,16,22 and 30 to the consolidated financial statements), identified by management
- review of the trading environment and resilience of the Group's business in light of the conflict between Russia and Ukraine and strategic actions implemented to mitigate risks and restructure business operations;
- review of the annual impairment testing of goodwill and other indefinite lived intangible assets testing performed by management and reviewed by the external auditor under IAS 36 as well as the related sensitivity analysis with confirmation that management had undertaken a robust impairment testing process, relying on both internal information, and other publicly available metrics to perform their assessment;
- review key assumptions for specific countries, challenging management drivers of relevant deviations and performance to date, as well as countries WACC rates development vs prior year;
- review of the contingencies, legal proceedings, competition law and regulatory procedures, including cases involving the national competition authorities of Greece and litigation matters in Nigeria and Greece, and the impact of these on the consolidated financial statements and accompanying notes;

Corporate Governance Report continued
Audit and Risk Committee continued

- review of guidance provided by the UK Financial Conduct Authority and Financial Reporting Council related to areas of focus for the 2023/2024 reporting season, including financial reporting, sustainability and climate-related disclosures, Task Force on Climate-related Financial Disclosures (TCFD) disclosures, viability and going concerns, corporate governance matters and The European Single Electronic Format standard;
- review of the interim impairment testing of goodwill and other indefinite lived intangible assets performed by management in relation to the Egyptian CGU;
- assess management's work in conducting a robust assessment of the risks that impact the viability and going concern statements, including review of scenarios and underlying assumptions, taking also into consideration the renewal of bottler agreements with The Coca-Cola Company;
- recommended to the Board to approve the viability statement; and
- deeming appropriate that the Group continues to apply the going concern basis for the preparation of the financial statements.

External auditor

PricewaterhouseCoopers AG, Birchstrasse 160, CH 8050 Zurich, Switzerland ('PwC AG') has been elected by the shareholders as the statutory auditor for the Group's statutory consolidated and standalone financial statements. The signing partner, for the first year, for the statutory financial statements on behalf of PwC AG is Patrick Balkanyi, for the year ended 31 December 2023. The Board, at the recommendation of the Audit and Risk Committee, has retained PricewaterhouseCoopers S.A., 260 Kifissias Avenue – 15232 Halandri, Greece ('PwC S.A.'), an affiliate of PwC AG, to act as the Group's independent registered public accounting firm for the purposes of reporting under the UK rules for the year ended 31 December 2023. For the third year, the signing partner, the financial statements (for the year ended 31 December 2023) on behalf of PwC S.A. is Fotis Smyrnis.

The appointment of PwC S.A. has also been approved by the shareholders until the next AGM by way of advisory vote for UK purposes. 'PwC' refers to PwC AG or PwC S.A., as applicable, in this Annual Report.

During the accounting period, the members of the Audit and Risk Committee met on a regular basis with the appointed PwC signing partners, both with and without management being present. This provided the Audit and Risk Committee with an opportunity for open dialogue, to question and be satisfied as to the quality of the audit work performed by PwC and challenge PwC's professional scepticism. During the meetings, the appointed PwC signing partners demonstrated their understanding of the Group's business risks and the consequential impact on the financial statement risks, especially around areas of key significance in the preparation of the financial statements including but not limited to the trading environment and resilience of the Group's business in light of the challenging macroeconomic conditions, the annual impairment testing, contingencies and legal proceedings including taxes. The Audit and Risk Committee took an active role in reviewing the scope of the audit, the independence, objectivity and effectiveness of PwC, and the negotiations relating to audit fees. The Audit and Risk Committee also met with the management team, which led the discussions with PwC, including the Head of Corporate Audit, to review the performance of PwC without PwC being present. Following this review process, the Audit and Risk Committee has recommended to the Board that (i) a proposal to reappoint PwC AG be put to a shareholders' vote and (ii) a proposal to reappoint PwC S.A. be put to a shareholders' advisory vote at the next AGM.

PwC has acted as the Group's principal external auditor since 2003. The Company ran a competitive tender for the external auditor services in 2015 which was overseen by the Audit and Risk Committee. Following the evaluation of the proposals, the Audit and Risk Committee concluded in 2015 that the best interests of the Group and its shareholders would be served by reappointing PwC as external auditor and made such recommendation to the Board. PwC was reappointed by the Board as the Group's external auditor on 11 December 2015 with effect from the financial year 2017. Currently, the Audit and Risk Committee anticipates that the audit contract will be put out to tender again in 2025 for audit services with effect from financial year 2027, ensuring stability and quality of the audit process. The Company as a Swiss company is not subject to mandatory auditor rotation rules in the EU or UK but understands the requirements. There are no contractual or other obligations restricting the Group's choice of external auditor.

Non-audit services provided by the external auditor

The Audit and Risk Committee considers the independence, in both fact and appearance, of the external auditor as critical and has long had an auditor independence policy providing definitions of the services that the external auditor may and may not provide. In line with the relevant FRC Guidance, the policy requires the Audit and Risk Committee's pre-approval of all audit and permissible non-audit services provided by the external auditor, and only for matters that are clearly trivial to the Company. Such services include audit, work directly related to audit, and certain tax and other services as further explained below. In practice, the Audit and Risk Committee applies the policy restrictively, and approval for work other than audit and audit-related services is rarely granted.

Under the policy, pre-approval may be provided for work associated with: statutory or other financial audit work under IFRS or according to local statutory requirements; attestation services not required by statute or regulation; accounting and financial reporting consultation and research work necessary to comply with generally accepted accounting and auditing standards; internal control reviews and assistance with internal control reporting requirements; review of information systems security and controls; tax compliance and related tax services, excluding any tax services prohibited by regulatory or other oversight authorities; expatriates' and other individual tax services; and assistance and consultation on questions raised by regulatory agencies.

For each proposed service, the external auditor is required to provide detailed back-up documentation at the time of approval to permit the Audit and Risk Committee to decide whether the provision of such services would impair the external auditor's independence.

PwC has complied with the policy for the financial year ended on 31 December 2023.

Audit fees and all other fees

Audit fees: The fees for audit services to PwC and affiliates were approximately €5.3 million for the year ended 31 December 2023 (2022: €5.1 million). The audit fees for 2023 include fees associated with the annual audit and review of the Group's half year report, prepared in accordance with IFRS, as well as local statutory audits. Fees for audit services to firms other than PwC and affiliates were €0.6 million for the year ended 31 December 2023 (2022: €0.7 million).

Audit-related fees: Fees for audit-related services to PwC and affiliates for the year ended 31 December 2023 were €1.0 million (2022: €1.1 million).

Corporate Governance Report continued
Audit and Risk Committee continued

Tax-related fees: There were no fees to PwC and affiliates for tax services for the years ended 31 December 2023 and 2022.

All other fees: Fees to PwC and affiliates for non audit services for the year ended 31 December 2023 were €0.1 million (2022: €nil).

Risk management

During 2023, the Company continued to revise and strengthen its approach to risk management as described in detail on pages 86 to 112. The primary aim of this framework is to minimise our exposure and ensure that the nature and significance of all risks we are facing are properly identified, reviewed, managed and, where necessary, escalated. Risk assessments are conducted and discussed at monthly Senior Leadership Team meetings in all our business units. These assessments are reviewed by regional management teams and the Chief Risk Officer twice a year. In addition, corporate functions conduct broader risk assessments across the business with the Chief Risk Officer bi-annually.

The Company's Group Risk and Compliance Committee reviews the emerging as well as the identified risks biannually and the emerging and material risks along with mitigating actions are presented by the Chief Risk Officer to ELT and the Audit and Risk Committee. This process is both top-down and bottom-up and is designed to ensure that risks arising from business activities are appropriately managed.

The Audit and Risk Committee confirms that the risk management and internal control systems have been in place for the year under review and up to the approval of the annual report and accounts. Finally, the Company has in place third-party insurance to cover residual insurable risk exposure such as property damage, business interruption, cyber risks and liability protection, including Directors' and officers' insurance for our Directors and officers.

Internal control

The Board has ultimate responsibility for ensuring that the Company has adequate systems of financial reporting control. Systems of financial reporting control can provide only reasonable and not absolute assurance against material misstatements or loss. In certain of the countries in which we operate, our businesses are exposed to a heightened risk of loss due to fraud and criminal activity. We review our systems of financial control regularly to minimise such losses.

Internal audit

Our internal audit function reports directly to the Audit and Risk Committee, which reviews and approves the internal audit plan for each year. The internal audit function consists of approximately 40 full-time professional audit staff mainly based in Athens, Sofia, and Lagos, covering a range of disciplines and business expertise. One of the responsibilities of the internal audit function is to provide risk-based and objective assurance to the Board as to whether the Group's framework of risk management, including internal control framework, is operating effectively. For this purpose, the Head of Corporate Audit makes quarterly presentations to the Audit and Risk Committee and meets regularly with the Audit and Risk Committee without the presence of our management. In addition, the internal audit function reviews the internal financial, operational and compliance control systems across all the jurisdictions in which we operate and reports its findings to management and the Audit and Risk Committee on a regular basis.

The internal audit function focuses its work on the areas of greatest risk to us, as determined by a risk-based approach to audit planning. As part of our commitment to maintaining and strengthening best practice in corporate governance matters, we also consistently seek to enhance our internal control environment and risk management capability. The internal audit function carries out work across the Group, providing independent assurance, advice and insight to help the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. In December 2023, the Audit and Risk Committee agreed the FY24 audit plan to be undertaken by the internal audit team. The audit plan coverage is based on risk, strategic priorities and consideration of the strength of the control environment. The internal audit function prepares audit reports and recommendations following each audit, and appropriate measures are then taken to ensure that all recommendations are implemented. Significant issues, if any, are raised at once. There were no such issues in 2023.

The Board has adopted a chart of authority, defining financial and other authorisation limits and setting procedures for approving capital and investment expenditure. The Board also approves detailed annual budgets. It subsequently reviews quarterly performance against targets set forth in these plans and budgets. A key focus of the financial management strategy is the protection of our earnings stream and management of our cash flow. Our internal audit function has conducted an annual review of the effectiveness of our risk management system and internal control systems in accordance with the UK Corporate Governance Code.

The review included bi-annual reviews with the Chief Risk Officer on the operation of the enterprise risk management program, regular review of our financial operations and compliance controls and consideration of the Company's principal risks. Part of this review involves regular review of our financial, operational and compliance controls, following which we report back to the Board on our work and findings as described above. This allowed us to provide positive assurance to the Board to assist it in making the statements that our risk management and internal control systems are effective, as required by the UK Corporate Governance Code. Further information is set out on page 123.

The key features of the Group's internal control systems that ensure the accuracy and reliability of financial reporting include: clearly defined lines of accountability and delegation of authority; policies and procedures that cover financial planning and reporting; preparation of monthly management accounts; and review of the disclosures within the Annual Report from function heads to ensure that the disclosures made appropriately reflect the developments within the Group in the year and meet the requirement of being fair, balanced and understandable.

The Audit and Risk Committee reviews the results of the internal audit reports during each meeting, focusing on the key observations of any reports where processes and controls require improvement. The Audit and Risk Committee was also provided with updates on the remediation status of management actions of internal audit findings and on the internal audit quality assurance and improvement programme at each meeting.

A particular focus during 2023 was the robustness of the internal control systems and processes around risk management, in light of the conflict between Russia and Ukraine.

The Audit and Risk Committee was kept informed of any changes or adaptations to ensure full functionality as the Company continued to operate under the circumstances and uncertainties of the conflict between Russia and Ukraine.

The Group CFO, the Country General Managers and Country CFOs have access to the implementation status of the recommendations at all times. Where internal or external circumstances give rise to an increased level of risk, the audit plan is modified accordingly.

Corporate Governance Report continued
Audit and Risk Committee continued

Nevertheless, no significant cases occurred this year. Any changes to the agreed audit plan are presented to and agreed by the Audit and Risk Committee. A compliance audit was conducted in our operations in Russia and Belarus at the end of 2023.

Cyber security and Anti-money laundering

There were no significant cyber security incidents in the last five years. For further details as to the identification of cyber security as a principal risk see page 96. In addition, there were no money laundering incidents to report.

Business conduct and anti-bribery

We seek to grow our business by serving customers and consumers and conduct all business activities with integrity and respect. The Board is responsible for ensuring appropriate procedures and processes are in place to enable our workforce to raise any issues of concern and is satisfied that the processes in place are appropriate. The Board maintains zero tolerance regarding breaches of our Code of Business Conduct and anti-bribery policies, as well as any attempts to retaliate against our people who report potential violations. We have mandatory training for all our people, including our ELT, so that everyone understands our Code of Business Conduct, and we hold additional targeted anti-bribery training for employees working in areas we assess as high risk.

A Code of Business Conduct and Anti-Bribery Policy course is available on-line to all employees and includes a knowledge test, acknowledgement, and re-commitment to compliance with the Code and its related policies. At the end of the last training wave in 2021, 26,319 employees passed the course, which was 97.7% of the total active population. Since then, we continued to train every newly hired employee. In 2023 we trained 5,798 employees, including 994 employees in the Egypt BU. As in the past, this training will continue to be a regular requirement for all employees, with a refresher requirement every three years.

In 2023, our communication plan on compliance included several initiatives to continue raising awareness on business ethics among our people, like our annual Ethics and Compliance Week was rolled out across our business units. We have also an established anti-bribery due diligence process for third parties who have contact with public authorities on behalf of our Company.

For further information please see the Anti-Bribery Policy and Code of Business Conduct in the Company's website under coca-colahellenic.com/en/about-us/corporate-governance/policies.

Whistleblowing

We have established grievance mechanisms, including an independently operated whistleblower 'Speak Up! line', available in all CCHBC countries in local languages to ensure any concerns can be raised. In 2023, we investigated 640 allegations (2022: 589) of which 422 (2022: 324) were received through the 'Speak Up Hotline'. All allegations involving potential Code of Business Conduct violations were investigated in accordance with the Group Code of Business Conduct Handling Guidelines. Of those investigated, 164 (2022: 219) matters were substantiated as code violations of which 18 (2022: 20) involved an employee in a managerial position or involved a loss greater than €10,000. For details concerning the handling of allegations received in 2023, see our website. You can find more on allegations investigated and violations uncovered in our GRI index.

Through the 'Speak Up! line', we receive, retain, investigate and act on employee, officer, consultant, intern, secondee or agent of the Company's complaints or concerns regarding accounting, internal control, suspected fraudulent conduct, corrupt conduct, violation of any applicable antitrust and competition law rules, violation of personal data protection and company system security rules, endangerment of an individual's or individuals' health and safety, endangerment of the environment, commission of a criminal offence, failure to comply with any legal or regulatory obligation, and concealment of any information pertaining to any of the above, or other ethical matters.

This includes any matters regarding the circumvention or attempted circumvention of internal controls, including matters that would constitute a violation of our Code of Business Conduct and related policies or matters involving fraudulent behaviour by officers or employees of the Group. Individuals can report all such allegations, complaints or concerns in local languages, also directly to their Ethics and Compliance Officer, General Manager, Function Head, the Senior Audit Manager – COBC & Compliance, the Head of Corporate Audit, or our General Counsel.

All communications received directly by the above Company's representatives or through the Speak Up! line are kept confidential and, where requested, anonymous. The Head of Corporate Audit liaises regularly with the General Counsel and communicates all significant allegations to the Chair of the Audit and Risk Committee. All matters received via the Speak Up! line or any other reporting mechanism are thoroughly investigated. The Audit and Risk Committee receives summary reports of escalated incidents and instances of whistleblowing together with the status of investigations and, where appropriate, management actions to remedy issues identified. The Committee reports to the Board on such matters, which reviews and considers those reports at least bi-annually as appropriate.

Disclosure Committee

A Disclosure Committee has been established, and disclosure controls and procedures have been adopted to ensure the accuracy and completeness of our public disclosures. The Disclosure Committee is composed of the Group CFO, the General Counsel, the Head of Investor Relations and the Group Financial Controller.

Performance reporting

Reports on our annual performance and prospects are presented in the Annual Report following recommendation by the Audit and Risk Committee. In line with UK practice, we have adopted half-year and full-year reports, and Q1 and Q3 trading updates. Internally, our financial results and key performance indicators are reviewed by the ELT on a monthly basis. This information includes comparisons against business plans, forecasts and prior-year performance. The Board of Directors receives updates on performance at each Board meeting, as well as a monthly report on our business and financial performance.

Directors' remuneration report

Letter from the Chair of the Remuneration Committee

"Opening up opportunities for our people"

Highlights 2023

- Excellent financial results, delivering a third year of double-digit growth and record profits
- Investing and opening up our people's potential through our commitment to people development and the unveiling of our culture manifesto
- Continued to strengthen our ongoing engagement with shareholders, ensuring that their feedback and views were considered in the Committee's decision making
- Reviewed the pay arrangements of our wider workforce, taking into account the impact of inflation and the cost of living
- Considered broader trends related to legislative and regulatory development, outcomes from the AGM 2023 season and future trends in executive reward

Priorities for 2024

- The Committee will use this year to consider our approach to reward for the top 40 senior leaders, including Executive Directors, to ensure our strategy and remuneration policy remains competitive and appropriate, incorporating best practice, feedback from shareholders and emerging trends
- Subsequently we will do a similar review of reward policies and pay arrangements for the wider workforce
- The Committee will focus on pay equity strategy and execution across all workforce segments in the Group
- We will maintain ongoing engagement with our shareholders with a commitment to consult on any future changes and continue to seek their feedback on remuneration issues

Dear Shareholder,

As the Chair of the Remuneration Committee, I am pleased to share the Directors' remuneration report for the year ended 31 December 2023, which includes: the Directors' remuneration policy that shareholders will be asked to approve at the AGM in May 2024; and the annual remuneration report reflecting how the Directors' remuneration policy has been implemented during 2023.

2023 has been a year where our new purpose has opened opportunities for our customers, partners and employees. Through continued focus on our 24/7 beverage strategy, we delivered another year of record financial results with margin improvements, revenue growth and cash flow generation. After the challenges of recent years, the business is well positioned to continue driving growth in revenue, profit and earnings.

The excellent financial and non-financial results in 2023 are testament to the hard work of all our people. It is the Committee's role to ensure that our people are rewarded for past performance as well as appropriately incentivised to deliver future performance, and that their dedication and commitment is recognised and considered in the context of our broader stakeholder group.

Fundamental to the Committee's decision making during the year is consideration of the remuneration of all our employees. We have regular updates at Committee meetings from our Chief People and Culture Officer and our Head of Rewards. These updates reflect the importance of our 15,000-strong sales force of business developers who are critical employees, directly serving our customers.

Net sales revenue
€10,184.0m
2022: €9,198.4m

Comparable EBIT
€1,083.8m
2022: €929.7m

Free cash flow
€711.8 m
2022: €645.1m

Comparable EPS
€ 2.078
2022: €1.706

ROIC
16.4%
2022: 14.1%

- Included in MIP
- Included in PSP

Directors' remuneration report continued
Letter from the Chair of the Remuneration Committee continued

The Group's remuneration philosophy and policies are designed to attract, motivate and retain the talented people we need to meet our strategic objectives and to give them due recognition.

Coca-Cola HBC AG is domiciled in Switzerland and we have a primary listing on the London Stock Exchange. We therefore ensure that we adhere to UK regulations and best practice, except where these conflict with Swiss law, which takes precedence. We receive regular updates from our remuneration advisers on UK best practice and market trends, and we also ensure we are current with pay trends in our markets, reflecting our geographic footprint and international peers.

This year, there were no significant changes in regulation and the format of this year's Directors' remuneration report is consistent with last year. As always, I welcome your feedback and suggestions regarding anything we can do to improve the report.

The Remuneration Committee continues to focus on ensuring that the remuneration policy remains fair, transparent and competitive, and that the approach to remuneration contributes to driving our growth strategy and long-term sustainable performance.

Remuneration in context

2023 was a third year of double-digit growth and record profits. As presented in our full-year results, focused execution of our 24/7 strategy delivered strong performance, with organic revenue up 16.9%. We continued to deliver volume growth, share gains and record levels of free cash flow. The strength of our 24/7 portfolio, our ongoing commitment to develop bespoke capabilities, and our diversified country footprint, are the foundations which support our continuous growth.

Despite the challenging macroeconomic and geopolitical environment, we continued with integrating our Egypt acquisition and we made significant progress towards our Mission 2025 and NetZeroby40 goals. In addition, we continue to explore new ways to invest in our future with our €100k Start-Up Challenge, now in its second year, opening up opportunities to discover innovations from across the start-up ecosystem, which are aligned to the business priorities. Sustainability is integrated within every aspect of our business, creating and sharing value for all our stakeholders. We are proud to make a strong contribution to developing the societies in which we operate through employment and our wider supply chain, as well as through supporting community projects. Our progress is recognised by the most important ESG benchmarks, such as being ranked as the world's most sustainable beverage company for the seventh time by Dow Jones Sustainability Indices 2023, MSCI ESG rating of AAA, and CDP Climate and Water of A rating for both categories, amongst others.

Our key financial highlights include:

- organic revenue up 16.9% and reported revenue up 10.7%;
- organic revenue per case up 15.0%, reflecting the benefits of revenue growth management initiatives throughout the year;
- comparable EBIT up 16.6% to €1,083.8 million, with organic EBIT up 17.7%, principally driven by organic growth across our markets, only partially offset by negative foreign currency movements;
- comparable EPS up 21.8%;
- another year delivering record free cash flow, with free cash flow increased by 10.3% to €711.8 million, largely reflecting higher operating profit; and
- proposed ordinary dividend of €0.93 per share, up 19.2% year on year and representing a 45% payout.

Stakeholder experience

Our shareholders

Shareholder engagement

As detailed in last year's remuneration report, to recognise the performance of the Group and the contribution of the Chief Executive Officer (CEO) since appointment, the Committee took the decision to apply a one-off increase in the CEO's Performance Share Plan (PSP) award to 450% of salary.

Whilst the proposed increase was within the remuneration policy limits and was designed to reward the CEO for the delivery of our 2025 Growth Story Commitments, the Committee recognised that there were significant minority votes against Resolutions 7 and 9, the advisory votes to approve the UK remuneration report and the Swiss statutory remuneration report. Each was passed with the support of 68.39% of the votes cast. I understand and acknowledge the significance of this outcome.

Ahead of the change being proposed, the Committee actively engaged with shareholders on the challenges it faced in operating the current remuneration policy within the current macroeconomic environment to ensure it struck the right balance in incentivising and rewarding management for strong performance, whilst adhering to best practice.

Following the AGM, I consulted with investors to understand the level of support received on the remuneration report. The key pieces of feedback received centred on (i) the one-off increase in the PSP opportunity for the CEO, where some shareholders felt that, although within the policy limits, the circumstances were not extraordinary and therefore did not justify the increased opportunity; and (ii) windfall gains related to the PSP award vesting in the year.

During 2023, we therefore continued our engagement programme, actively engaging with 38 shareholders as well as proxy advisers. We held meetings with ten of our largest shareholders who had accepted our invitation to meet. This group collectively owned approximately 60% of our shares. Typically, these were positive and constructive discussions, and we are grateful for the ongoing dialogue.

The Committee recognises the feedback from shareholders. As a Committee and in consultation with the Chair, we actively considered alternative approaches to implement the remuneration policy, which balanced UK governance expectations whilst ensuring that the remuneration policy recognised the performance of the executive team and drove delivery of our future growth strategy.

Reflecting on the feedback received from investors, the Committee agreed that, for 2024, the PSP award limit would revert to the normal policy level (330% of salary), and no material one-off decisions would be made on the implementation of the policy. We recognise that, over the past few AGMs, remuneration-related resolutions have received a significant minority of votes against. As detailed further on in my letter, the Committee intends to undertake a review of the remuneration policy over the course of 2024 and consider whether it remains fit for purpose or whether more substantive changes are required going forward. If any material changes are proposed, the Committee is committed to actively engage with all stakeholders ahead of the 2025 AGM.

I would like to thank our shareholders for taking the time to meet with me in 2023 and provide their feedback on the approach to Executive Director remuneration as well as the important topic of our approach to the wider workforce and our stakeholders.

Directors' remuneration report continued
Letter from the Chair of the Remuneration Committee continued

Shareholder experience
Regarding the experience of our shareholders, a dividend of €0.78 per share was distributed in 2023, and a dividend of €0.93 per share is proposed for 2024, up 19.2% year on year. We remain committed to making progressive dividend payments in the future. And in line with the Group's capital allocation framework, in November, the Board approved a share buyback programme aimed at returning up to €400 million to shareholders.

Our employees

The Committee receives regular updates on our active employee engagement activities. During this sustained period of uncertainty and high inflation, our people have continued to exhibit resilience, commitment and passion for what they do, which is evident with the continued high employee engagement scores at 86%, one percentage point higher than 2023. To ensure we are remaining market competitive when remunerating our workforce, we continued to review various data sources on market pay, and provided ad hoc increases in addition to the annual increase in many of our markets, ensuring that our talent and our frontline employees are the focus of these additional increases. This emphasis on performance and market competitiveness is consistent with the reward philosophy we seek across all levels of our workforce.

In addition to reviewing pay practices, benefits and wellbeing remain a priority, and in 2023 we organised a mental health awareness session focusing on resilience and stress management. We also conducted a session on financial wellbeing, with valuable insights and strategies to manage financial pressures. The Committee continues to provide strong oversight on our rewards practices, ensuring remuneration for our wider workforce remains competitive and fit for purpose in 2024.

As the Director responsible for Workforce Engagement, I attend the work councils' meetings to gather insights from representatives across the Company. During 2023, meetings included discussion on workforce concern about inflation and its impact. The Company's decision to provide one-off bonuses provided at the end of 2023, to help alleviate higher cost of living, was well received by the workforce. As in previous years, I interacted directly with the representatives to get their wider insights, which I took back to the Committee for discussion and to share with the Board.

As in prior years, we supported humanitarian efforts for colleagues and communities impacted by war or natural disaster, alongside the Coca-Cola System partners and the Ukrainian Red Cross. In December 2023, we also announced the establishment of a charitable foundation dedicated to supporting local communities where we operate.

We continued our efforts to build an inclusive workplace and a diverse workforce to reflect our customer base and communities. Our strategy starts from retention, complemented by external hiring, to create a gender-balanced organisation, and we've committed to have at least 50% of manager positions held by women by 2025. The entire Executive Leadership Team volunteered to sponsor participants of our Women in Leadership programme, acting as sponsors offering assistance in navigating common career barriers.

Base salary arrangements

The Committee considered a number of factors when reviewing the base salary of the CEO in 2023. This included: consideration of our wider workforce experience (there was an average 7.3% salary increase across the Group) market data against the FTSE 100 and broader international FMCG peer group; and overall business performance. Balancing these factors, we approved a 6.3% increase effective 1 May 2023.

Incentive outcomes

The Committee's role includes incentivising strong business performance and appropriately rewarding contributions to the Company's long-term success. The Committee has reviewed the policy-based outcomes under the annual Management Incentive Plan (MIP) and the PSP.

Against recent headwinds of high, albeit tempering inflation in Europe, continued war in Ukraine and Russia, a bank note crisis and significant currency devaluation in Nigeria, and a temporarily weaker market in Egypt, the Company outperformed against both expectations and the prior year.

MIP

As per the prior year, the Committee agreed it was appropriate to remove the impact of Russia and Ukraine both in the targets and performance of the business, given the ongoing war. The outcome reflects record levels of revenue, comparable EBIT and free cash flow, which the 2023 MIP was based on, against a challenging backdrop when set.

The formulaic MIP outcome for the CEO was 76% of the maximum opportunity, with both the performance targets and actual performance determined.

When determining performance, the Committee took into account the strong results and business context highlighted above, including the handling of the challenges posed by the Russia-Ukraine war, overall exceptional business performance, increased engagement of our employees and overall progress towards our sustainability goals. Taking this performance in the round, the Committee determined that this outcome is a fair reflection of wider performance, with 50% of the MIP payout being deferred into shares for three years, ensuring further shareholder alignment. Details of the targets, performance against them and the plan outcomes are set out on pages 177 to 178.

PSP

Reflecting exceptional longer-term performance over the three years ending 2023, the Group exceeded both the maximum targets for EPS and ROIC under the 2021-23 PSP. This was our first year where the plan also included reduction of CO_2 emissions as a third performance metric. Following the notification from the third party (IFEU, an institute preferred by TCCC as the source on material emissions factor change), and in line with GHG Protocol guidance a recalculation of the base year 2017 onwards was triggered in 2023, and again in 2024, to reflect the annual release of emissions factors. Given the methodology change to the base year used for emissions data, which directly impacts future years, the Committee considered it appropriate for this change to flow through to the targets attached to the 2021 PSP award. In doing so, the Committee is confident that the revised targets were not materially easier or harder to achieve than the original targets. Further details are set out on pages 178 to 179.

At the time targets were set in September 2021, Russia and Ukraine were included while Egypt was excluded, and the above results reflect this.

At the end of the period, the Committee considered the formulaic outcome was an appropriate reflection of the underlying performance of the Group, not least factoring in the macroeconomic headwinds impacting key markets the Group operates, in and approved the formulaic outcome of 94% of maximum. The 2021 PSP award was granted at a higher share price than the 2020 PSP award, therefore there are no windfall gains associated with this award.

Directors' remuneration report continued
Letter from the Chair of the Remuneration Committee continued

Looking ahead

Implementation of the policy in 2024

We expect average employee salary increases across the Company at 6.2%. It is anticipated that the CEO's increase will be lower than that of the wider workforce. The increase will be effective from 1 May 2024 and will be communicated in the subsequent Directors' remuneration report.

As in 2023, the 2024 MIP business performance will be measured based on performance against three KPIs: revenue (40% weighting), comparable EBIT (40% weighting) and free cash flow (20% weighting). There will be no change to the maximum MIP opportunity for 2024 (140% of salary).

To achieve our growth ambitions, and to deliver continued financial performance that creates the desired returns, the Committee believes strongly that we must continue to retain and incentivise the management team in a fair manner.

The Committee intends that 2024 PSP awards will be made subject to the same performance metrics as the 2023 awards: ROIC (42.5%), EPS (42.5%) and reduction of CO_2 emissions (15%). As in the prior year, the Committee has determined to exclude the impact of Russia and Ukraine from the targets of the 2024-26 plan in light of the continued uncertainty as a result of the Russia-Ukraine war. We will proceed with providing the individual grants for the 2024 PSP in March, as per the usual process, with the maximum award for the CEO set at 330% of salary as in previous years and as noted above.

The targets for the 2024 PSP award take into account of our business plan, market expectations and the wider economic and geopolitical environment. The change in the ROIC targets relative to prior years reflects the level of invested capital deployed, which has been impacted by strategic acquisitions (including the acquisition in Finlandia) and recent share buybacks. The Committee has applied the same approach to target setting as in previous years and believes that the proposed target range for ROIC and the other performance metrics are appropriately stretching relative to the business plan and external forecasts of performance.

Remuneration policy going forward

As we further embed our new purpose, the Remuneration Committee will continue to keep the policy under review, ensuring that plans and programmes relating to remuneration support the Company's strategy and objectives, and are appropriately linked to shareholders' interests.

We will continue to review the wider workforce remuneration arrangements with a special focus on our frontline workers and specifically our business developers' salaries and incentives. We will consider the remuneration strategy for our workforce, ensuring it is aligned with the Company's new purpose, strategies and culture. We will continue our journey in diversity, equity and inclusion (DEI) by ensuring balance in our pay equity practices and flexible work arrangements.

With regard to Executive Director remuneration, the Committee welcomes the wider debate that is currently being held regarding the overall competitiveness of remuneration within UK-listed businesses.

Whilst the Remuneration Committee believes that the remuneration policy approved by shareholders at the AGM in May 2023 remains broadly fit for purpose, the Committee intends to undertake a detailed review of the remuneration policy that applies to our top 40 senior leaders, including Executive Directors, over the course of the year. The key objectives will be to ensure that the remuneration policy supports the delivery of the Group's strategy and is an appropriate motivation and retention tool for the senior management team. We welcome feedback and we are committed to continuing engagement with shareholders on this important topic during the year.

Finally, on behalf of the Committee, I would like to thank our shareholders for the time taken to engage during the year, and I look forward to engaging with you further in the year ahead.

As Chair of the Committee, I hope you will support the remuneration-related resolutions at the AGM.

Charlotte J. Boyle
Committee Chair

Directors' remuneration report continued

Remuneration throughout the organisation – a snapshot

Attracting
Finding the people we want and need

Retaining
Continuing to attract the best talent

Recognising
Adopting behaviours that produce exceptional performance

Motivating
Achieving business, financial and non-financial targets

Reward strategy and objective

The objective of the Group's remuneration philosophy is to attract, retain and motivate employees who are curious, agile and committed to high performance. Our reward strategy seeks to promote a growth mindset and reinforce desirable behaviours, ensuring that employees are fairly rewarded and that their individual contributions are linked to the success of the Company.

Variable pay is an important element of our reward philosophy. A significant proportion of total remuneration for top managers (including the CEO and the members of the Executive Leadership Team (ELT) is tied to the achievement of our business objectives. These objectives are defined by key business metrics that are consistent with our growth strategy and will deliver long-term shareholder value. The variable pay element increases or decreases based on the achieved business performance.

Through equity-related long-term compensation, we seek to ensure that the financial interests of the CEO, the members of the ELT and senior managers are aligned with those of shareholders.

All of our remuneration plans, both fixed and variable, are designed to be cost-effective, taking into account market practice, business performance, and individual performance and experience where relevant. We pay close attention to our shareholders' views in reviewing our remuneration policy and programmes.

In line with the UK Corporate Governance Code, the following factors, which align well with our objectives, were also considered:

Clarity

Remuneration arrangements should be transparent and promote effective engagement with shareholders and workforce.

We believe that our policy provides transparency for Executives and shareholders about what performance we are looking for across our portfolio.

The Remuneration Committee has aimed to incorporate simplicity and transparency into the design and delivery of our remuneration policy.

We aim for disclosure of the policy and how it is implemented to be in a clear and succinct format.

Simplicity

Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.

Our remuneration arrangements for Executive Directors are purposefully simple, comprising fixed pay (salary, benefits, pension), a short-term incentive plan (the MIP) and a long-term incentive plan (the PSP).

The remuneration structure is simple to understand for both participants and shareholders and is aligned to the strategic priorities of the business.

Risk

Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.

The remuneration policy includes a number of points to mitigate potential risks:

- There are defined limits on the maximum opportunity levels under incentive plans.
- Performance targets are calibrated appropriately, ensuring they are adequately stretching but sustainable.
- The Remuneration Committee considers formulaic incentive outcomes and determines whether to make any adjustments, including to take into account the experience of wider stakeholders such as employees and shareholders.
- Incentive plans include provisions to allow malus and claw back to be applied, where appropriate. The use of deferral, holding periods, in-employment and post-employment shareholding requirements ensures that there is an alignment of interests between the CEO and shareholders and encourages sustainable performance.

Predictability

The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving policy.

We aim for our disclosure to be clear to allow shareholders to understand the range of potential values which may be earned under the remuneration arrangements. Our remuneration policy clearly sets out relevant limits and potential for discretion.

Directors' remuneration report continued

Proportionality

The link between individual awards, delivery of strategy and long-term performance of the Company should be clear. Outcomes should not reward poor performance.

We believe that the link between individual awards, the delivery of strategy and the long-term performance of the Company is clearly explained in this report and that our approach ensures proportionate pay outcomes that do not reward poor performance. A significant part of the CEO's reward is linked to performance with a clear line of sight between business performance and the delivery of shareholder value. The Remuneration Committee may adjust formulaic outcomes of incentive arrangements if they do not appropriately align with performance achieved or the experience of wider stakeholders such as employees and shareholders.

Alignment to culture

Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.

We want our Executives to make decisions that support the long-term performance and health of the business. The incentive arrangements and the performance measures used are strongly aligned to those that the Board considers when determining the success of the implementation of the Company's purpose, values and strategy.

How we implement our reward strategy

The chart below illustrates how we put our reward strategy into practice, with the different remuneration arrangements that apply to different employee groups.

We regularly review our reward strategy to ensure it remains relevant and effective in meeting the needs of our employees, especially our frontline workers. During 2023 we provided higher increases to our front line workers in comparison to other employees.

Chief Executive Officer and Executive Leadership Team	Chief Executive Officer, Executive Leadership Team and selected senior management	Selected middle and senior management	All management	All employees
Shareholding guidelines Support the alignment with shareholder interests ensuring sustainable performance: CEO – required to hold shares in the Company equal in value to 300% of annual base salary within a five-year period and a post-employment shareholding requirement that applies for two years post-leaving. ELT – required to hold shares in the Company equal in value to 100% of annual base salary within a five-year period.	**Performance Share Plan** Performance share awards vest over three years. PSP awards are cascaded down to select senior managers, promoting a focus on long-term performance and aligning them to shareholders' interests,	**Long-Term Incentive Plan** Long-term incentive awards vest over three years. LTIP awards are cascaded down to select middle and senior management to reinforce long-term performance and ensure retention of our talents.	**Management Incentive Plan** Employees may be eligible to receive an award under the annual bonus scheme that promotes a high-performance culture. Performance conditions are bespoke to each role and business unit.	**Employee Share Purchase Plan (dependent on country practice)** The Employee Share Purchase Plan (ESPP) encourages share ownership and aligns the interests of our employees with those of shareholders. **Fixed pay and benefits (base salary, retirement and other benefits - dependent on country practice)** Base salaries may reflect the market value of each role as well as the individual's performance and potential. Retirement and other benefits are subject to local market practice.

Note: Participants in the PSP are not eligible to participate in the LTIP.

Directors' remuneration report continued

Remuneration arrangements for the CEO – at a glance

Base salary | Retirement benefits | Other benefits | ESPP
Fixed pay

\+

MIP | PSP
Variable pay subject to performance

=

Total compensation

The table below summarises the remuneration arrangements in place for our CEO. See page 177 for total compensation figures.

Year 1 | Year 2 | Year 3 | Year 4 | Year 5

Fixed pay – base salary

The base salary of the CEO is €892,900.

2024 salary increase levels for employees have not been finalized at the date of this report. It is anticipated that the Chief Executive Officer's increase will not be higher than the increases provided for the wider workforce and will be effective from 1 May 2024.

Fixed pay – retirement benefits

The CEO participates in a defined benefit pension plan under Swiss law. Employer contributions are 15% of annual base salary.

Normal retirement age for the Chief Executive Officer's plan is 65 years. In case of early retirement, which is possible from the age of 58, the Chief Executive Officer is entitled to receive the amount accrued under the plan as a lump sum.

Fixed pay – other benefits

Other benefits include (but are not limited to) medical insurance, housing allowance, company car/allowance, cost of living adjustment, trip allowance, partner allowance, exchange rate protection, tax equalization and tax filing support and advice. Benefit levels vary each year depending on need.

Fixed pay – ESPP

The CEO may participate in the Company's ESPP.

As a scheme participant, the CEO has the opportunity to invest a portion of his base salary and/or MIP payments in shares. The Company matches employee contributions on a one-to-one basis up to 3% of base salary and/or MIP payout.

Awards are subject to potential application of malus and clawback provisions.

Year 1 | Year 2 | Year 3 | Year 4 | Year 5

Variable pay – MIP

The MIP consists of a maximum annual bonus opportunity of up to 140% of base salary.

Payout is based on business performance targets and individual performance. The business performance element will result in an outcome between 0% and 200% of the target MIP and the individual performance element will result in an outcome of up to 100%, with the overall payout as a percentage of salary being based on the multiplication of these two figures.

50% cash

50% shares deferred for three years

For 2024, business performance will be measured based on performance against three KPIs: revenue (40% weighting), comparable EBIT (40% weighting) and free cash flow (20% weighting).

50% of any MIP payout will be deferred into shares for a further three-year period. Payments are subject to potential application of malus and clawback provisions.

Variable pay – PSP

The PSP is an annual share award which vests after three years. For 2024 the CEO will be granted an award of 330% of salary. For the award in 2024, vesting will be based on performance conditions measured over a three-year period against:

i. comparable EPS (42.5% weighting);

ii. ROIC (42.5% weighting);

iii. reduction of CO_2 emissions (15% weighting).

Three year performance period

Two year holding period

An additional two-year holding period will apply following vesting.

Awards are subject to potential application of malus and clawback provisions.

Shareholding guidelines

The shareholding guidelines support the alignment with shareholders.

The CEO's minimum shareholding guideline is set at 300% of annual base salary within a five-year period and a post-employment shareholding requirement that applies for two years post-leaving.

Minimum shareholding requirements

Directors' remuneration report continued

Remuneration policy

Introduction

The following section (pages 166-169) sets out our Directors' remuneration policy as approved by shareholders at the Annual General Meeting on 17 May 2023. No changes are being proposed to the policy this year.

As a Swiss-incorporated company, we are not required to put forward our remuneration policy for a shareholder vote, but we intend to do so voluntarily at least every three years (or when there are changes). We continue to endeavour to make sure that our disclosure complies with UK regulations, except where these conflict with Swiss law.

Policy table – Chief Executive Officer

The Company currently has a single Executive Director, being the CEO.

Therefore, for simplicity, this section refers only to the CEO. This remuneration policy would, however, apply for any new Executive Director role, in the event that one was created during the term of this remuneration policy.

In that case, references in this section to the CEO should be read as being to each Executive Director.

Fixed

	Base salary	Retirement benefits
Purpose and link to strategy	To provide a fixed level of compensation appropriate to the requirements of the role of CEO and to support the attraction and retention of the talent able to deliver the Group's strategy.	To provide competitive, cost-effective post-retirement benefits.
Operation	Salary is reviewed annually, with salary changes normally effective on 1 May each year. The following parameters are considered when reviewing the base salary level: • the CEO's performance, skills and responsibilities; • economic conditions and performance trends; • experience of the CEO; • pay increases for other employees; and • external comparisons based on factors such as: the industry of the business, revenue, market capitalisation, headcount, geographical footprint, stock exchange listing (FTSE) and other European companies. Malus and clawback provisions do not apply to base salary.	The CEO participates in a defined benefit pension plan. However, we have adjusted the pension scheme to be co-contributory, in line with the pension scheme for the wider Swiss workforce, for new Executive Directors' appointments from 2020 onwards. Normal retirement age for the CEO's plan is 65 years. In case of early retirement, which is possible from the age of 58, the CEO is entitled to receive the amount accrued under the plan as a lump sum. Malus and clawback provisions do not apply to retirement benefits.
Maximum opportunity	Whilst there is no maximum salary level, any increases awarded to the CEO will normally be broadly aligned with the broader employee population. The salary increase made to the CEO may exceed the average salary increase under certain circumstances at the Remuneration Committee's discretion. These circumstances may include: business and individual performance; material changes to the business; internal promotions; accrual of experience; changes to the role; or other material factors.	The contributions to the pension plan are calculated as a percentage of annual base salary (excluding any incentive payments or other allowance/benefits provided) based on age brackets as defined by Federal Swiss legislation. This percentage is currently 15% of base salary and increases to 18% above age 55.
Performance metrics	Individual and business performance are key factors when determining any base salary changes. The annual base salary for the Chief Executive Officer is set out on page 165.	None.

Directors' remuneration report continued

Fixed continued

	Other benefits	ESPP
Purpose and link to strategy	To provide benefits to the CEO which are consistent with market practice.	The ESPP is an Employee Share Purchase Plan, encouraging broader share ownership, and is intended to align the interests of employees including the CEO with those of the shareholders.
Operation	Benefit provisions are reviewed by the Remuneration Committee which has the discretion to recommend the introduction of additional benefits where appropriate. Typical provisions for the CEO include benefits related to relocation such as housing allowance, company car/allowance, cost of living adjustment, trip allowance, partner allowance, exchange rate protection, tax equalisation and tax filing support and advice. For all benefits, the Company will bear any income tax and social security contributions arising from such payments. Malus and clawback provisions do not apply to benefits.	This is a voluntary share purchase scheme across many of the Group's countries. The CEO as a scheme participant has the opportunity to invest from 1% to 15% of his base salary and/or MIP payout to purchase the Company's shares by contributing to the plan on a monthly basis. The Company matches the CEO's contributions on a one-to-one basis up to 3% of the employee's base salary and/or MIP payout. Matching contributions are used to purchase shares one year after the purchase of shares by employees. Matching shares are immediately vested. Dividends received in respect of shares held under the ESPP are used to purchase additional shares and are immediately vested. The CEO is eligible to participate in the ESPP operated by the Company on the same basis as other employees. Malus and clawback provisions apply. Further details may be found in the Additional notes to the Executive Director's remuneration policy table section on page 171.
Maximum opportunity	There is no defined maximum as the cost to the Company of providing such benefits will vary from year to year.	Maximum investment is 15% of gross base salary and MIP payout. The Company matches contributions up to 3% of gross base salary and MIP payout. Matching contributions are used to purchase shares one year after the matching. Matching shares are immediately vested.
Performance metrics	None.	The value is directly linked to the share price performance. It is therefore not affected by other performance criteria.

Directors' remuneration report continued

Variable pay

MIP

Purpose and link to strategy

To support profitable growth and reward annually for contribution to business performance. The plan aims to promote a high-performance culture with stretching business and individual targets linked to our key strategies.

Maximum opportunity

The CEO's maximum MIP opportunity is set at 140% of annual base salary. The business performance element will result in an outcome between 0% and 200% of the target MIP and the individual performance element will result in an outcome of up to 100%, with the overall payout as a percentage of salary being based on the multiplication of these two figures.

Threshold, target and maximum achievement for the business performance element will result in an outcome as follows:

- Threshold: 0% of base salary
- Target: 70% of base salary
- Maximum: 140% of base salary
- The maximum opportunity level will therefore only pay out for both a stretch level of business performance and full achievement of the individual performance element

Operation

Annual cash bonus awarded under the MIP is subject to business and individual performance metrics and is non-pensionable.

The CEO's individual objectives are regularly reviewed to ensure relevance to business strategy and are set and approved annually by the Chair of the Remuneration Committee and Chairman of the Board of Directors.

Stretching targets for business performance are set annually, based on the business plan of the Group as approved by the Board of Directors. The Remuneration Committee will determine the business performance metrics and weightings on an annual basis.

Performance against these targets and bonus outcomes is assessed by the Remuneration Committee, which may recommend an adjustment to the payout level where it considers the overall performance of the Company or the individual's contribution warrants a higher or lower outcome.

Malus and clawback provisions apply. Further details may be found in the Additional notes to the Executive Director's remuneration policy table section on page 171.

Performance metrics

The MIP awards are based on business metrics linked to our business strategy. These may include, but are not limited to, measures of revenue, profit, profit margins and operating efficiencies. The weighting of individual performance metrics shall be determined by the Remuneration Committee around the beginning of the MIP performance period.

Details related to the key performance indicators can be found in the Annual Report on Remuneration on page 177.

Deferral of MIP

50% of any MIP award is to be deferred into shares which will be made available after a three-year deferral period which commences on the first day of the fiscal year in which the deferred share award is made.

Deferred shares may be subject to malus and clawback (for a period of two years following this incentive award) to the extent deemed appropriate by the Remuneration Committee, in line with best practice.

Directors' remuneration report continued

Variable pay continued

PSP

Purpose and link to strategy	To align the CEO's interests with the interests of shareholders, and increase the ability of the Group to attract and reward individuals with exceptional skills.	**Holding period**	Any vested award (net of shares sold to cover tax liability) is subject to a further two-year holding period following the end of the three-year performance period. During this two-year period, these beneficially owned shares are subject to a no-sale commitment. Any shares subject to the holding period count towards the shareholding requirement.
Operation	The CEO is granted conditional awards of shares which vest after three years, subject to the achievement of performance metrics and continued service. Grants take place annually, normally every March. Performance metrics and the associated targets are reviewed and determined around the beginning of each performance period to ensure that they support the long-term strategy and objectives of the Group and are aligned with shareholders' interests. Dividends may be paid on vested shares where the performance metrics are achieved at the end of the three-year period. Malus and clawback provisions apply. Further details may be found in the Additional notes to the Executive Director's remuneration policy table section on page 171.	**Adjustments**	In the event of an equity restructuring, the Remuneration Committee may make an equitable adjustment to the terms of the performance share award by adjusting the number and kind of shares which have been granted or may be granted and/or making provision for payment of cash in respect of any outstanding performance share award. Where exceptional circumstances exist such that the original targets no longer meet the intent at the time of grant, the Committee will have the discretion to adjust targets in a manner that is considered to be no less stretching than the original performance condition. Where any such adjustment is made, the details will be fully disclosed in the following remuneration report.
Maximum opportunity	Awards (normally) have a face value up to 330% of base salary. In exceptional circumstances only, the Remuneration Committee has the discretion to grant awards up to 450% of base salary.	**Change of control**	In the event of change of control, unvested performance share awards held by participants vest immediately on a pro-rated basis if the Remuneration Committee determines that the performance metrics have been satisfied or would have been likely to be satisfied at the end of the performance period, unless the Remuneration Committee determines that substitute performance share awards may be used in place of the previous awards. For vested shares subject to the additional holding period, the holding period will lapse and the participants are no longer subject to the no-sale commitment.
Performance metrics	Vesting of awards is subject to the three-year Group performance metrics. For each award, the Remuneration Committee will determine the applicable metrics, weightings and target calibration making up the performance condition. Following the end of the three-year period, the Remuneration Committee will determine the extent to which performance metrics have been met and, in turn, the level of vesting. Participants may receive vested awards in the form of shares or a cash equivalent. For each performance metric, achieving threshold performance results in vesting of 25% of the award and maximum performance results in vesting of 100% of the award. There will be a straight-line vesting between these performance levels. Performance share awards will lapse if the Remuneration Committee determines that the performance metrics have not been met. The Remuneration Committee will have discretion to reduce or negate PSP award vesting, in the case of significant adverse environmental, social or governance impacts regarding the Company's activities.		