

sustainable business report 2013



BRITVIC
plc

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performance update

Target

Update

Local communities

Increase community investment from 2010 baseline of £500,000

£1.6m donated via cash, time and in kind donations thanks to Transform Your Patch and the ongoing support of our employees

Employee Community

Maintain employee engagement from 2010 baseline score of 77

Achieved 71; a 3 point improvement on the previous year, although we did not meet our target this year. We have replaced our internal employee engagement index with the Great Place to Work survey and this is a key focus for us

Global communities

Increase global community projects from a 2010 baseline to two

We continued to support our existing project in Ethiopia, to maximise the positive impact, rather than investing in a second initiative.

During this reporting period an additional 97,160 people gained access to safe and reliable water supplies and sanitation facilities

Healthy communities

Formalise our Health & Wellbeing strategy and build on our 2011 baseline achievements

This year we built on our commitments to The Responsibility Deal, signing up to the calorie reduction pledge and front of pack labelling. We also expanded our support of Change4Life initiatives via both our Robinsons No Added Sugar and Pepsi Max brands. We are close to finalising our health strategy

Water

Achieve 1.9 water ratio across the business

We achieved a water ratio of 2.35 across the business. Further information is provided in this report

Waste

GB sites achieve 92% recycling performance

92% of our GB manufacturing site waste was sent to recycling and zero waste was sent to landfill

Climate change

3% reduction in direct CO₂e emissions per tonne of product against a 2011 baseline

We achieved a 3.5% reduction across the business as a result of an energy efficiency programme being implemented

Materials

Carbon footprint hotspot analysis conducted across product categories

Establish ethical risk profiles for 100% GB/Ireland direct suppliers, identifying and prioritising assessment for 30% of high risk suppliers in line with AIM Progress methodology

A footprint analysis was undertaken as part of the Defra soft drinks roadmap and Product Sustainability Forum. We plan to build upon this work and develop a better understanding of our product impacts over the next year. 100% of our GB and Ireland supplier sites have had risk profiles established and ranked accordingly for further action. The responsible sourcing programme will be expanded in 2014



Green means delivered against target



Amber means ongoing progress, but target not met

our performance highlights

We have a clear vision:

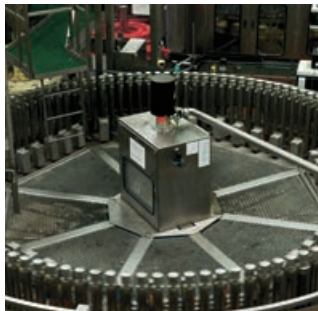
“To be one of the most admired soft drinks companies in the world.”

“The way we do business is as important as the business we do to ensure we are trusted and respected in our communities”



92% recycling rate within GB manufacturing sites

37% calorie reduction across Britvic-owned GB brands since 2010



11% reduction in water ratio since 2009 in Ireland



4 new Learning Zones opened since 2009

Employee volunteering grew to **25% participation** in GB



3.5% reduction in direct CO₂e emissions per tonne of product since 2011 across the business



overview

people

planet

governance

towards 2020



Having been appointed Chief Executive Officer of Britvic in February 2013, I feel extremely privileged to have the opportunity to lead this great company. While the future of the business was somewhat uncertain at that time, with the company's potential merger with AG Barr being reviewed by the Competition Commission, I set about defining a new vision and strategy for Britvic as a standalone business.

With that uncertainty now well and truly in the past and an independent future secured, everyone in the business is fully focused on ensuring that Britvic becomes one of the world's most admired soft drinks companies.

To deliver this vision, we have set about implementing a new strategy. This has inevitably led to significant changes, and some of these have been challenging. For example, last year we announced the closure of a number of our sites and a reduction in our overall headcount to make us a more efficient and effective organisation. This was not a decision we took lightly, given its impact on our employees. I am delighted that a significant number have been able to move to jobs at other sites, and I am proud of the support we have provided to those who are leaving the business. It is a testament to our employees' dedication that despite the uncertainty surrounding their jobs at that time, we were able to deliver one of our most successful summers ever.

Underpinning our new vision and strategy is the commitment to ensure we are trusted and respected in our communities, which is why the sustainable business strategy is critical to our continued business success.

I am proud of the progress we have made this year. Some of our major achievements included:

- achieving our greenhouse gas emissions reduction target of 3%
- donating £1.6m worth in cash, product and time to charitable causes within our communities
- being one of the first companies to sign up to the voluntary Front of Pack labelling scheme in GB

I am confident we will build on these achievements in the year ahead and deliver our sustainable business ambitions.

Simon Litherland
Chief Executive Officer

working in partnership

Paul Wells, PepsiCo European Recon Support Manager

"The Britvic team have from the start been very enthusiastic to learn the Recon process and adapt it to their business. Both Rugby and Beckton sites have recently been recognised for achieving a high level of compliance to PepsiCo's ReCon Stage 1 Energy programme."

Helen Hampton, HO of Partnerships, Health and Wellbeing Directorate, Public Health England

"Britvic are a valued partner of Public Health England. Change4Life and Stoptober have been incorporated into their employee wellbeing programme and a number of their brands have supported national Change4Life campaigns, encouraging consumers to lead healthier lives."

Further Education & Skills Minister Matthew Hancock

"Apprenticeships deliver, so I'm delighted Britvic has strengthened its apprenticeships programme and taken on double the number of apprentices this year.

It is thanks to companies like Britvic that we have seen such strong growth in engineering apprenticeships, which are vital to building the skills base we need to rebalance our economy."

Richard Swannell, Director of Design and Waste Prevention, WRAP

"We are pleased Britvic has continued to support and contribute to the Courtauld Commitment. This past year Britvic has signed up to Phase 3 and made a number of pledges to support improving resource efficiency. Priorities include waste prevention targets, running a Love Food Hate Waste staff engagement campaign to support the reduction of food waste and continuing to reduce the carbon impact of packaging. We look forward to working throughout the agreement."

160 years of doing business responsibly

Today, Britvic plc and its brands have a presence across the world. However, we can trace our history back to a chemist shop in Chelmsford, Essex, which created homemade soft drinks to sell to the local community in the mid nineteenth century. This small business became the British Vitamin Products Company and began to develop soft drinks to bring an affordable source of vitamins to the public. Fast forward 75 years, and the company, now Britvic, is not only the second largest soft drinks manufacturer in the UK, but we're growing our international presence too.

In 2007, we began our international expansion and purchased the soft drinks and wholesale arm of Irish drinks company Cantrell & Cochrane, and in 2010 we acquired the French company, Fruité Entreprises. We have a growing export market in more than 50 countries worldwide, and have franchise partnerships in the USA, Australia and India.


With heritage brands like Robinsons, MiWadi and Tango, and newer brands like Fruit Shoot, J₂O and juicy drench (not to mention Pepsi, 7Up, Lipton Ice Tea and Mountain Dew which we bottle for PepsiCo) we've come a long way. Despite these transformations, we remain as committed as ever to providing people with great tasting drinks, and making life's everyday moments more enjoyable.

Lifecycle of a soft drink

responsible sourcing

All of our ingredients are sourced responsibly from a list of accredited suppliers




 Our accredited suppliers are required to sign up to our Ethical Trading Policy

materials

We source our ingredients such as fruit juices, barley, vitamins and many other ingredients from all over the world




 Worldwide sourcing helps to develop our local and global communities' economies

manufacturing

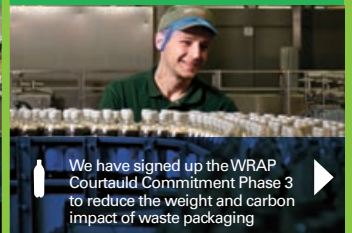
Manufacturing plants are monitored to ensure processes are efficient, sustainable and safe




 We are committed to reducing our environmental impact from our manufacturing processes

packaging

Packaging is an essential element of soft drinks but we constantly look to reduce its impact by light-weighting and using recycled materials




 We have signed up the WRAP Courtauld Commitment Phase 3 to reduce the weight and carbon impact of waste packaging

recycling

We encourage sustainable waste management with our employees, suppliers and consumers by promoting recycling through labelling and provision of recycling bins




 All of our packaging is recyclable and features the 'Recycle Now' information

enjoyment

Our drinks are enjoyed by millions, from the breakfast table to the gym, on-the-go to relaxing with family and friends




 We believe choice is important and we offer a wide range of soft drinks for all occasions, many with low or no sugar

customers

We have a wide range of customers from supermarkets to pubs, newsagents, restaurants and theme parks as well as the people who visit them




 We recognise the role we play in helping our customers address the sustainability issues that affect them

deliveries

We have focused on achieving fewer miles by optimising stock movements, efficient routing and making direct deliveries to major retailers instead of using third parties



 Our drinks are delivered to thousands of outlets via lorries that are all Euro5 compliant

sustainable business strategy

From climate change and resource scarcity to youth unemployment and a population battling with obesity, the world is facing some unprecedented challenges. Business has a powerful opportunity to be part of the solution, and Britvic intends to play its part.

Our sustainable business strategy is based on the principle of 'people, planet, profit' and is designed to ensure we remain commercially successful in the long term, while positively contributing to our communities and limiting our impact on natural resources.

The agenda is broad and there is much to do, however we are focused on the following areas:

people

public health

We acknowledge the role we have to play in helping people live healthy and more active lives. We believe in offering people a wide range of great tasting and enjoyable drinks, all of which can be enjoyed as part of a balanced diet. We continue to reformulate and innovate to reduce the calorie content of our portfolio. We are committed to communicating nutritional information transparently and to marketing our brands responsibly.

creating a great place to work for our employees

As we introduce the Great Place to Work survey and get feedback from our people, we will engage them and work with them to make our business a really inspiring place to be. The health of our employees is important to us and we will continue to support them by expanding our health and wellbeing initiatives via our wellness@work programme. We will also encourage them to get involved and further support their own communities via our charitable donation programmes such as volunteering and matched giving.

helping disadvantaged young people improve their lives

We run award winning programmes, which help to improve the skills and confidence of young people and in particular those not in education, employment or training and this will continue to be a focus area for us.

planet

responsible resource use

We rely on natural systems to provide the resources we need to produce our drinks and recognise the responsibility we have in conserving these resources. We are committed to minimising our impacts on water, materials and climate change and have established long term 2020 ambitions in each of these areas.

profit

Our business strategy is designed to capitalise on the many opportunities available to our business to deliver profit growth and generate additional shareholder value. We aim to deliver a strong and sustainable performance, with integrity, acknowledging the responsibility we have to contribute to our local economies and society more broadly.



risk and opportunity approach

As a sustainable business we recognise that robust risk management is essential to our stakeholder interests and the delivery of shareholder value, so we strive to ensure it's at the heart of all we do and the decisions we make. Britvic's risk management framework is built on recognised best practice processes and procedures, and incorporates the key requirements of the UK Corporate Governance Code.

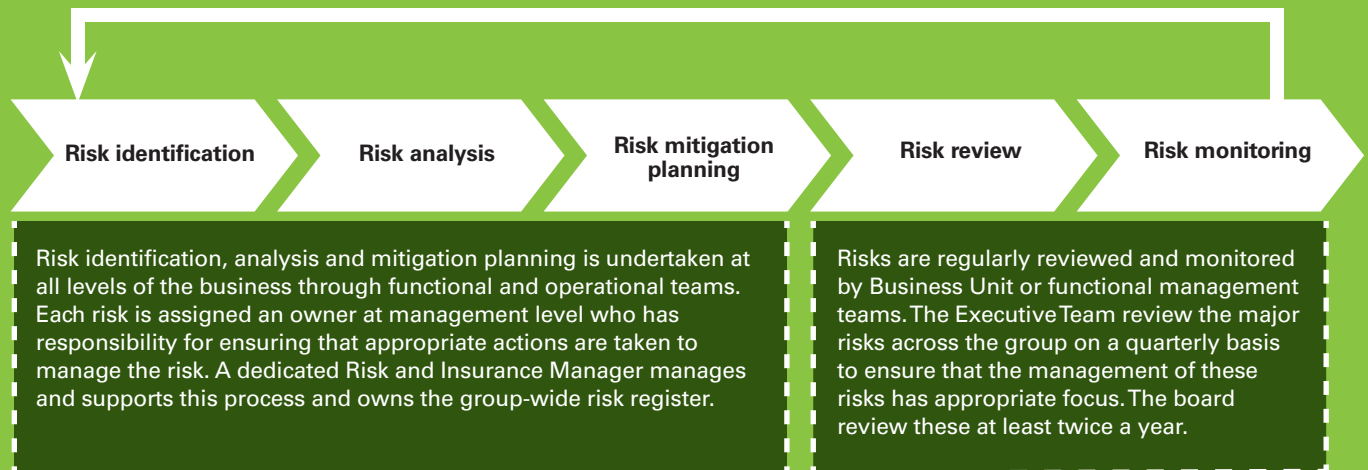
Risk is an inherent part of doing business and, the intention of the risk management process is not to avoid all risk, but to make calculated decisions appropriate to Britvic's strategy and risk appetite.

We use the suite of risk management tools to identify and manage both risks and opportunities around our three core sustainable business pillars. This approach has provided the framework for our sustainable business strategy and has shaped our focus.

risk management process

Britvic operates a robust risk management process that has been further strengthened over recent years.

There are five stages to this process:





HOW CAN YOU HELP?

Everyone can help us achieve our goals. Bake cakes, climb mountains, dress down, dress up, walk, run, swim, donate or simply volunteer an hour a week of your time to help a good cause, the choice is yours...

| | | |
|--|---|--|
| Sign up for our monthly letters to support local charities, including Unicef, British Red Cross, Cancer Research UK |  | Volunteer - we have a variety of roles available on our website. You can also contact our HR team on 01223 322000 |
| Donate - we have a variety of roles available on our website. You can also contact our HR team on 01223 322000 | Donate - we have a variety of roles available on our website. You can also contact our HR team on 01223 322000 | Give - via payroll giving, and the tax you saved goes to your chosen charity |
| Recycle - and encourage others to do the same | Recycle - and encourage others to do the same | Recycle - and encourage others to do the same |

Quiz questions

GOING FOR GOLD

What percentage of Britevic employees took advantage of our volunteering scheme of paid days off last year?

- A) 7%
- B) 2%
- C) 20%

Britevic

We have supported a project with the Government of Ethiopia to help **provide safe water and sanitation** for every child by 2015

Five years, we've saved our energy resulting in a 50% saving



people

Our purpose as a company is to make life's everyday moments more enjoyable.

We aim to positively enhance the lives of the people we touch, whether directly, through our brands or as a business. Our success depends on delivering shared value for all the people who play a part in every stage of our business.

For us, this demands a 'whole company' approach. Starting with how we make and market our products, support our communities, both locally and globally, and encourage people to live more active, healthy lifestyles.

Intent on making a positive difference in all these aspects, we are in the process of developing a new health strategy which will be underpinned by a series of commitments.

Alongside this, we are also developing a new community strategy that will build on our long-term commitment to create thriving, vibrant local communities, with a particular focus on supporting disadvantaged young people, through education, healthy lifestyle activities and apprenticeships.

public health



obesity rates have **doubled** in the past **30** years

source: public health england

rising obesity in children with **2/3** children in the uk **overweight** by 2050

source: government office for science

leading experts warn that worldwide **physical inactivity** poses an equal risk to **cancer and heart disease** as smoking

source: the lancet medical journal

The obesity crisis affects families, communities, and countries across the world. The nature of the problem is complex and there is no simple solution – it is as much about positively changing behaviours as changing the way companies make and market their products. However, we recognise that we have a role to play, in partnership with others, in helping to tackle the issue. We are proud of our achievements in this area in the past few years, but recognise there is further to go and commit to playing our part.

our approach

We provide our consumers with a wide choice of soft drinks to meet their different needs. We are active partners in the UK government's Responsibility Deal for Public Health, having signed up to the Calorie Reduction Pledge and a number of others.

Most recently, in GB we have committed to the voluntary front of pack labelling scheme, which we will begin to implement this year.

helping consumers make informed choices

Our aim is to create great-tasting soft drinks that can be enjoyed as part of a healthy, balanced diet. This is not only about how we make and market our products, but also our role in educating and enabling our consumers to live healthy, more active lives. Work on our health strategy is well under way, and we aim to finalise it in the coming months.

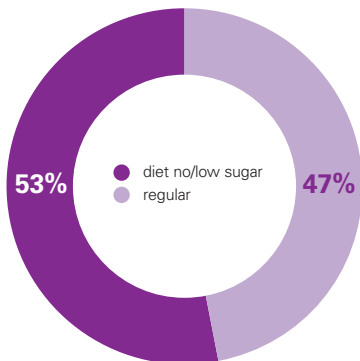
reducing calories

At the start of the year, Britvic signed up to the UK Government's Calorie Reduction pledge. We submitted an action plan focused on encouraging and enabling our consumers to drink fewer calories by taking actions such as product reformulation, reviewing portion sizes, education and information, and actions to shift the marketing mix towards lower calorie options.

We have made good progress. We launched our J₂O 250ml slimline cans in a multi-fridge-pack format, which represents a 10% reduction in calories compared with our standard 275ml bottle. We also delivered against our marketing commitments and continued to support the government's Change4Life initiative.



GB sales volumes full portfolio 2012/13



since 2010, we have **reduced the calorie content** of our **Britvic-owned brands** in GB by **37%***

** figure based on the ready to drink product manufactured in GB*

responsible marketing

We continued our commitment to lead our advertising with no or low sugar variants where available. For example, our Fruit Shoot TV advertisements only show our low sugar range, as do our Robinsons advertisements. In support of PepsiCo's health commitments in GB we continue to lead all of our above the line advertising with sugar-free Pepsi MAX. Additionally in partnership with PepsiCo, this year we advertised Mountain Dew Sugar Free on TV for the first time to the market.

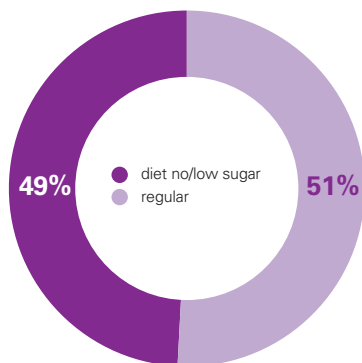
In France, Teisseire, the no. 1 French syrup, and sponsors of the Tour de France, devoted their sponsorship this year to the 0% sugar range. Made using natural plant extract stevia as a zero calorie sweetener, the brand distributed 900,000 single serve samples.

clear labelling

We have always believed in providing clear nutritional information to consumers, and include Guideline Daily Amounts (GDAs) of calories, sugar, fat and salt across all of our packs in GB, Ireland and France.

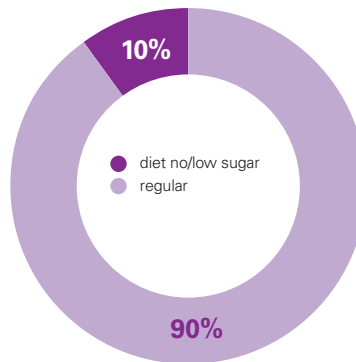
As part of our on-going commitment, we were one of the first food and drink companies to sign up to the Responsibility Deal's Front of Pack labelling pledge, a voluntary measure introducing colour coded labelling across our range of soft drinks in GB. This will be adopted across the majority of our brands by the end of 2014.

Irish sales volumes full portfolio 2012/13



49% of the products we sold in Ireland during 2012/13 were **low sugar/ low calorie** options

French production full portfolio 2012/13



Teisseire, the no.1 french syrup is available in **0% sugar** using **stevia** natural plant extract

inspiring and enabling healthy lifestyles

Fruit Shoot's ethos has always been about inspiring kids to learn new skills and have fun. In 2005 our 'Get Good' campaign and magazine were launched encouraging kids to get outdoors and learn new skills such as skateboarding.

Teaming up with partners such as The Play Providers Association and more recently Nickelodeon, Fruit Shoot's annual campaigns have proved highly successful at teaching thousands of kid's new skills.

In Ireland Robinsons kicked off its summer long basketball campaign with the Robinsons Rip 'n' Run Roadshow, where schools had the chance to win a day-long training session with some of Ireland's best basketball coaches. During the action packed day students had to 'shoot for the loot' to win €2,000 worth of sports equipment for their school.

Teisseire Fruit Shoot also 'got active' partnering with Mickey Beach Clubs and getting 400,000 kids active over the summer season via swimming, football and other beach sports. The brand also helped engage a further 5,000 children via their partnership with OM Kids Football Club.

creating a **great place to work**



“a great place to work is one in which you **trust** the people you work for, have **pride** in what you do, and **enjoy** the people you work with.”

*Robert Levering, co-founder,
Great Place to Work*

top 25% most engaged companies enjoy **18% higher productivity** compared with the lowest 25%

source: employee engagement task force

top 100 best companies to work for perform **more than 2x better** than the general market

source: great place to work institute

Operating in today's globally competitive, and challenging environment, the success of any business is underpinned by its ability to attract and inspire a highly talented workforce.

By offering a variety of training and skills opportunities, personal development sessions and volunteering, our people have the ability to learn and grow in a stimulating way.

We have had to make some difficult decisions in the past year but are determined to ensure our people remain supported and valued.

our approach

This year we have developed a new approach with the intent of creating a truly inspiring and great place to work.

We conducted our first 'Great Place to Work' survey across our business towards the end of 2013. The results will inform our people and culture strategy for the coming years with surveys planned annually. For the first time, we will be in a position to benchmark Britvic against similar organisations.

engaged and empowered

Working for Britvic means being part of a team of diverse, forward-thinking professionals, constantly striving to deliver beyond expectations.

Over the last twelve months, we have made significant investments in Learning & Development (L&D). We successfully launched our plc L&D curriculum and are proud to have welcomed more than 850 employees on one of 80 personal development programmes. These programmes are available to employees at all levels. In addition, numerous teams participated in team development including sessions focused on team effectiveness, team building and general ways of working.

sustainable business roadshows

In order to better embed the sustainable business strategy and help employees understand their contribution, we ran a series of interactive Sustainable Business Roadshows across GB and Ireland.

As part of this, we launched our new Sustainable Business Awards, which will see employees and teams recognised in areas such as environmental performance, volunteering and community initiatives.

employee wellness@work

We have a comprehensive employee wellbeing programme based around the Change4Life principles of 'eat well, move more, live longer' and we continue to run a number of initiatives under our 'wellness@work' banner that support and encourage employees to pursue optimum health.

nurturing our talent

We conduct annual talent reviews as well as mid and year-end performance reviews during which career aspirations and areas for development are explored. Personal development for employees at all levels of the organisation continues to be an area of focus for Britvic. We plan to bring our 'top 100' together on a more regular basis to discuss business critical elements but also focus on development for this population in a more structured way.

flexible working

Britvic believes in enabling work/life balance. Roles permitting, we offer flexible working arrangements to our employees whilst encouraging teamwork and collaborative working. Britvic's GB head office in Hemel Hempstead was awarded the top prize for 'Impact on Organisation and Workplace' at the British Institute of Facilities Management award gala recently, and has significantly contributed to cross-functional working and a culture of informal meetings.



Britvic's apprentice scheme

Britvic promotes engineering in all aspects of the supply chain. Engineers are at the forefront of the project teams who implement our 'lean manufacturing tools and techniques'. Three years ago, as a result of a shortage of talent entering into engineering, we started our Apprenticeship scheme, and have taken on more each year since – we now have 27.

Our apprentice engineers have the opportunity to maintain and develop the performance of multi-million pound, highly advanced equipment which ensures we meet our production demands. The scheme spans up to five years with the first year spent at a local college and then the following years spent at our manufacturing sites with day release to college. Following completion of the scheme, we endeavour to find them full time roles so they can use their skills and further their careers.

Three years in our apprentice scheme remains a key part of our talent resourcing programme and demonstrates our commitment to our vision of 'changing the lives of disadvantaged young people.'



helping disadvantaged young people



youth unemployment
hit **1m** in the uk in **2012**

source: ons labour force survey

almost **1 in 5**
british teenagers
leave school at the age of **16**

source: oecd

as many as **50,000** people
aged **16 to 18** would be better off in
apprenticeships

source: ippr

The aftermath of the recent economic crisis continues to disproportionately affect young people, particularly when it comes to employment. With young people three times more likely to be seeking work than adults, business has a clear role to play in helping the next generation take the first step on their journey to a successful career.

our approach

Investing in these young people is central to our ambition to be trusted and respected in our communities.

This year, we have continued to deliver a community programme which helps disadvantaged young people achieve their best by equipping them with key life skills and ensuring they develop the tools and experience to become valued members of the workforce. We are proud of the role we play in helping them through a variety of training and skills initiatives, ranging from our Learning Zones to our skills workshops for those most at risk of becoming NEETs (not being in employment, education or training).

We aim to

- educate young people in key life skills
- develop talent and skills to boost and maximise employment potential
- encourage them to live more active, healthier lifestyles
- ensure they have fun doing it

Over the past year, our efforts saw us launch a new initiative to enable the most disengaged young people to re-engage and pursue their ambitions. By working in partnership with local school teachers, we have expanded our Learning Zone programme to create a life skills course for tomorrow's school leavers.

award winning teacher training

In 2009, we launched our first Learning Zone in Beckton to provide a dedicated space in which to help teachers connect classroom learning with an understanding of business. Since then, we have continued to open Learning Zones across our manufacturing sites and recently at our Head Office in Hemel Hempstead. Here we will continue to run our enterprise learning module in partnership with The British Soft Drinks Association (BSDA), as well as our new 'Young People' Employability workshops. Our online educational toolkit has also been updated and is available at: www.britviclearningzone.co.uk

Our joint programme with The BSDA, which in 2011 won the IEBE (Institute for Education & Business Excellence) Award for innovation between education and business, continues to attract teachers from across the country. To date we have trained more than 300 teachers, who in turn have trained more than 10,000 students.

Ireland's Skills@Work programme

Britvic Ireland took part in the Skills@Work Programme, a BiTC (Business in the Community) partnership which provides students with an insight into the world of work. Students learn about the partnering business and consider career and further study options available when they finish school. Sessions include: site visits, talks, CV preparation and mock interviews. Employees from the partnering business, such as Britvic Ireland, share their experiences of life, study and work with the students. Britvic Ireland provided a mentor to give dedicated time to a local school, working with five skills@work 'teachers' and 30 students. BiTC's evaluation of the programme demonstrated that it was very successful:

benefits for students included:

- **87%** of students felt the Skills @ Work programme improved communication skills
- **84%** felt it increased their self confidence

benefits for schools included:

- **91%** of school coordinators felt the programme helped motivate students on their career path
- **88%** of teachers said that participation in the programme contributed towards positively influencing students to consider 3rd level education/further training

what students said of the programme:

- "Everything we learned was very practical and will help us in later life and it was also done in a very fun and enjoyable way."
- "Looking at how other people started their careers has helped me a lot to think strongly about my future."



community support



2 new Britvic **learning zones** opened this year

£1.6m donated to good causes through **transform your patch** campaign

**2012 data as reported to lbg*

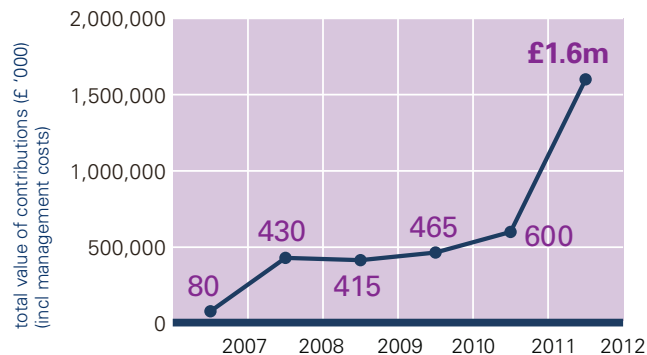
trained over **300** teachers who have subsequently trained **10,000** students

supporting local causes

We have always provided support for our communities – from global projects via charity partners in countries from which we source materials, to local initiatives via our Community Foundation funds. We also support our employees through paid volunteering time, free products and matched funding.

In 2012 we partnered with the charity Groundwork to launch Transform your Patch, an ambitious programme of activity supported by brands across our portfolio. The initiative helped to regenerate 176 outdoor spaces – an investment in communities up and down the country worth £1.6m in cash, charitable donations and employee volunteering.

spend on community investment, as verified by LBG



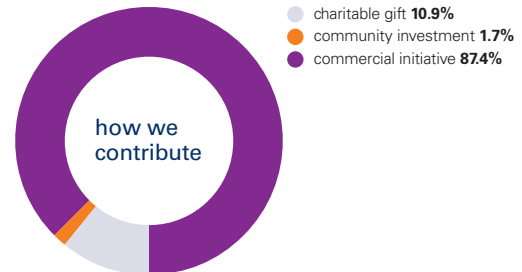
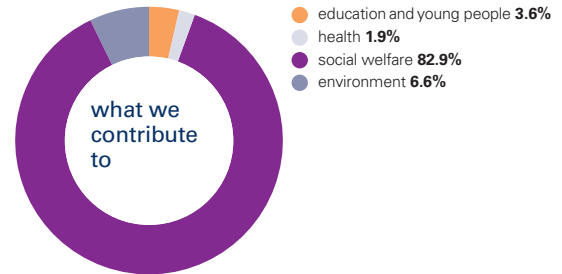
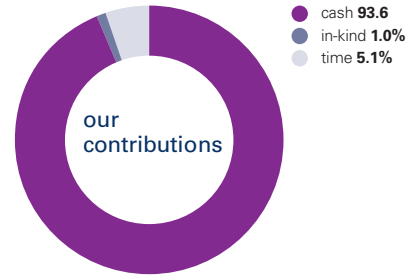
encouraging volunteering

We have a strong culture of encouraging our people to make a difference in their communities. This, coupled with the opportunities to get involved in Transform your Patch, saw our volunteering percentage figures grow from 7% last year to 25%. Although we are unlikely to see such high levels next year, we aim to capitalise on the interest in volunteering that Transform your Patch inspired, and see an overall increase compared with 2011.

Britvic Ireland too has been playing its part, and last year 25 employees volunteered to be part of the Junior Achievement programme, which delivers enterprise training within the Irish education system.



community investment contributions







As a business we rely on a healthy planet for the resources and materials on which we are dependent, and we recognise we must play our part to protect it.

The key environmental challenges we face are water shortages, resource depletion and climate change.

We recognise other issues such as biodiversity and pollution are important as well, and we continue to monitor these concerns. However, our sustainable business programme focuses on the challenges where we believe we have the greatest ability to act and influence, specifically water, waste, materials and climate change.

This approach is mirrored by the Defra Soft Drinks Sustainability Roadmap that was published in July 2013 and to which we are a signatory. This roadmap provides an overview of the environmental impacts of the soft drinks industry and sets out opportunities for businesses in the soft drinks supply chain to enhance the sustainability of the sector and help secure its future prosperity. The initial hotspot analysis identified water, packaging, carbon and raw materials as key impact areas and this aligns well with our programme pillars.

planet

water stewardship



food & grocery industry
accounts for **10%** of all
industrial use of the **public**
water supply

source: defra

47% of world population
predicted to be living in areas of
water stress by 2030

source: UN World Water Development Report

40% gap in supply
and demand of water
by **2030**

source: McKinsey

The world is facing a global water crisis. By 2030, society's thirst for water is set to outstrip supply by 40 percent. With industry accounting for a fifth of all fresh water used, businesses must not only reduce but rethink their relationship with this most precious of natural resources.

As a soft drinks company, we have a very clear reason for wanting to ensure our use of water is sustainable. Without careful water stewardship, the fruits we use in our drinks could not be grown and the manufacturing processes to make them could not be run. As the most important ingredient in our drinks, without water we would not even be in the business of refreshment at all.

In response, we are increasing the efficiency of our operations, investing in innovation, changing our internal behaviours, and setting ambitious goals to measure, and continually improve, our performance.

our approach

In support of the Federation House Commitment to reduce water use by 20% by 2020, our primary focus continues to be reducing our direct water consumption and driving efficiencies within our processes. In addition to this we also monitor the water related risks within our supply chain, using risk maps to understand geographic locations across the globe that are exposed to water related risks, including scarcity and quality. Output from the model is then used to open dialogue with suppliers about the potential risks and discuss mitigation strategies to ensure our supply chain is adequately prepared for such risks.

reducing water use

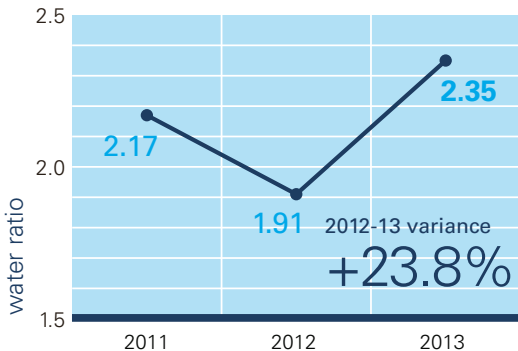
This year we have undertaken a number of key water saving initiatives across the business.

In Ireland, as part of the Origin Green initiative, a programme aimed at promoting sustainability across the food and drinks industry (more information on Page 31), we made improvements in our water use and have continued to achieve year on year savings in water ratio (water used relative to production volume) with 11% reduction since 2009. This was a challenging year for us as we commissioned our new syrup room, requiring extensive cleaning of the new equipment and testing for quality purposes which required high volumes of water not associated with production. This makes our achievement of continued water ratio reduction all the more significant.

11% reduction in water ratio since 2009 in Ireland

In France we have reduced our absolute water consumption by 7% since last year to 464,130m³. This result has predominantly been achieved through changes to the Cleaning in Place (CIP) process at our Unisource and Fruité manufacturing sites. Activity to improve energy efficiency has also led to water savings. Next year we plan to reduce water consumption further at our French sites through further improvements to condensate return and re-using water generated through our steam processes.

water usage (cubic metres of water used/tonne of product) across the group 2011-2013



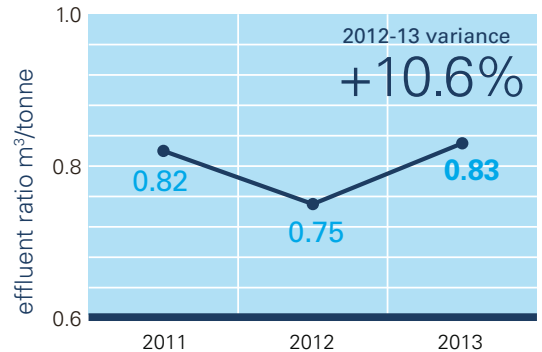
4,393,069m³ of water used across the business this year

Despite this activity during the year, water consumption across the business increased by 7% compared with 2010/11 to 4,393,069m³. Water use increased at the majority of our GB sites, primarily as a result of the hot summer which increased production and led to frequent line changes. Such changes required more Cleaning in Place (CIP) which subsequently increased water use. We were also impacted by the Fruit Shoot recall of Summer 2012 and its phased return to market, which resulted in less volume being produced, while water use for cleaning remained high.

We are however confident we will get back on track next year with activity planned to implement suggestions made through the Federation House Commitment.

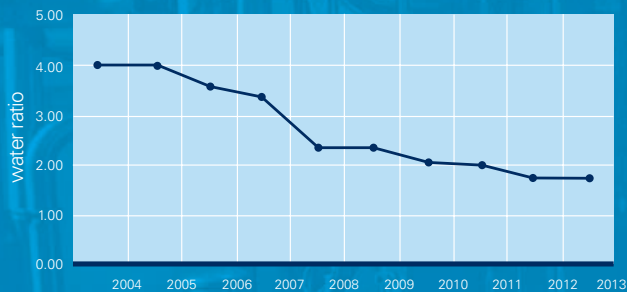
Total effluent (the amount of waste water produced) across the business increased by 12% since last year. Ireland made significant improvements on their effluent ratio, continuing the year on year reduction trend with a 12% reduction on 2011/12. In Norwich two opportunities were identified to reduce effluent loss. Through the loss tree analysis, we established that the root cause of such losses was a combination of leaking filler valves and syrup losses. Remedial actions were put in place which resulted in 500m³ of water being saved and 2000m³ of effluent per year.

effluent ratio (cubic metres of effluent/tonne of product) across the group 2011-2013



reducing water consumption

Across GB manufacturing sites we have faced challenges in reducing our water consumption this year. However, we have still witnessed best practice and a passion to reduce water use at a number of sites. Our Leeds site, as illustrated in the graph below, has successfully reduced water ratio year on year over the last decade, and this year achieved a 1% reduction on water ratio since last year. This achievement can be attributed to us implementing a number of the recommendations made by the Federation House Commitment, including investigating pump seal water recycling. This year we have initiated a project to recirculate the water on one of our vacuum pumps on one of our lines. This unit uses approximately 1.5m³ of water per hour so through water recycling we expect to save approximately 3500m³ of water per year, which is equivalent to more than one Olympic sized swimming pool.



responsible waste management



177m tonnes of waste are generated **every year**, in England alone

source: Defra

by 2020, the organisation for economic co-operation and development (oecd) estimates **eu states** could be **generating 45% more waste** than we did in 1995 source: oecd

waste costs uk industry **£15bn per year**

source: the one bin campaign

Society is consuming more resources than ever before. This is unsustainable. By 2050, the world's population is expected to reach nine billion.

According to WRAP (a not for profit company funded by the UK government aimed at promoting resource efficiency) between 45 and 60 billion tonnes of raw materials are extracted globally every year. If we continue to consume at the same rate and population expectations are reached, this figure could triple by 2050.

With increasing resource scarcity, we need more than ever to reduce waste at every stage in our business by finding opportunities to enhance efficiency, preserve important raw materials and promote recycling.

But there is also a clear cost imperative. Increasing resource efficiency is crucial to creating a simpler, more profitable Britvic.

When waste occurs we lose out twice over, from the initial cost of raw materials to the price we must pay for disposing materials that we can no longer use. More than this, waste can be an asset – an opportunity not only to save money and materials but to create new value.

our approach

As a business we recognise that waste represents a cost and we are committed to reducing its generation wherever possible. However we also know that in some circumstances waste is unavoidable, so in these situations we look for opportunities to generate revenue. Our waste management programme supports the aims of the Courtauld Commitment, and we work in partnership with various stakeholders to achieve our waste ambitions through process modifications, material specification, innovation and/or product design.

Britvic operating waste

Since 2011, we have successfully achieved zero waste to landfill from our GB manufacturing sites and our focus has turned to promoting recycling. Last year we set ourselves the target of achieving a 92% recycling rate within our GB manufacturing sites which we successfully achieved through a variety of initiatives including supporting WRAPs Recycle Week in June. During this week we promoted the importance of recycling to employees and raised awareness of the segregation facilities we have in place to maximise recycling at our sites.

Along with targeting waste reduction at our manufacturing sites, we also recognise that our office locations generate waste. At these sites, as with our manufacturing sites, we ensure segregation facilities are in place to maximise the amount of waste we can recycle. At our head office we have adopted a zero bin approach at desks. Instead we have five 'recycling hubs' located throughout the office with more than 20 bins to support maximum segregation and subsequent recycling.

Across the business we produced 8,135 tonnes of waste in 2012/13, of which 87% was recycled. In Ireland and France, we do still send small quantities to landfill but we have targets to eliminate this disposal route by 2015. This year saw France establish reporting mechanisms for waste at all sites to enable us to set and monitor performance going forward.

supply chain waste

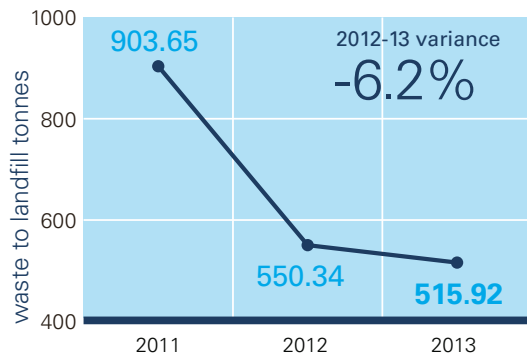
We recognise that packaging is essential in ensuring the materials we use and the products we produce are protected during transportation and storage, but we also recognise that opportunities exist to minimise waste arising from this activity. As part of the Courtauld Commitment we have reduced the paper and card we use in single transit by 3% since 2009 and plan to investigate shrink wrap optimisation opportunities next year.

product waste

We understand that our consumers care about the environment and dislike waste as much as we do, so all our products are recyclable. Over the past five years we have been on a journey of reducing the weight of our packaging, thereby reducing the amount of waste being generated in the first place. This year saw us re-launch the Robinsons Double Concentrate in a new bottle format which eliminated 6.24g of plastic in the 1.25l bottle and 12.74g in the 1.75l bottle. This light weighting project resulted in 329 fewer tonnes of plastic used in 2013, saving us the equivalent of 1,117 tonnes of CO₂, which represents as much electricity as needed to power more than 150 UK homes per year.

In support of WRAPs Love Food, Hate Waste campaign, we have also produced smaller pack sizes, such as the Pepsi 250ml can and the J₂O fridge pack, to provide a wider choice in portion sizes to reduce wastage in our consumer's homes.

waste to landfill across the group 2011-2013



"I see waste as inefficiency and so throughout the GB & Ireland supply chain we monitor and eliminate it wherever possible. This is good for the environment but also makes sound financial sense as well. We have come a long way but we still have a passion to eliminate even more wastage."

Clive Hooper, GB and Ireland Operations Director

rugby waste management

Through local partnerships and collaboration with suppliers, our Rugby factory - which makes some of the UK's best loved drinks, including Pepsi, Tango and Fruit Shoot My 5 now sends no waste to landfill, only incineration (and that has reduced by 11% this year). All waste is now sent for re-use, recycling or recovery by:

- **Converting dry waste into Waste Derived Fuel**
Once waste has been segregated at site, the remaining dry, non-recyclable waste is taken off site and turned into Waste Derived Fuel (shredded to a specified size and any metals removed).
- **Reusing surplus sugar in the production process as feed for farm animals**
Product is collected on site then sent to local manufacturers of FEMAS accredited animal feeds which supply farms all over the country.
- **Donating spilt dry sugar**
Britvic has this year supported our local Bee-Keepers Association by giving them spilt dry sugar to feed their apiaries over winter.
- **Recycling wooden crates, plastic and steel drums**
Steel and plastic drums collected at site are reconditioned if required and then resold as second hand drums. Used wooden pallets are collected by a second hand pallet dealer for re-use and any broken ones go for recycling.
- **Sending waste from the staff canteen to a local AD Plant**
Local Anaerobic Digestion facilities take our food-waste and use microorganisms to break-down the foods and produce Methane Gas. This gas is used to power generators that feed power into the national grid – this in turn generates an income.
- **Britvic also has a 'Just do It' culture that encourages a raft of employee-led initiatives, focused on energy efficiency and reducing waste**



responsible sourcing



40% projected rise
in **food prices** by 2020

source: oecd

some **12.3 million** people
globally are **forced to work**
for their employers.

source: ethical trade initiative

63% of firms **expect** to
face **supply risk** within 5
years, rising to 75% in 10 years
and beyond

source: kpmg

The physical environment in which businesses operate is changing: natural resources are impacted by the long term effects of climate change, over sourcing, and in some cases unstable economic and political environments. Businesses are under pressure to ensure their supply chains use raw materials efficiently and demonstrate resilience in the wake of such changes.

Sourcing ingredients and raw materials sustainably, therefore, is critical to the long-term sustainability and success of our business.

Added to this is the pressure to meet increasing expectations from stakeholders for more rigorous ethical conduct and greater transparency across supply chains.

We recognise that how we source our materials and who we source them from can make a positive social, ecological and economic contribution to the local communities, the farmers and the juice processors, in our supply chain.

Consequently, responsible sourcing for Britvic is about maintaining security of supply while ensuring that suppliers share and comply with our own commitments and policies.

our approach

We recognise the importance of addressing unsustainable resource consumption to both our business and the wider society and have identified the potential risks associated with the materials we use in terms of availability, exposure to factors such as climate change and pricing volatility. Addressing these risks therefore remains a key focus of our sustainable business programme.

We are committed to understanding the packaging and ingredients we use in terms of their environmental impact together with how we source them. These direct materials represent our biggest spend and greatest risk and therefore continue to be our main focus. However, we also acknowledge the risks associated with our indirect materials/services, such as merchandise, and have plans to expand our programmes to incorporate our high risk indirect purchases over the next year.

“The procurement team has an essential role to play in achieving our sustainable business ambitions. From the creation of strategies to the selection of suppliers, and review of their performance, we strive to ensure that materials have minimal environmental impact and the way we source them is ethically responsible.”

Fabienne Lesbros, Chief Procurement Officer

minimising our impact

With our growing international business, it has never been more important to ensure the materials we buy and the services we use are ethically sourced with minimal environmental impact. Over the year, we have increased our dialogue with suppliers surrounding the topic of sustainability and have entered into a number of long term agreements with juice suppliers which are in turn supported by long term agreements with the growers of the fruit. The object is to provide a reliable and sustainable financial return to the farmers and the juice processors while providing price stability to the Britvic business. This model isn't appropriate in all circumstances but is explored with suppliers who have the appropriate contacts with the farming community or are themselves fruit growers.

sustainable approach to packaging

In terms of our packaging, we continue to review the type of packaging we use and this year have developed a system for recording the recycled content of all our packaging, including secondary and tertiary. This provides us with a baseline on which to improve.

We are committed to ensuring all our new products and re-designs minimise their environmental impact, and our project design manual has been updated this year to ensure environmental considerations are made at every stage of the development process. In addition we continue to review packaging options for soft drinks to make them more environmentally sustainable in line with our sustainable materials ambitions.

responsible sourcing

At Britvic we are committed to ensuring our products are sourced and manufactured in a fair, ethical and environmentally responsible manner. Our responsible sourcing programme was established two years ago to proactively manage the ethical and environmental risks within the supply chain and build upon our existing processes.

This year, we delivered our target of establishing ethical risk profiles for all GB/Ireland direct suppliers using our in-house risk model which assesses the ethical risks at supplier sites.

From these profiles, we have identified the key high risk suppliers and we will be engaging with them to review compliance and develop improvement plans where necessary. The programme will also be expanded to incorporate indirect suppliers.

In addition we have reviewed and updated our Ethical Trading Policy to align with the Ethical Trade Initiative (ETI) base code and our business code of conduct. We have also delivered internal training to embed the Responsible Sourcing Programme throughout the procurement department and set objectives for its delivery.

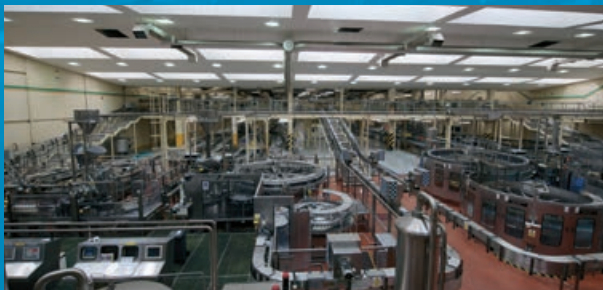
In France, we have made significant progress in driving awareness of our ethical trading requirements, and the acceptance rate of our Ethical Trade Policy continues to rise.

We continue to actively support the AIM Progress group aimed at enabling and promoting responsible sourcing practices across the consumer goods industry. In March 2013 we presented our approach to other members to share best practice and support other members in developing their programmes.

energy conservation project

This year saw us implement our energy efficiency programme, in partnership with PepsiCo and their Recon programme, at our Rugby and Beckton manufacturing sites.

This programme has been established to share best practice between us and PepsiCo and identify opportunities for energy efficiency and cost saving. Each of the sites have had their critical systems (boilers, combustion, compressed air and refrigeration) assessed and opportunities for enhanced system performance have been identified. Management teams have been formed and training to key personnel at the sites has been delivered. In addition, we have developed a maturity model and associated energy scorecard in which to measure and monitor our performance going forward. Next year will see us track our performance against this scorecard with targets to reduce our utilities usage by a minimum of 3% with business wide savings year on year expected to be significant.



climate change



climate change costing **\$1.2 trillion** a year, wiping 1.6% annually from gdp

source: dara climate vulnerable forum report

global carbon dioxide emissions hit a record high of **35 billion tonnes** in 2012

source: centre for international climate and environmental research

between now and 2020 britain needs to invest up to **£200 billion** to meet its environmental targets and to secure energy supplies

source: ofgem

Climate change is one of the biggest challenges we face and society is already beginning to experience the impacts of it – socially, economically, and ecologically.

The world's climate and weather patterns are changing. Global temperatures are rising, causing more extreme weather events, like flooding and heatwaves. These changes present both risks and opportunities.

While public policy responses are critical in addressing it, the private sector must also step up and play a leading role, providing innovative business solutions. It is estimated that 80 percent of the investment required to stabilize the climate must come from the private sector.

our approach

To date our approach has focused on reducing our emissions associated with climate change, namely from our manufacturing sites, our refrigeration portfolio and logistics. This involves a combination of creating greater energy efficiency in our manufacturing processes, identifying and fixing leaks, switching to renewable energy sources to power our offices, and finding opportunities to reduce road mileage in our distribution systems. We recognise, however, that emissions related to our supply chain are significant, and we plan to have greater visibility and dialogue with our suppliers to understand these impacts better.

We are also expanding our focus to include our exposure to the effects of climate change to ensure resilience within our supply chain and within our business operations.

reducing our emissions

This year we successfully achieved our target to reduce CO₂e emissions by 3% since 2010/11 across the business. In absolute terms, this year we emitted 59,886 tonnes of CO₂e which is a reduction of 3.5% from 2010/11, thereby avoiding 2,225 tonnes of CO₂e entering the atmosphere, equivalent to taking 464 cars off the road.

We recognise we still contribute a significant amount of emissions and are constantly looking at technology that will reduce this impact. For example, at our Leeds factory we have replaced all our 250 Watt high bay lighting in the warehouse with new energy efficient 80 Watt LED lighting. This changeover has resulted in an annual saving of 162,938KW, equivalent to the annual energy consumption of about thirty homes! In France we have instigated numerous projects to reduce energy use including insulating pipework, increasing condensate return, using modulating burner for boilers and fixing leaks. In 2012/13 our focus in France has predominantly been on gas consumption, but next year will see us focus more on electricity use.

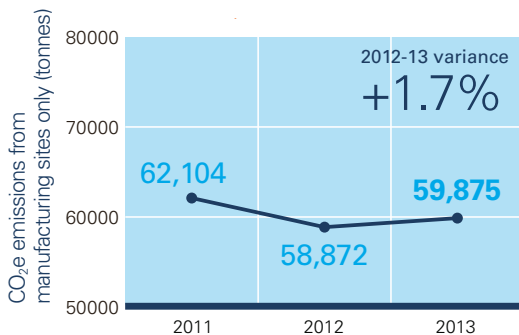
Across GB, Ireland and France, we also commissioned renewable energy surveys at five of our manufacturing sites. The reports identified possible opportunities that we will be following up next year such as the installation of photovoltaic panels on our site roofs. The majority of our GB office locations procure 100% of their energy from renewable sources.

At these locations we use electricity generated through biomass rather than traditional coal and have avoided 1,409 tonnes CO₂ as a result. We emitted 555 tonnes of CO₂ this year through this electricity generation. In Ireland, we recently signed a gas and renewable electricity deal with Vayu, a major provider of green energy, to provide us with gas and 100% green electricity to meet our year round energy requirements going forward.

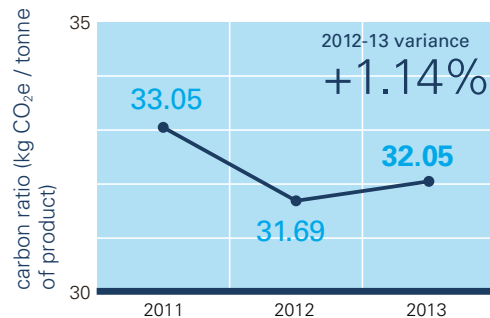
As well as the emissions from our manufacturing sites and offices, we recognise our other major emission sources are from logistics and our chiller portfolio. This year, we worked closely with our logistics partners to reduce our road mileage through optimising stock movements and planning routes efficiently. In GB, this led to savings of 1,957 miles compared to last year which equates to approximately 187 tonnes of CO₂ being saved.

We are also very proud of our energy efficient chiller portfolio. We no longer purchase open fronted chillers and all our new purchases are hydrocarbon chillers, the most energy efficient. We have also instigated the early retirement of our most inefficient coolers. This activity has resulted in a significant reduction of 2,880 tonnes of CO₂ compared to 2011/12.

absolute CO₂e emissions across the group 2011- 2013



carbon ratio (kg CO₂e/tonne of product) across the group 2011-13



Origin Green

Our customers are increasingly integrating sustainability measures into their decision-making. Britvic Ireland was one of the earliest to identify the potential benefit of the Origin Green campaign and began the process of membership in early 2013.

We built upon our pre-existing goals and identified a long-term strategy that identified three key areas - environment, health and nutrition, and community.

In 2012, BORD BIA (The Irish Food Board) launched its pioneering sustainability development programme, Origin Green. The clear aim of the programme is to position Ireland as a leading nation in the delivery of sustainable, high-quality food and drink products.

Manufacturers are required to develop a plan that sets out clear sustainability targets. As part of the programme companies are asked to work to a timeline and report on progress annually.

Kevin Donnelly, Commercial Director at Britvic Ireland, believes that the Origin Green programme is "an essential framework to demonstrate the sustainable agenda that Britvic Ireland has adopted. It provides a structure, identifies areas where improvements have been made; and indeed, where improvements can be made and it has helped Britvic Ireland develop a roadmap towards 2020."



governance

sustainable business committee

Our Sustainable Business Committee comprises senior executives across the business, including Irish and French colleagues. To ensure our senior leaders stay close to the sustainable business agenda, a representative from the Committee sits on our Executive Team.

The Committee owns the sustainable business strategy and meets at least four times a year to monitor performance and help embed sustainability throughout the business by ensuring information is cascaded throughout the business.

executive team

The Executive Team meets 12 times a year and is responsible for the day-to-day running of the business, carrying out agreed strategy and implementing specific board decisions relating to the operation of the group.

Visibility of the Sustainable Business programme and its ongoing performance is regularly provided to the Executive Team. The Sustainable Business Committee presents to the Executive Team on strategies/projects that require their approval to ensure delivery of our sustainable business ambitions.

board of directors

Britvic's Board of Directors oversees the company's entire performance and management. Its members include our Chief Executive and group Finance Director, a Non-Executive Chairman and a number of Non-Executive Directors, one of whom is nominated by PepsiCo. They formally approve Britvic's Sustainable Business targets and have visibility of our progress against goals.

2014 targets

addressing public health

Launch and embed our health strategy across the business.

Deliver our public commitments to support government's voluntary initiatives

creating a great place to work

Embed our new purpose, vision and values across the business to support our Great Place to Work ambitions

helping disadvantaged young people

Train 200 teachers and 300 young people through our Learning Zone programmes and partnerships

water stewardship

Achieve a water ratio of 1.9

climate change

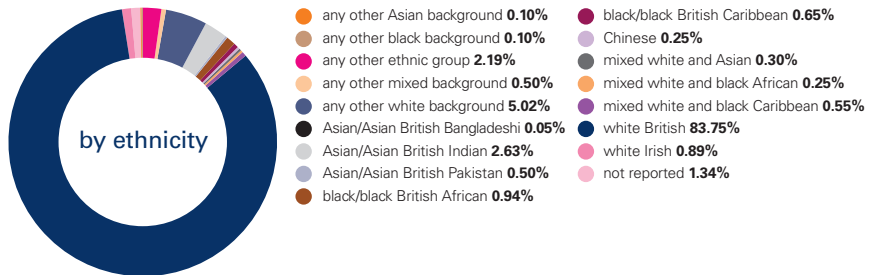
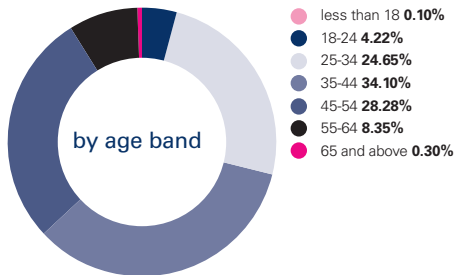
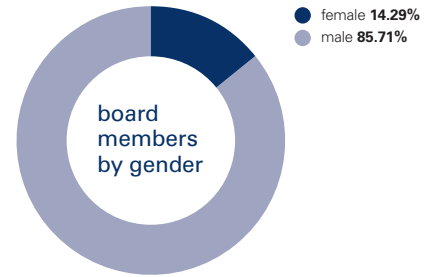
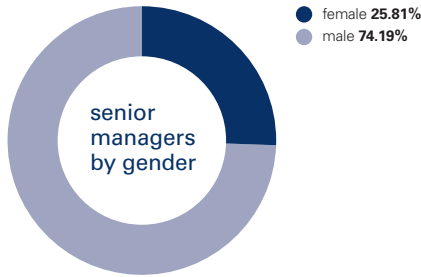
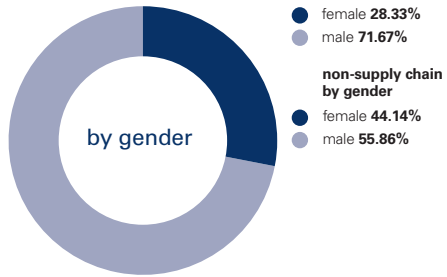
5% reduction in carbon ratio vs 2013

materials

30% of high risk GB/IRL direct suppliers have assessment conducted

additional data

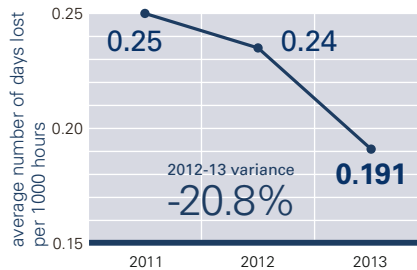
GB employee data



accident frequency rate 2011-2013



accident severity rate 2011-2013





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With thanks to our colleagues, business partners, friends and families who feature throughout this report.

