

A young boy with a blue headband is drinking from a Britvic water bottle. He is in the foreground, looking to the right. In the background, there are other people, including a girl in a white shirt, and a large blue flag. The scene is outdoors on a grassy field under a blue sky with clouds.

# Healthy people Healthy planet

Sustainable business update 2016

**Making life's everyday moments more enjoyable**

**BRITVIC**  
plc

# We're taking a leading role in encouraging healthier lifestyles whilst we continue to minimise our impact on the planet



## Overview

▶ About our report	3
▶ CEO and Chairman's statement	4
▶ 2016 Highlights	5



## Healthy people

▶ Delivering our commitments through our brands	7
▶ Encouraging healthy hydration	8
▶ Using our brands as a force for good	9
▶ Inspiring employees and supporting communities	10



## Healthy planet

▶ Innovating in sustainable packaging	13
▶ Targeting our carbon emissions	14
▶ Minimising our water use	15
▶ Reducing, reusing, recycling and recovering our waste	16
▶ Responsible supply chains	17



## Healthy progress

▶ <b>2016 Performance:</b> people	18
▶ <b>2016 Performance:</b> planet	19
▶ <b>Healthy future:</b> our 2017 targets	20
▶ <b>Performance data:</b> people	21
▶ <b>Performance data:</b> planet	23
▶ <b>Verification statement</b>	27

### Our approach to reporting

This Sustainable Business update provides an overview of our progress during our financial year ending 2 October 2016. To reduce the environmental impacts associated with this report we have taken the decision not to produce printed copies and have streamlined the report to provide a summary of our activity against the material social and environmental challenges we face. Simply click on the topics above to access each section or scroll through the document. For further information about our sustainable business programme please visit [our website](#).

2016 Performance

Performance data

# About our report

## Scope

This report contains data for Britvic's wholly-owned companies and subsidiaries, excluding franchises and co-packers, unless specifically stated. Where we reference plc within the report it relates to all markets where we operate unless otherwise stated. This year has been the first year we have captured data for our Brazilian business, Empresa Brasileira de Bebidas e Alimentos SA "Ebba" and therefore this data is not included within our targets/progress updates within this report. For transparency purposes however, the Brazilian data is provided within our performance charts at the back of this report.

## Environmental data

Water, energy and carbon emissions data relates solely to our manufacturing sites in GB, Ireland, France and Brazil where we have full operational control. Britvic's climate change disclosures were made in conformance with the Climate Disclosure Standards Board framework requirements. We follow the standards of the Greenhouse Gas (GHG) Protocol to establish our GHG inventory, which includes scope 1, 2 and 3 emissions. Scope 3 emissions disclosure includes emissions associated with our leased company vehicles, business mileage (excluding taxi journeys and rental vehicles), downstream transportation and distribution and waste disposal. Our waste data relates to manufacturing sites, warehouses and offices where we have operational control (exclusions apply).

## Uncertainty and estimates

While we make every effort to capture all information as accurately as possible, it is neither feasible nor practical to measure all data with absolute certainty. Where we have made estimates or exercised judgement this is highlighted against the data disclosure.



# 19bn

**annualised calorie reduction through reformulation, innovation and mix across our GB drinks portfolio since 2012\***

\* Calorie and sugar savings from reformulations undertaken during the year are assumed on the previous year's sales volumes regardless of when the reformulation entered onto the market in that year. Where a change of flavour occurs, the calorie/sugar calculations are assumed on the closest comparable flavour for sales volumes, e.g. Blackcurrant & Apple assumed comparable to Pear & Blueberry. All reformulation values are based on the latest recipe nutritional content. This calorie reduction figure does not account for choices consumers may make over other products available on the market when switching from a previous formulation or product.

# CEO and Chairman's statement

Being trusted and respected in our communities has been one of the four key pillars of our business strategy since 2013, and it's pleasing to see the progress we've made this year on our sustainability journey. We continued our year on year improvement in the Business in the Community CR Index, achieving 2.5 stars\* this year and Britvic Ireland continued its membership of the government-accredited Origin Green sustainability programme.

This report highlights our approach to tackling the environmental and societal issues we face, showcasing the work we've done in areas such as health and packaging – issues that our stakeholders really care about.

As an industry we have faced growing pressure in relation to global health problems such as obesity and this year the UK and Irish Governments announced their intentions to introduce a sugar levy on soft drink beverages in 2018. Whilst we agree the food and drink industry has a role to play, we were disappointed on the approach of a category-specific tax. We are incredibly proud of our portfolio and the proactive actions we've taken to lead the industry and it's pleasing to see that already 68%\*\* of our current GB

portfolio is exempt or below the threshold for the proposed sugar levy. We are confident we will maintain our leadership position with a strong innovation pipeline well positioned to respond to changing consumer tastes in preference of healthier drinks.

We have also made good progress on reducing our environmental impact, particularly in the long term, with significant investment in our manufacturing sites to improve productivity and resource efficiency. The improvements we made at our Leeds site last year are now being realised; water consumption is down 22% and energy use down by 45% relative to production. These upgrades have also allowed us to access the latest in packaging technology, resulting in lighter bottles and less packaging materials

being used. We're eager to see the positive impact on our overall environmental footprint as a result of these changes in the coming years.

Whilst this report highlights the good progress we've made, we know that to be the business we want to be – the most creative, dynamic and trusted soft drinks business in the world – we must continue our journey, addressing the global challenges we face whilst creating shared long-term value for all our stakeholders. Key to our success lies with our talented people who continue to live our values and we're extremely proud of their commitment. We're excited about the future as we continue to make life's everyday moments more enjoyable, today and tomorrow.



Simon Litherland,  
Chief Executive Officer



Gerald Corbett,  
Chairman of the Board



Working  
with nature



2016 Performance

Performance data

\* For our UK operations \*\* Calculation based on volumes sold

# 2016 highlights



**19bn**  
annualised  
**calorie**  
**reduction**  
across our GB  
drinks portfolio  
since 2012



**83%**  
of our advertising  
spend in GB is  
focused on  
**low/no sugar**  
drinks

**1.5%**  
cut in water use  
(ratio) across the  
business



Eliminated  
**155 tonnes**  
of packaging  
with our new  
bottling line



Almost  
**£900,000**  
worth of charitable  
donations

**15 million**  
people  
encouraged  
to get active



**84%**  
of manufacturing  
waste recycled



Low emission  
company fleet

**5.8 million +**

video views of skateboarders  
showcasing their skills in Mountain  
Dew's Sidewalk Store Wars



**72%**  
GPTW trust  
index score  
(now including Brazil)

**90%**  
of direct suppliers  
linked on our  
responsible  
sourcing platform,  
Sedex



**68%**  
of our GB portfolio is below or  
exempt from proposed soft drinks  
sugar levy

# We've led the industry and taken bold steps to help people live healthier lives

Britvic started out in the 1930s as the British Vitamin Products Company and was established to bring an affordable source of vitamins to the people of Britain through soft drinks. That continues today. Our purpose is to make life's everyday moments more enjoyable and part of doing that is by helping consumers make healthier choices through making drinks that taste great and are better for you. Beyond that, we're also committed to supporting our employees and wider communities, contributing to a healthier more productive society. Click on the boxes below to find out more.



19bn

annualised calorie reduction through reformulation, innovation and mix across our GB drinks portfolio since 2012\*



83%

of our advertising spend in GB is focused on no or low sugar drinks



15m

people encouraged to get active



Almost £900,000

worth of charitable donations

7%

fewer calories per serve across the business since 2014

\*Calorie and sugar savings from reformulations undertaken during the year are assumed on the previous year's sales volumes regardless of when the reformulation entered onto the market in that year. Where a change of flavour occurs, the calorie/sugar calculations are assumed on the closest comparable flavour for sales volumes, e.g. Blackcurrant & Apple assumed comparable to Pear & Blueberry. All reformulation values are based on the latest recipe nutritional content. This calorie reduction figure does not account for choices consumers may make over other products available on the market when switching from a previous formulation or product.



19bn

annualised calorie reduction through reformulation, innovation and mix across our GB drinks portfolio since 2012\*

## We are constantly innovating and reformulating to offer the widest possible choice of great-tasting low or no sugar drinks

Rising levels of obesity and other health related conditions such as diabetes continue to be a concern and we're committed to playing our part to tackle the issue through the strength of our portfolio. Building on our decision to cease production of added-sugar Fruit Shoot and Robinsons in the UK, we have continued to innovate and reformulate our existing products, cutting sugar and reducing calories.

This year we have removed a further 19bn calories/5 million tonnes\* of sugar from our portfolio and remain committed to helping consumers make healthier choices through reduced sugar products that are clearly labelled. The average number of calories per 250 ml serving across our GB portfolio is 26.2. Excluding PepsiCo products that falls to 15.28 calories per serve.

## Delivering our commitments through our brands:

We're incredibly proud of our portfolio and the steps we've taken to address consumer health concerns. Highlights include:

### Reformulating Drench

to reduce the calories and sugar content by a further 20% across the range since 2012 by changing the ratio of sugar and Stevia used. The Peach and Mango flavour contains only 20 calories per 100ml serving.



### Launching Sparkling Drench

The blend of sparkling spring water and fruit juices delivers a fruity taste that's refreshing and it's a good alternative to other fruit fizzy drinks, with only 56 calories per 330ml can.



### Introducing Purdey's Edge

to meet demand for 'better for you' alternatives to energy drinks. Its blend of sparkling spring water, botanical extracts, vitamins C, B2, B3, B6 and B12, contains no caffeine or added sugar and has only 92 calories per 330ml bottle.



### Reformulating Fruit Shoot in the US

to contain 37% less sugar and in France to have 30% fewer calories on average across the range.



### Launching Mi Wadi Mini (no added sugar)

in Ireland to enable tasty hydration on-the-go, with just 5 calories per serve.



**68% OF OUR GB PORTFOLIO IS ALREADY BELOW OR EXEMPT FROM THE PROPOSED SOFT DRINKS SUGAR LEVY**

### Addressing sweetness

Our innovation not only aims to reduce sugar levels but also the sweetness levels of our drinks.

We recognise that we have an opportunity to influence consumer tastes and building on our removal of Fruit Shoot Regular in the UK in 2014 we have made our core range better for you by adding multi-vitamins (D, B6, B12 and zinc) and reducing sweetness, as well as improving flavour.

\*Calorie and sugar savings from reformulations undertaken during the year are assumed on the previous year's sales volumes regardless of when the reformulation entered onto the market in that year. Where a change of flavour occurs, the calorie/sugar calculations are assumed on the closest comparable flavour for sales volumes, e.g. Blackcurrant & Apple assumed comparable to Pear & Blueberry. All reformulation values are based on the latest recipe nutritional content. This calorie reduction figure does not account for choices consumers may make over other products available on the market when switching from a previous formulation or product.



83%

of our advertising spend in GB is focused on no or low sugar drinks

## We're continuing to encourage healthy hydration

Staying adequately hydrated throughout the day is essential for health and wellbeing. The European Food Safety Authority recommends adults should drink about eight 200ml glasses a day. However our recent One Poll Study for Robinsons\* found that 70% of people questioned have gone seven hours or more in a day without drinking a glass of water.

Whether by adding vitamins, making lower sugar options more widely available or simply encouraging people to drink more regularly, we are continuing to encourage adults and children alike to stay healthily hydrated.

### Robinsons drink more water campaign

- Multi-million pound campaign promoting healthy hydration via outdoor advertising and a TV commercial
- Samples given out at more than 1,000 workplaces across the UK reaching more than half a million workers
- A glass of Robinsons Squash has just 5 calories, a great way to get people to drink more water



### Robinsons thermal campaign

It's always important to stay hydrated, but even more so when it's hot. Robinsons heat sensitive posters were activated when temperatures hit over 21°, reminding people of the importance of drinking plenty when the weather is warm.

### Unveiling Thomas & Evans

The inspiration behind our new zero proof brand stems from its namesakes - Mr William Thomas and Mr William Evans who, back in the 1880s, prospered by making drinks to sell in public houses as non-alcoholic alternatives.

They were renowned for their obsession with quality and their entrepreneurial spirit lives on in Thomas & Evans No.1, which

sets out to transform non-alcoholic drinking experiences. Containing no added sugar or sweeteners, the drink's subtle sweetness occurs naturally from the fruit extracts used, and it contains only 53 calories when served in a 175ml glass, which is around one third of the calories of a glass of wine.



### Promoting healthier options

83% of our advertising spend in GB is focused on no or low sugar drinks. In line with our responsible marketing code, Britvic does not advertise any products to children under 12 nor advertise high sugar products to under 16s. We continue to only feature sugar-free Pepsi Max in all above-the-line advertising.





**15m**  
people  
encouraged to  
get active

## Using our brands as a force for good

At Britvic we see our brands as a force for good and have a long history of investing in advertising and promotional campaigns that encourage and enable consumers to live healthier lives. We promote sport both through high-level sponsorships like Robinsons' enduring association with the Wimbledon Lawn Tennis Championships, Teisseire's sponsorship of the Tour de France and Pepsi's relationship with the UEFA Champions League, and also through more enabling campaigns like Fruit Shoot's Mini Mudder.

### Fruit Shoot Mini Mudder – 42 events across UK, US and Ireland

Thanks to Fruit Shoot's global partnership with Tough Mudder over 15,000 adventure-seeking kids have experienced Mini Mudder's mile-long, extremely muddy obstacle course in 2016 and over 9 million interacted with our digital content about Fruit Shoot Mini Mudder. Not only has this partnership brought out kids' adventurous side, it's also supported our charity partner - Right to Play - a global organisation that uses the transformative power of play to educate and empower children facing adversity.



2016 Performance

Performance data

### Sidewalk Store Wars in association with Mountain Dew

This new action-packed competition took place in 35 skate stores across the UK over six weeks, attracting over 5.8 million video views. The stores, representing the true grass roots of the skating community, were challenged to battle against each other, creating video clips showcasing their skating skills.



**“UK KIDS SPEND 6.5 HOURS PER DAY IN FRONT OF SCREENS, BUT 85% OF THEM WANT MORE ADVENTURE, SO WE DECIDED TO DO SOMETHING ABOUT IT.”**

**Ash Taylor, Fruit Shoot Global Category Director**

### Britvic Ireland

Britvic Ireland is a proud sponsor of the Gaelic Athletic Association Dublin, Cork and Kildare teams through its Ballygowan and Energise Sports brands. The Gaelic Athletic Association is Ireland's largest community-based sporting organisation, with over 2,200 clubs established to foster and preserve Ireland's unique games and athletic pastimes. We have also continued our Robinsons partnership with Rip 'n' Run basketball camps this year. Founded in 1999, Rip 'n' Run organise basketball

camps across the year for secondary school kids, aged between 12-19, promoting physical activity as part of a healthy lifestyle.



### Partnering Alcohol Concern

In January 2016, as official partner for Alcohol Concern's Dry January campaign, Britvic was proud to sponsor Alcohol

Concern's first Zero Alcohol Awards in the UK, designed to recognise bars and pubs across the country that are committed to driving creativity and innovation to bring consumers the very best in soft drinks.



Almost £900,000

worth of charitable donations

## Inspiring employees and supporting communities

We want Britvic to be a great place to work, with a culture that attracts and retains the very best talent, enables creativity and supports people to be their best.

This year we continued to benchmark ourselves using the Great Place to Work (GPTW) employee survey, with 86% of our employees around the world taking part. We are delighted that our Trust Index scores are continuing to rise, improving by 2 percentage points since last year to 72%. Britvic Ireland was also recognised as one of Ireland’s best large workplaces in 2016, and received special mention for the level of employee engagement achieved at the GPTW employee conference.

### Diversity and inclusion

Diversity and inclusion in our workforce and our thinking is crucial to our success and we have a responsibility to create an environment where people can be themselves and are valued for their uniqueness - being open to different perspectives and backgrounds is a core value at Britvic. This year we worked with the Business in the Community (BITC) race and gender equality campaigns, accessing best practice resources and training on unconscious bias. We developed reporting and monitoring activities to include gender and pay, internal promotions, external applicant demographics and recruitment decisions, and are currently participating in the BITC benchmarking surveys for gender and race. We also launched our four-year roadmap for becoming a fully inclusive organisation.

This year the number of women in senior management positions across the business

### Health & Safety

We’re committed to providing a safe working environment for our people and identifying and managing safety risks is a top priority for us. This year our safety performance in relation to accident frequency and severity rate has significantly improved on last year with a 23% and 24.6% reduction respectively across the group. A number of factors have contributed towards this achievement including the introduction of the new ‘How 2 Standards’ and audit programme and greater uptake of the ‘contribution to safety’ behavioural safety model. Additionally, our infrastructure investment projects in GB have been instrumental in introducing the highest levels of safety possible for our plant and machinery.

was 35%, a decline from 37% the year before. This is a result of a higher proportion of women leaving the business. The overall gender balance across all employees stayed relatively stable across the business at 28% female and 72% male. This figure is indicative of our industry, with a high proportion of our operational employees being male.

### Wake up to wellbeing

Reflecting our focus on health, we encourage active lifestyles across all our sites by providing showers, cycle stores, lockers and drying rooms. We publish local walks on our intranet to encourage people to get some fresh air and exercise in their breaks, and have influenced our caterers to offer healthier breakfast and lunch options and to publish calorie information.



Our refreshed employee programme, ‘Wake up to Wellbeing,’ encourages our people to take charge of their own wellbeing at work and, based on their feedback, focuses on eating right, state of mind, moving more and work life balance.



Continued on next page

## Overview

## Healthy people

## Healthy planet

## Healthy progress



### New charities and community projects

This year our charitable contributions were valued at almost £900,000. This included volunteering time, matched funding, payroll giving, drinks donations and our monthly employee lottery.



In GB our employees participated in our 'Rowed to Rio' fundraising challenge, collectively covering a total of 9,962 miles and raising money for our charity partner Sported, a charity aimed at supporting over 3,000 local sports clubs. The Wildlife Trust also became our charity partner in 2016 and our employees have been volunteering at their local Wildlife Nature Reserves, helping protect nature whilst also building stronger relationships within their teams.

### Mi Wadi Trick or Treat for Temple Street

In Ireland, MiWadi has continued to support Trick or Treat for Temple Street, the Children's University Hospital Foundation, helping raise a further €412,000 this year, bringing the total to €975,000 since 2013.



In Ireland we launched our employee volunteering policy, enabling employees to take two days' paid leave to volunteer. 304 hours of volunteering took place this year as a result of the introduction of this new policy, supporting charities close to our employees' hearts.



### Supporting apprenticeships

For the past six years Britvic has operated an Engineering Apprenticeship scheme. The scheme is a four year placement with a blend of technical classroom learning and real practical on the job experience. Since it began Britvic has offered 18 full time positions to apprentices who have graduated from the scheme. We currently have 12 apprentices participating and are looking forward to planning another intake in 2017.

As well as the established Apprenticeship scheme, this year we have also continued our partnership with a school close to our Lutterworth site. The scheme involves placing the students in real roles within Britvic, to help them gain practical skills to complement their classroom studies – maximising their learning experience. We intend to continue this project into next year.



### Les Apprentis d'Auteuil

In France, we have been supporting young people entering the labour market through workshops to introduce them to our company and what we do, open days to showcase and discuss jobs at our production sites and partnering employee volunteers with young people on job discovery exercises.



# We continue to minimise our impact on the planet

Protecting the environment and the natural resources on which we depend is critical to our business success. We manage our environmental impacts by focusing on those we can control, namely energy, water use and packaging and its associated waste. Minimising our impact on these resources helps us control operating costs and helps build a resilient competitive business.



**155 tonnes**  
of packaging eliminated  
with new bottling line



**Low emission**  
company fleet



**1.5%**  
reduction in water ratio  
across the business



**84%**  
of manufacturing  
waste recycled



**90%**  
of direct suppliers  
are linked to us on our  
responsible sourcing  
platform, Sedex



**12%**  
reduction in absolute  
water consumption  
at our Irish  
manufacturing sites



**155 tonnes**  
of packaging eliminated  
with new bottling line

## Innovating in sustainable packaging

Packaging is essential for ensuring the quality and safety of our drinks and we take our responsibility to produce packaging that not only delights our consumers but also considers its environmental impact very seriously. We acknowledge the concerns associated with the use of packaging and our approach continues to focus on the elimination of material use through packaging light-weighting and design and investigating alternative materials with lower environmental impacts.

### Sustainable packaging technology

Over the past three years we have been working in partnership with Innovate UK and the UK based SME, Natural Resources (2000) Limited, on a new sustainable packaging technology that could revolutionise packaging across multiple sectors.

This year, we have reached a proof of principle milestone on developing a viable bottle from sustainable wood fibres. The technology platform, using patent (pending) moulding and processing techniques, has been producing bottles on a prototype manufacturing line. A closure system using similar wood fibre based material has also been demonstrated.

Further work is underway to bring this technology to market as part of our sustainable packaging strategy.



This new technology has the potential to significantly reduce the environmental impact of packaging as the materials are sustainably sourced, renewable and fully recyclable and the forming process requires less energy to produce a bottle than its contemporary equivalents.

### Minimising the use of materials

Our new high-speed PET line in Leeds became fully operational this year and with it the new technology that allows us to blow and fill lighter bottles. This has avoided the use of 155 tonnes of PET packaging or 23,000 2 litre bottles, equivalent to saving 443 tonnes of CO<sub>2</sub>\* - enough to fill over 2,000 double decker buses!\*\*



\*Calculation based on PET material production having carbon footprint of 2858kg CO<sub>2</sub>e/tonne

\*\*Number of buses filled is based on the volume occupied by 1 tonne of carbon: 535m<sup>3</sup>



**LOW**  
emission  
company fleet

## Targeting our carbon emissions

Climate change is one of the biggest challenges we face and society is already beginning to experience its impacts - socially, economically and ecologically. As part of our sustainability strategy, we have invested in new, super efficient technology at our European manufacturing sites. During the construction phase, this investment marginally increased energy consumption at these sites as you would expect. However, a small increase in the short term will be worth it for the sustained reduction in our energy use and subsequent carbon footprint going forward.

### Business travel

This year our emissions associated with business travel of GB based employees increased by 4.6% to 3,882 tonnes of CO<sub>2</sub>. This rise can be attributed to the additional travel associated with our acquisition of Ebba in Brazil which saw our flight emissions rise by 112% on last year. Our fleet emissions also increased as a result of contracts we won, with an increase in mileage associated with the commissioning of nearly 2,000 Subway restaurants with our refrigeration equipment. Other business travel modes however improved, including our company car emissions thanks to our growing fleet of electric vehicles and this year we were awarded Go Ultra Low Company status for our commitment to electric vehicles. We aim to continue to increase our use of electric vehicles, with them representing 10% of our total fleet by 2020.

Our GB business travel emissions continue to be offset, supporting a project in the Amazon rainforest. This project works with local

communities to help preserve the biodiversity of this area of global significance.

### Logistics

Logistics continues to be one of our main emission sources and across GB and Ireland our road mileage has increased this year resulting in a 5% increase in our emissions to 25,177 tonnes of CO<sub>2</sub>. This increase in mileage was a result of the supply chain investment changes with less storage capacity at a number of our sites and temporary changes to the location of production for certain products which increased their transportation.

This year we optimised our pallet movements to maximise efficiency on our use of single trip pallets. Reducing our use of service centre pallets (those that have been returned to the supplier and inspected) and growing our use of pallets direct from customer locations has helped us to save the equivalent of 265 tonnes of CO<sub>2</sub>, equivalent to 56 Olympic sized swimming pools.\*

\*Number of Olympic-sized swimming pools filled is based on the volume occupied by 1 tonne of carbon: 535m<sup>3</sup>

### Summary of our emissions

Emissions (tonnes CO <sub>2</sub> e)	GB	Ireland	France	Brazil	plc excl. Brazil	plc incl. Brazil
Scope 1 Fuel use at manufacturing sites	9,965	1,708	5,442	14,014	17,115	31,129
Scope 2 Electricity use at manufacturing sites	28,527	7,599	1,224	2,106	37,350	39,456
<b>TOTAL Scope 1&amp;2</b>	<b>38,491</b>	<b>9,307</b>	<b>6,666</b>	<b>16,120</b>	<b>54,465</b>	<b>70,586</b>
Scope 3 Emissions (Business travel, downstream transportation and distribution, waste)	24,771	4,711	512 (excludes logistics, hotel stays and company cars)	N/A	29,995	N/A



1.5%

reduction in water ratio across the business

## Minimising our water use

Water is a fundamental component of our drinks and striving for greater water efficiency is of utmost importance to us - not just from a business perspective but from a wider environmental and society standpoint. Water is a precious resource that we all have a responsibility to protect and conserve and we're proud of the progress we have made this year on cutting our direct water use.

### Cutting water usage across our business by 1.5%

The manufacturing site upgrades we have made this year and broader processing enhancements have resulted in a marked improvement in our water consumption, reducing the amount of water we use relative to production by 1.5% across our European manufacturing sites. Improved process control and an introduction to zero loss, where teams identified and eliminated water leaks, were significant contributory factors to achieving this reduction.

### Reducing effluent

Along with managing our water consumption we're also focused on reducing our effluent (liquid waste). This year we have seen a reduction of 8.9% in effluent relative to production and 8% in absolute terms across the business (excluding Brazil). France saw a significant



fall of 26% relative to production which was a result of improved manufacturing processes.

### Water in Brazil

Since our acquisition of Ebba in 2015 we have been working to understand the water impacts of our manufacturing plants in this region and this work will continue in 2017. Despite Brazil having 14% of the world's fresh water, it is facing a water crisis and we have a responsibility to do our bit to minimise our impact on the water

environment. Our manufacturing sites here use considerably more water than our European sites (4.71m<sup>3</sup>/tonne product produced) but much of this is due to the sites processing the fruit into juice - the only sites within Britvic to do this. We will look to benchmark our fruit processing sites against other comparable non-Britvic sites during 2017 and identify potential opportunities for implementing best practice water saving processes.

### Water risks within our supply chain

Whilst we continue to manage our direct water consumption within our manufacturing sites we recognise that water scarcity and pollution are global issues which pose a risk to our supply chain. This year we have identified which of our sourcing regions are at risk from water scarcity and have increased our dialogue with our suppliers to understand how they are managing these threats. Next year will see us continue our engagement activity, aiming to educate our suppliers on responsible water practices.



26%  
reduction in effluent in France, relative to production



**84%**  
of manufacturing  
waste recycled

## Reducing, reusing, recycling and recovering our waste

We are committed to making our business more efficient by reducing, reusing, recycling and recovering our waste and ensuring that the waste residues that remain are disposed of using the most environmentally responsible options available.

### Our progress this year

This year we achieved a recycling rate across the business of 84% and our businesses in GB and Ireland achieved zero waste to landfill. In France, 106 tonnes of waste was sent to landfill. We are committed to driving this down yet further over the coming year and will be working closely with our waste management providers to improve our waste performance. In GB, alongside the zero waste to landfill, we successfully maintained a high recycling rate of nearly 92% despite waste generation increasing as a result of our manufacturing site upgrades.

This year was the first time we included carbon emissions associated with our waste disposal in our Scope 3 Indirect Greenhouse Gas emissions reporting. Waste disposal across our GB, Irish and French manufacturing sites equated to 312 tonnes of CO<sub>2</sub>e.



**ZERO**  
waste to landfill  
in GB and Ireland



### Educating consumers

We have partnered with RECOUP and this summer encouraged 25,000 festival goers at Liverpool's Fusion Festival to recycle their plastic bottles.

RECOUP installed plastics recycling units across the festival site and arranged for the sorting and reprocessing of the bottles at the end of the event, resulting in the collection and recycling of over 10,000 plastic bottles, saving the equivalent of nearly half a tonne of carbon.



Recycling  
by our  
consumers  
at Fusion  
Festival

Festival goers were encouraged to recycle by being offered a gift bag made from recycled PET bottles containing environmentally friendly essential festival items. They were also given the opportunity to win a 'Golden Circle' ticket by answering a plastics related recycling question.





90%

of direct suppliers are linked to us on our responsible supplier platform, Sedex

## Responsible supply chains

We source from over 45 countries, working with over 500 direct (material/ingredient) supplier sites to produce the brands our consumers know and love. We buy approximately 50,000 tonnes of fruit juice annually and whilst we don't own or operate farms from which our juice comes, we're committed to working with our suppliers to protect the environment and ensure high workplace standards.

### Sedex

We continue to use the SEDEX (Supplier Ethical Data Exchange) platform to manage and share information with our direct suppliers and 90% of our suppliers are connected to us through this system. This year we also participated in the SMETA 4 Pillar Audit Standard review as part of our membership with the AIM Progress Group - a group of FMCG companies united in our commitment to promote responsible sourcing practices.



Sourcing oranges in Brazil

### UK Modern Slavery Act

Through our commitment to responsible, ethical supply chains we welcome the introduction of new legislation - The Modern Slavery Act 2015 - to combat slavery and human trafficking. This year we have been reviewing our approach and compliance with the new Act in preparation for our annual statement in 2017 which will be available on our website. Our Ethical Business Policy sets out our standards of employment which include the prohibition of forced labour, child labour and inhumane treatment of workers and will be reviewed and updated in 2017 to incorporate any additional requirements of the Modern Slavery Act.

### Co-packers

We continue to work collaboratively with our contract packers to promote best practice and minimise our shared environmental impacts. Through our partnerships we are learning from each other and developing solutions to shared challenges, including investigating closed-loop glass recycling.

# 2016 performance: people



Pillar

2016 target

Performance summary

## Healthy lifestyles

Reduce the average number of calories consumed per serve across the entire portfolio by 4% vs 2015

▶ This year we continued our year on year calorie reduction activity with a 1% reduction vs last year with the average number of calories per serve across the group down to 34.9. Despite our continued reformulation activity, the rate of reduction slowed this year as a result of the volume mix.

Develop a consumer facing nutritional education programme in at least one of our markets

▶ This year we continued to work with Public Health England and their Change4Life programme. We worked with them as they launched the Change4Life Sugar Swaps App in the UK, ensuring the nutritional information on our products was correctly reported.

Inspire and encourage 4 million people to actively play together

▶ 15 million people were reached through our brand marketing campaigns aimed at promoting physical activity, namely Fruit Shoot Mini Mudder and Mountain Dew Sidewalk Store Wars

Develop and implement a sweetness strategy for our key brands and new products

▶ This year we investigated our approach to sweetness, reviewing our current sweetener portfolio and researching the new sweetener systems for consideration within our innovation pipeline

Qualify for the GPTW Top Company ratings

▶ We were delighted to have improved our Great Place to Work Trust Index score to 72% this year - successfully reaching the 70% threshold on which to qualify for the GPTW Top Company rankings.

## Great Place to Work

Update and re-launch our employee wellbeing programme

▶ The Wake-up to Wellbeing programme was successfully launched this year aligned with the Public Health England 'One You' wellbeing programme. This programme is a national behaviour change campaign aimed at encouraging, empowering and enabling people to protect and improve their health.

40% female representation in senior management roles

▶ 35% of our senior managers are female and we continue to recognise the importance of gender diversity within the workplace. We have ambitions to grow this further with our diversity and inclusion strategy that will be implemented during 2017.

## Prosperous communities

Update and re-launch our community programme with new corporate charities and deliver at least one project with new charity partner

▶ The Wildlife Trust and Sported became our selected corporate charity partners in 2016 and we have worked with them on a number of projects from staff volunteering and team building days to fundraising sports activities. Further information can be found on page 11 of this report.

Increase employee volunteering by 10% vs 2014 as measured by LBG

▶ This year 1,433 hours were volunteered by our employees, demonstrating the commitment and passion of our employees to making a positive difference to their local communities. However, volunteering was lower than in previous years due to employees failing to record volunteering on our systems and manufacturing sites operating at capacity which reduced the ability of employees to take time out to volunteer.

# 2016 performance: planet

Pillar	2016 target	Performance summary
Responsible sourcing	90% of direct suppliers are using Sedex and linked to Britvic	▶ 90% of our direct suppliers are linked to us on Sedex - the data exchange platform we use for sharing environmental and ethical information with our direct suppliers.
	66% of 'ethical high risk' suppliers have third party ethical audit in place/requested	▶ 66% of suppliers identified as 'high risk' have third party ethical audits in place or underway.
	80% of indirect suppliers registered in the CIPS Supplier Portal	▶ 100% of our indirect suppliers were invited to register on the CIPS Supplier Portal and to date 64% have started the registration process or become fully verified.
Water stewardship	Maintain 2015 water ratio levels whilst implementing the supply chain upgrade projects	▶ This year we were incredibly pleased to see our water consumption (both absolute and intensity relevant to production) reduce across our European manufacturing sites, with water ratio decreasing by 1.5% from 1.93 to 1.9m <sup>3</sup> /tonne of product produced.
	Establish water stewardship project in at least one of our sourcing regions	▶ Further activity on our approach to water stewardship has been completed this year with support from an expert consultancy. The work has identified priority sourcing regions on which to focus any future water stewardship activity.
Waste management	Recycle at least 88% of waste generated at manufacturing sites across plc	▶ 84% of waste generated from our European manufacturing sites was recycled.
	Reduce waste sent to landfill in France and Ireland by 10%, maintain zero to landfill in GB	▶ We achieved zero waste to landfill in GB and Ireland. We sent 106 tonnes of waste to landfill in France.
	Support a minimum of one consumer facing waste programme aimed at promoting recycling and/or anti-littering behaviour	▶ We continue to be involved in the PRGS group addressing the packaging waste concerns in Scotland. We have also undertaken specific consumer facing recycling initiatives with our customers, for example, in the UK, we partnered with the charity RECOUP at the Fusion Music Festival to promote the importance of recycling with the 25,000 people who attended.
Sustainable packaging	Continue to analyse and optimise our packaging, avoiding the use of at least 150 tonnes of packaging	▶ Our new bottling line in Leeds has eliminated 155 tonnes of PET packaging. The latest technology enables us to use lighter weight pre-forms and therefore reduces the amount of plastic we use.
	Baseline the environmental impacts associated with our packaging portfolio	▶ We have established an in-house process for measuring the environmental impacts of our packaging portfolio and are in the process of running the assessment on our different packaging formats.
Climate Change	Achieve 8% reduction in direct CO <sub>2</sub> emissions per tonne product produced across plc against 2014 baseline	▶ We have achieved a 5.1% reduction in our Direct Scope 1 & 2 CO <sub>2</sub> emissions per tonne product produced from our European manufacturing sites since 2014. Both the construction and commissioning phases of our UK manufacturing site upgrades have had a significant detrimental impact on our emissions this year, however these site improvements will see significant improvements in our energy consumption and associated emissions going forward.
	Further enlarge the scope of our GHG reporting to incorporate additional Scope 3 emission sources from waste	▶ We have further extended our carbon reporting to include emissions associated with our waste generation. This accounted for 312 tonnes CO <sub>2</sub> e across the business.

# Healthy future: our 2017 targets

2016 has been a year of progress and we are committed to continuing our sustainable business journey, making a positive contribution to society. The year ahead will see us review our strategy, refining its focus to respond to the issues our stakeholders are most interested in and maximise value, supporting our ambition to be trusted and respected in our communities. In light of this anticipated change we have set the following 2017 targets:

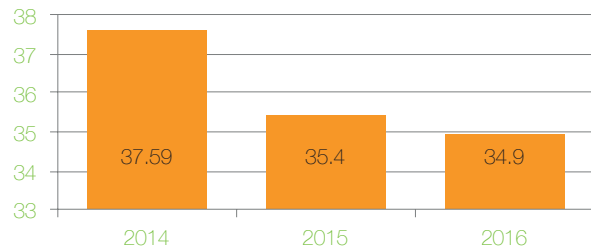
Pillar	2017 target
<b>Healthy lifestyles</b>	<p>Continue to reduce the sugar and calorie content per serve of our drinks, achieving a 4% reduction of average calories per 250ml serve vs 2016 (excl. Brazil)</p> <p>Baseline the calorie/sugar content of our Brazilian products for inclusion in our health strategy</p>
<b>Great place to work</b>	<p>Achieve 76% in the Great Place to Work survey across our business</p> <p>Develop the framework and tools for employee networks to drive greater inclusivity</p>
<b>Responsible sourcing</b>	<p>95% of our approved direct suppliers either pending or fully linked to Britvic on SEDEX platform with 75% of our 'Ethical High Risk' direct suppliers with audit reports in place or in the process of completing an audit</p> <p>Develop the framework for measuring and reporting our indirect supply chain sustainability performance, establishing priority suppliers and set improvement targets accordingly</p>
<b>Water stewardship</b>	<p>Reduce the water ratio across our European manufacturing sites to 1.85 (2.5% reduction on 2016).</p>
<b>Sustainable packaging</b>	<p>Establish the baseline carbon footprint of our packaging portfolio in GB on which to develop sustainable packaging strategies. Collaborate with others within the food and beverage industry to develop a consistent approach and narrative to address stakeholder concerns with regard to packaging</p>
<b>Climate change</b>	<p>Achieve 5% reduction in our direct CO<sub>2</sub> emissions per tonne product produced across our European manufacturing sites against 2016</p>

# Performance data: people

All data charts summarising plc level performance exclude the Brazilian business unless otherwise clearly labelled.

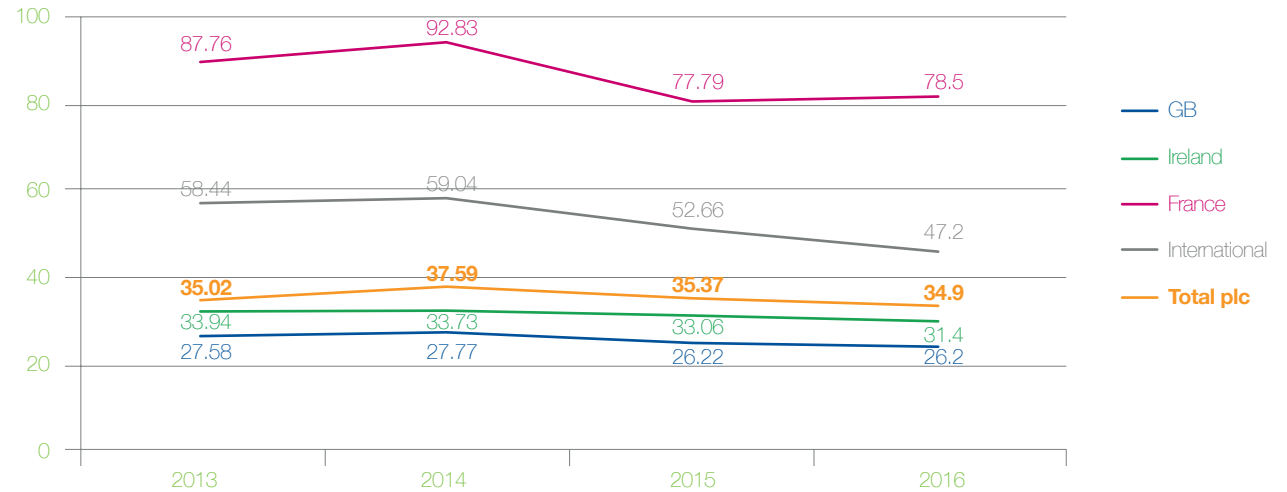
## Calories per serve

Average calories per 250ml serve across plc



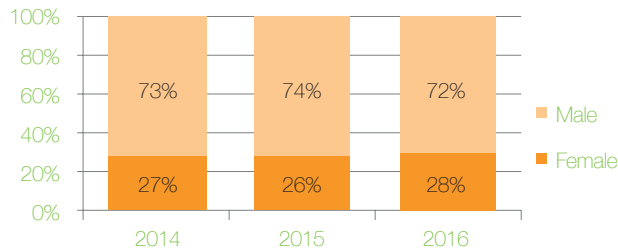
Calorie content based on calorie calculation standard methodology in the country of sale. Average number of calories is calculated using a weighted average. Calories associated with our dilutable drinks are based on the dilution rate as stated on pack. Where products are available in both dispense and pre-packaged formats the volume is combined, which may result in a lower calorie per serve figure; however this does not significantly affect year-on-year comparison.

Average calories per 250ml serve by market



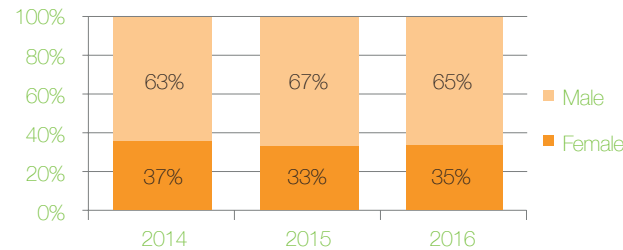
## Employee data

Gender balance of total workforce across plc

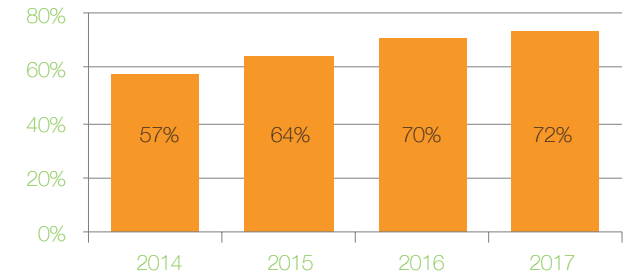


2016 Gender diversity statistics for plc include Brazil.

Gender balance of senior managers across plc



Overall plc Trust Index from Great Place to Work Survey

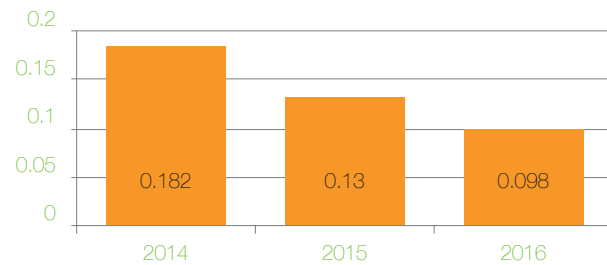


2017 GPTW trust score includes Brazil. 2017 GPTW survey was completed during 2016 reporting period with results announced in November 2016. The GPTW Trust Index is an externally managed employee survey measuring both trust and engagement within the organisation.

# Performance data: people

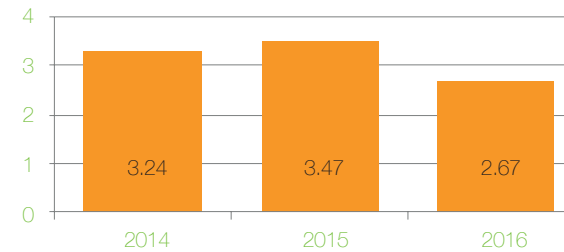
## Health and Safety data

Accident Severity Rate across plc



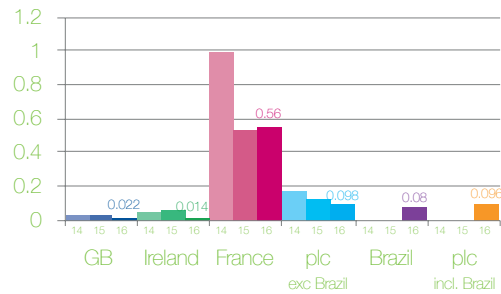
Accident severity rate is the average number of days lost per 1000 hours worked

Accident Frequency Rate across plc

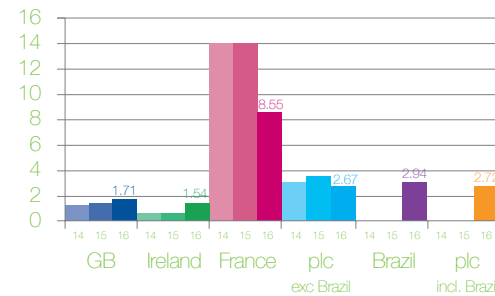


Accident frequency rate is the number of accidents per 100,000 hours worked

Accident Severity Rate by market 2014 - 2016



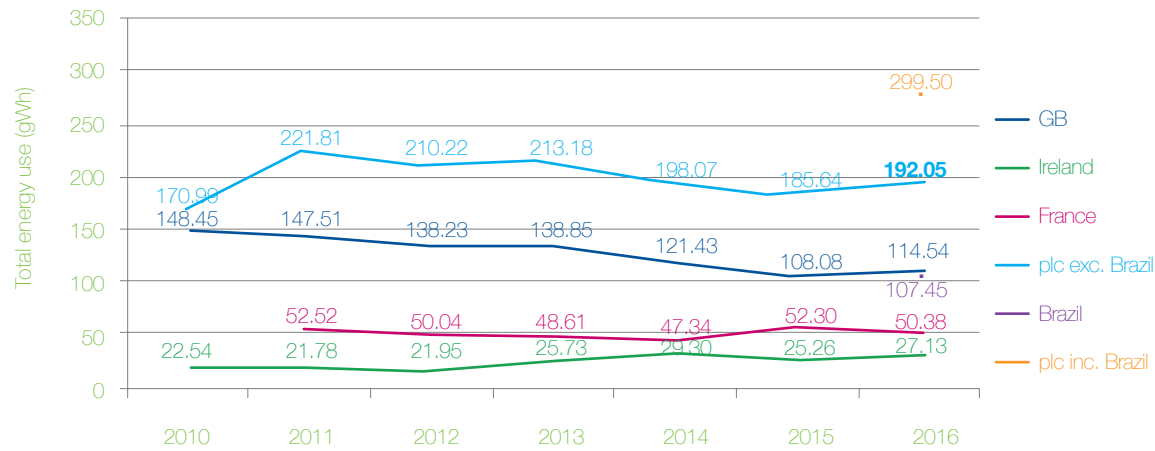
Accident Frequency Rate by market 2014 - 2016



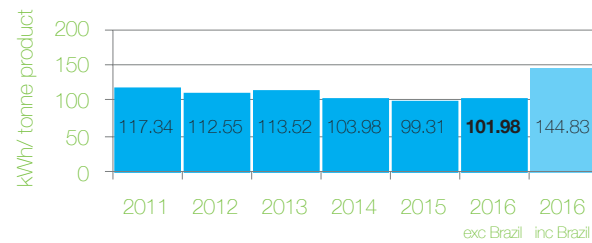
# Performance data: planet

## Energy consumption

Manufacturing sites energy consumption by market



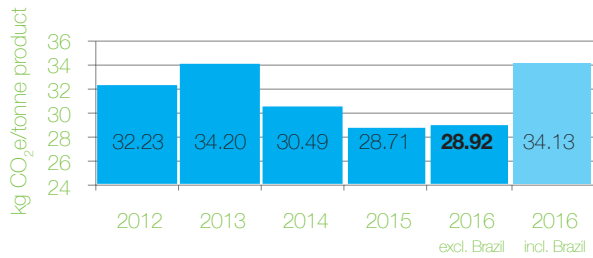
Manufacturing sites energy ratio across plc



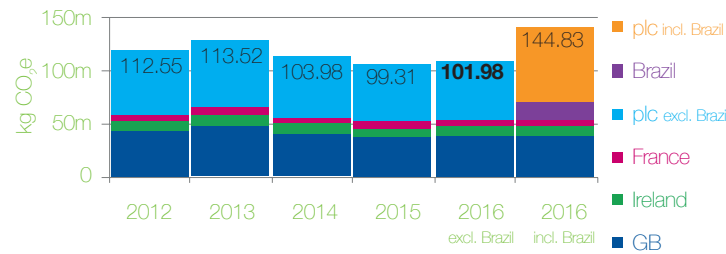
# Performance data: planet

## Carbon emissions

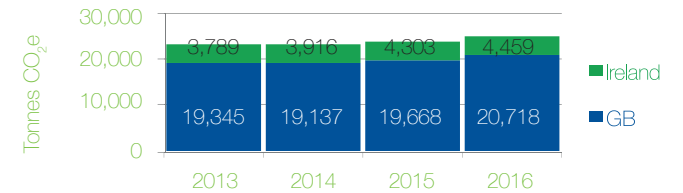
Manufacturing sites carbon ratio across plc



Absolute carbon emissions from manufacturing sites across plc

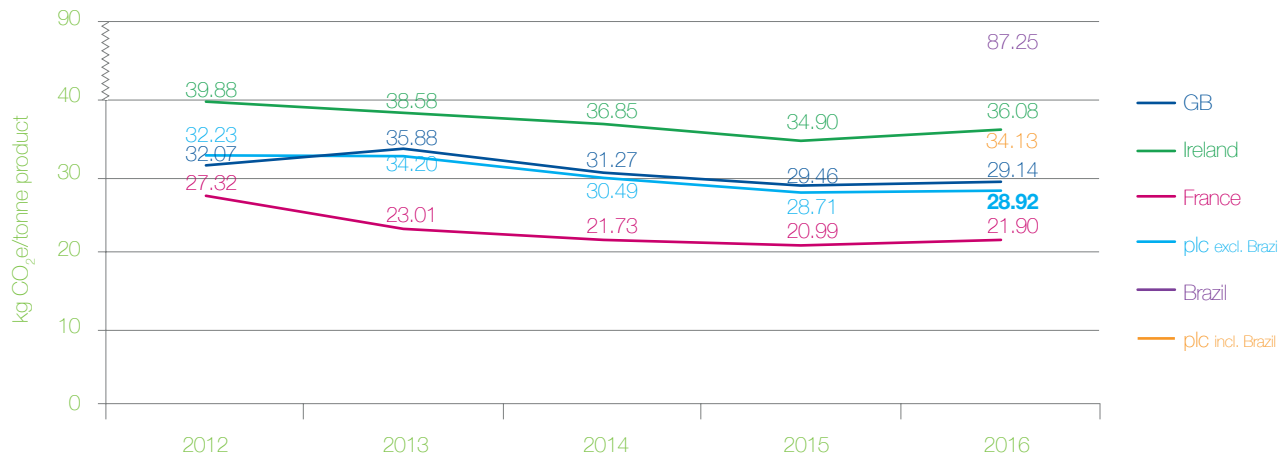


Carbon emissions from GB&I road logistics

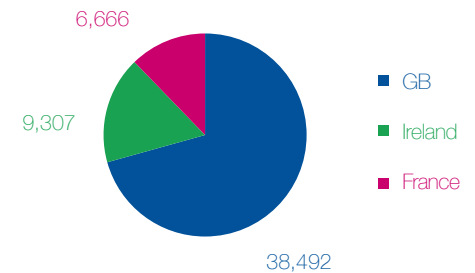


Previously reported 2015 carbon emissions logistics data has been updated to reflect an update to the Irish logistics emissions. Previously reported numbers were miscalculated and have subsequently been rectified (actual mileage was 2,910,721 miles instead of the reported 2,654,873 miles)

Manufacturing sites carbon ratio by market



Absolute carbon emissions (tonne) from manufacturing sites by market



Total: 54,465 tonnes

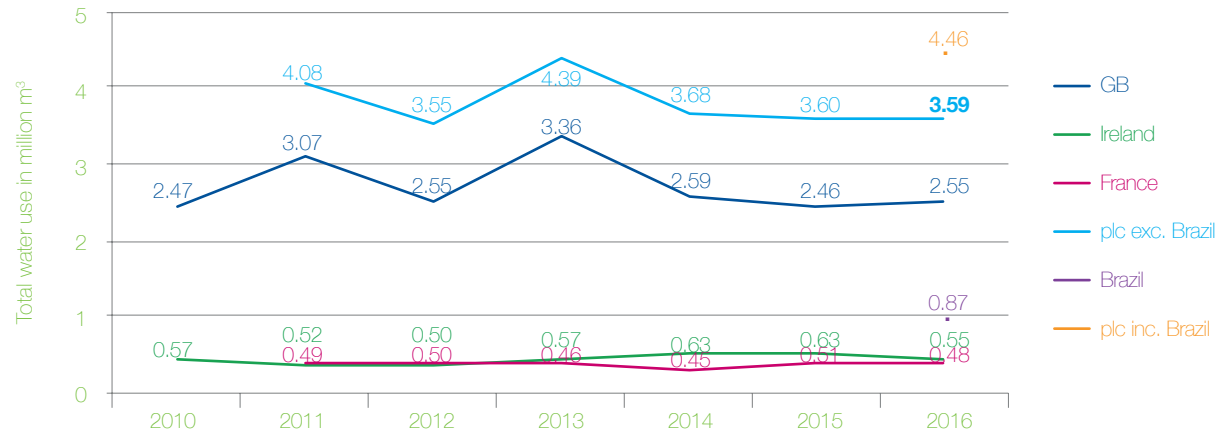
Carbon emissions calculated using the 2016 GHG Reporting conversion factors.



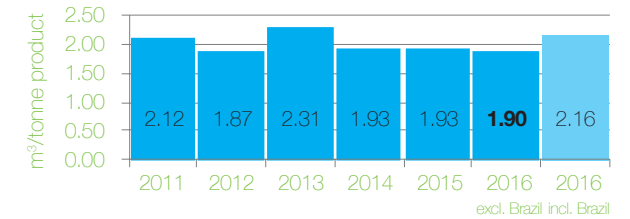
# Performance data: planet

## Water

Manufacturing sites absolute water consumption by market

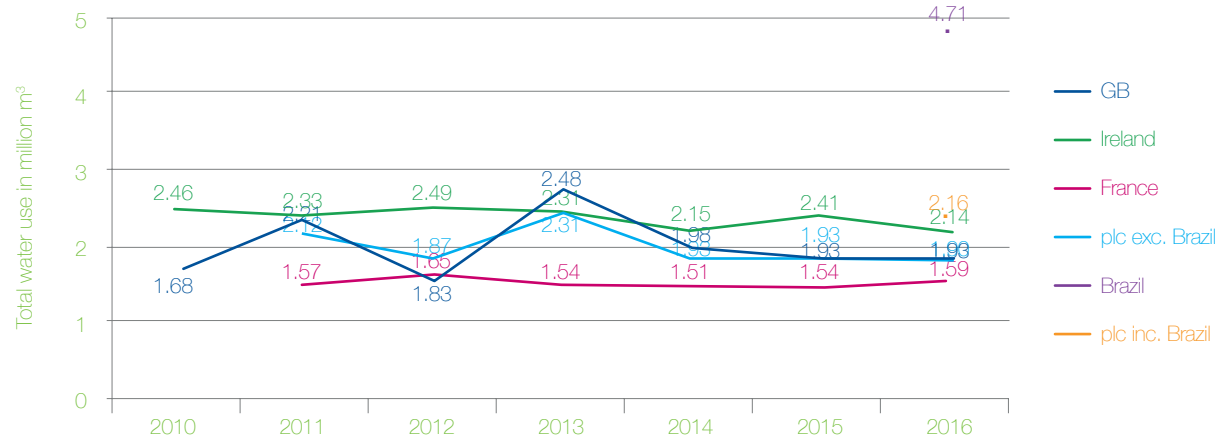


Manufacturing sites water ratio across plc



2015 water ratio updated with corrected French water ratio (change from 2015 SB reported number)

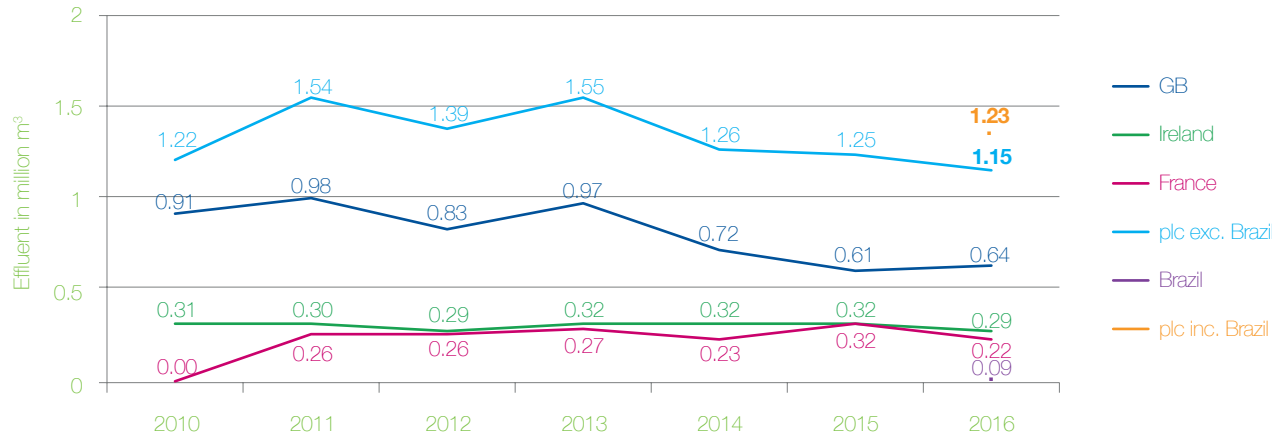
Manufacturing sites water ratio by market



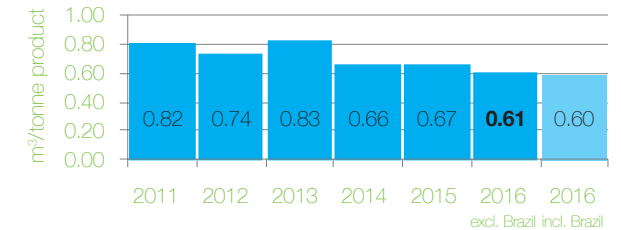
# Performance data: planet

## Effluent

Manufacturing sites absolute effluent by market

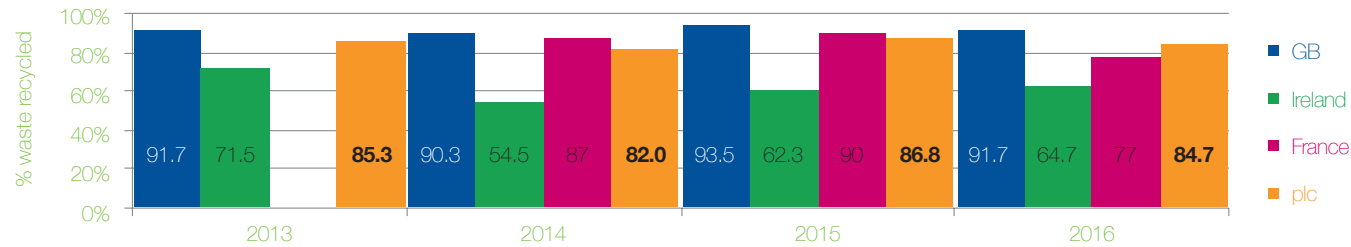


Manufacturing sites effluent ratio across plc



## Waste

Recycling performance by market



# Verification statement

## INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Britvic plc

### Introduction and objectives of work

Bureau Veritas UK ('Bureau Veritas') has been engaged by Britvic plc ('Britvic') to provide limited assurance of selected information contained in its Sustainable Business Report 2016 ('the Report'). This Assurance Statement applies to the related information included within the scope of work described below.

### Selected information

The scope of our work was limited to assurance over the following qualitative and quantitative information included within the Report for Britvic's business operations in Great Britain, Ireland and France for the period 28 September 2015 – 2 October 2016 (the 'Selected Information'):

- Employee diversity;
- Health, safety and wellbeing;
- Calories and sugar; and
- Environment, including scope 1 and 2 GHG emissions, water, effluent.

Our assurance does not extend to any other information included in the Sustainable Business Report 2016.

### Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by Britvic);
- Operations in Brazil and by Britvic's International business unit;

- Any waste data;
- Calories and sugar when not maintained in Britvic's recipe management system, Product Vision; and
- Any other information included in the Report outside of the defined scope of work, such as scope 3 GHG emissions, responsible sourcing and community engagement.

The verification of calories data as it relates to the Britvic product portfolio is largely based upon available 2016 financial sales figures which have not yet been subject to external financial audit.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

### Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Britvic.

Bureau Veritas was not involved in the drafting of the Report. Our responsibilities were to:

- obtain limited assurance about the accuracy and completeness of the Selected Information;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Britvic.

### Assessment Standard

Bureau Veritas assurance protocol has been used to conduct this assurance engagement, which is based on best practice assurance standards including AA1000AS, ISAE3000, and ISO14064-3.

### Summary of work performed

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Conducting interviews with relevant personnel of Britvic;
2. Reviewing the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made and the reporting boundaries;
3. Agreeing a selection of the Selected Information to the corresponding source documentation;
4. Reperforming a selection of aggregation calculations of the Selected Information;
5. Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals;
6. Evaluating the design of internal systems, processes and controls to collect and report the Selected Information; and
7. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;

Continued on next page

# Verification statement continued

## Conclusion

On the basis of our methodology and the activities described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Statement of Independence, Integrity and Competence  
Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 185 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2008, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>2</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

<sup>1</sup> Certificate of Registration FS 34143 issued by BSI Assurance UK Limited

<sup>2</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition

## Additional commentary

Based on the work conducted, we identified the following areas of progress and good practice:

- Sustainability continues to be core to the business with an updated sustainability strategy due to be launched in April 2017 including renewed targets for Britvic's material issues;
- Britvic is in the process of developing and implementing a carbon management system covering Great Britain and Ireland. This system will streamline carbon reporting and performance tracking by capturing all business travel elements for each employee in Great Britain & Ireland, as well as all utilities information directly from the utilities provider into a centralised system;
- Britvic has developed a tool and is gathering information to measure the environmental impacts of the company's packaging portfolio. This can eventually feed into strategic purchasing decisions on packaging materials and supplier selection to reduce environmental impacts; and
- The focus on improving gender diversity continues with Britvic having introduced unconscious bias training through its work with the Business in the Community (BITC) race and gender equality campaigns.

Based on the work conducted, we recommend Britvic to consider the following:

- Publish a reporting criteria document on its website to communicate externally the scope, reporting boundaries, methodologies, and assumptions employed in compiling different datasets and measuring performance; and
- Enhance internal controls over the accuracy and completeness of the reported information by carrying out periodic checks of the data provided by individual Business Units to Head Office against source evidence.



**Bureau Veritas UK**

**London**

**16 December 2016**