

# 7/52

**Progressive, Sustainable, Responsible**

Corporate Responsibility Report 2010

**BRITVIC**  
soft drinks



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# EVERY DAY EVERY WEEK

**We are striving to make Britvic a more progressive, sustainable and responsible company.**

**From being more efficient in the way we operate and eliminating unnecessary packaging, to investing in our local and global communities and promoting healthier lifestyles, we continue to set ourselves challenging targets to meet our CR vision. 7/52.**

## HIGHLIGHTS

# OUR ACHIEVEMENTS AT A GLANCE

**8,000**

more tonnes of primary packaging removed compared to 2007 volumes

**FIRST**

British soft drink to use UK-only sourced recycled plastic for our water brand drench

**90,000 +**

children learned a new skill at Fruit Shoot hosted events throughout the country

**FULL ACCEPTANCE**

from packaging and ingredients suppliers to comply with our ethical trading policy

**>30%**

reduction in our accident frequency rate

**40,000 KIDS**

participated in Change4Life's Play4Life Schools Challenge supported by Fruit Shoot My-5

**£350,000**

donated to our charity partners this year

**WINNER**

of the IEBE (Institute for Education and Business Excellence) Award for Innovation for our education programme run at the Britvic Learning Zone

**>€150,000**

raised by Britvic Ireland's Ballygowan Pink campaign for the Marie Keating Breast Cancer Foundation AND free screening provided for 250 women

## OVERVIEW

# ABOUT BRITVIC

**Britvic Soft Drinks is the largest supplier of branded still soft drinks in Britain with brands like Robinsons, J<sub>2</sub>O and Fruit Shoot and the number two supplier of branded carbonates with Tango, Pepsi and 7UP.**

Our parent company, Britvic plc, has market leading operations in the Republic of Ireland as well as in France, following the acquisition of Fruité Entreprises earlier this year. It also has a presence in a further 50 plus countries through Britvic International, which focuses on export and the travel industry as well as on extending the availability of our brands through licensing and franchising agreements.

Britvic Soft Drinks employs around 2,300 people distributed across nine sites in England: two offices, six factories and a distribution centre.

We have a strong track record of innovation in products and packaging and take pride in our reputation for creating and building brands into household names. This not only includes our own brands, such as Robinson's, drench and Tango, but other brands too, such as Pepsi, Gatorade and Lipton IceTea, through our exclusive manufacturing and distribution agreements with PepsiCo.

The focus of this CR report will be on our GB operations. A short summary of our activities in Ireland is also included at the end of the report. However, at this time, it is still too early to report back on our French business.

## OVERVIEW

# INTRODUCTION FROM PAUL MOODY, CHIEF EXECUTIVE



A handwritten signature in black ink that reads "Paul Moody". The signature is stylized with a large, sweeping loop at the bottom.

**Paul Moody**  
Chief Executive

## Welcome to our third Corporate Responsibility (CR) report.

For the past two years, I have commented on the progress that we have made against our CR commitments, and this year is no different. We continue to make considerable advances and the results are described fully in this report.

CR is increasingly central to the way that we run our business, not just in terms of recognising and minimising the impacts of our manufacturing operations, but also in acknowledging that through our brands and their connections with people, we are well placed to help address public issues.

Take health. We recognise that our drinks are consumed by many millions of people. Over the past year we have continued to develop our portfolio to include new healthy options, such as Fruit Shoot My-5 and we have continued to play our part in encouraging healthier lifestyles through our partnership with the Department of Health's Change4Life movement. This year, I took on the role of Chairman of business4Life, a network of companies joining together to actively promote Change4Life's core messages: 'eat well' and 'move more'.

Our efforts to increase the efficiency of our operations and optimise the performance of our packaging have continued to pay off, and as you will see, we have already achieved a number of longer term targets, including good progress on reducing CO<sub>2</sub> emissions and eliminating waste to landfill. We also created a full-time position of sustainability manager responsible for ensuring we operate as efficiently and sustainably as possible.

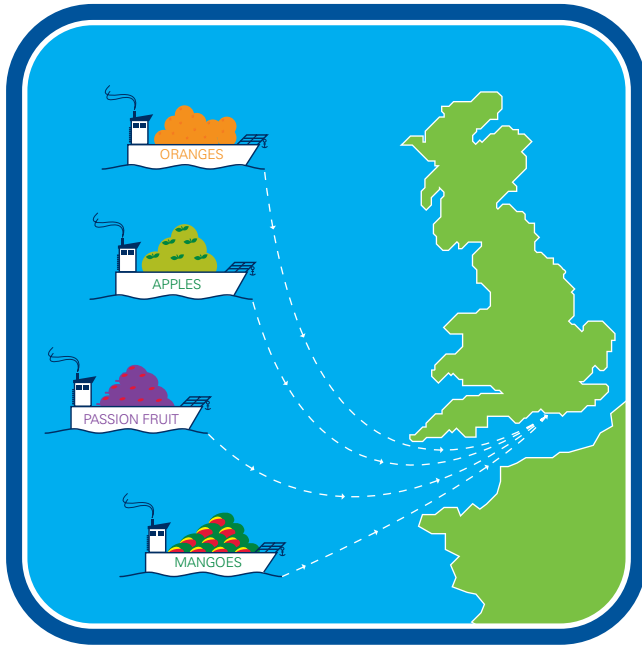
Our employees remain committed to playing their part in helping us deliver our CR agenda, and I have been delighted by the level of their contributions to our communities. We are proud to support their efforts by giving them paid leave to volunteer, and we have seen a significant uptake in the number of employees taking part in community activity.

Since launching our first CR objectives four years ago, we are proud of our achievements and the difference that Britvic is making. We've come a long way in that short time but recognise that this process will continue to evolve as our business develops and grows. We realise the need to continue to set ourselves challenging targets and have made changes to our CR vision and goals to reflect this, which you can read about in the report.

Above all, we remain fully committed to being a progressive, sustainable and responsible company.



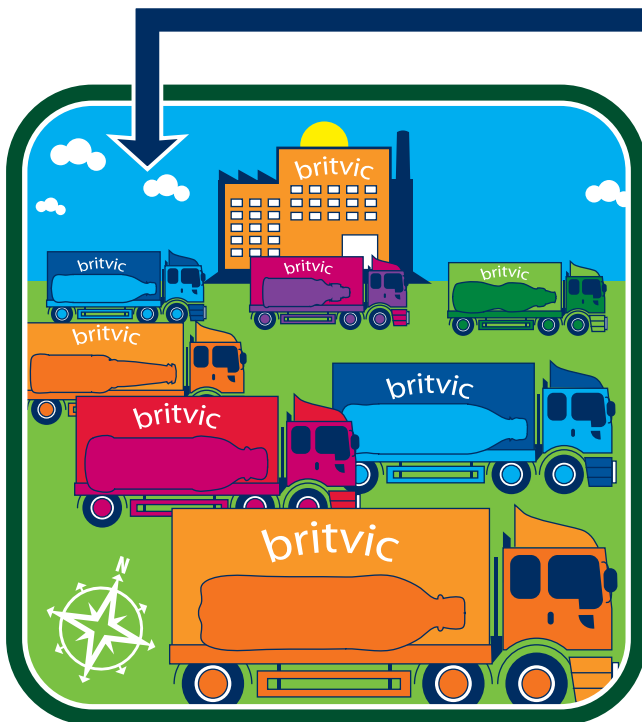
# THE LIFE CYCLE OF A BRITVIC SOFT DRINK



Some fruit comes from overseas and concentrated juices are shipped here by boat



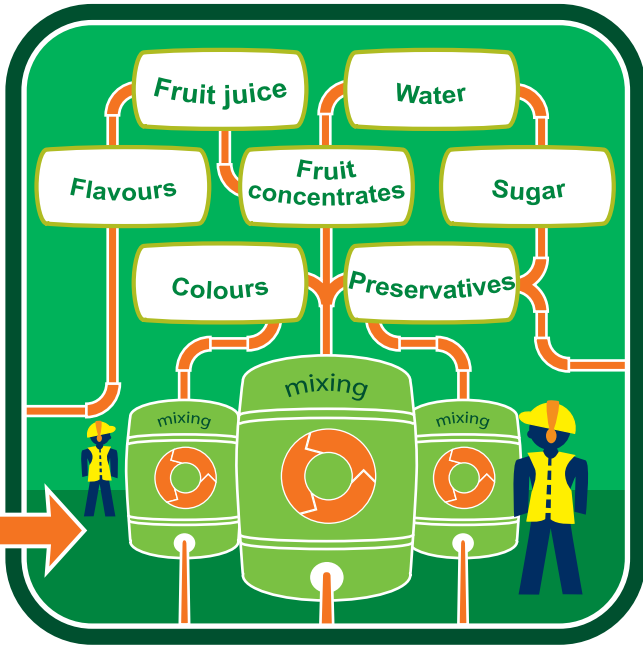
Some barley, vitamins and other ingredients from home are transported by lorry or train



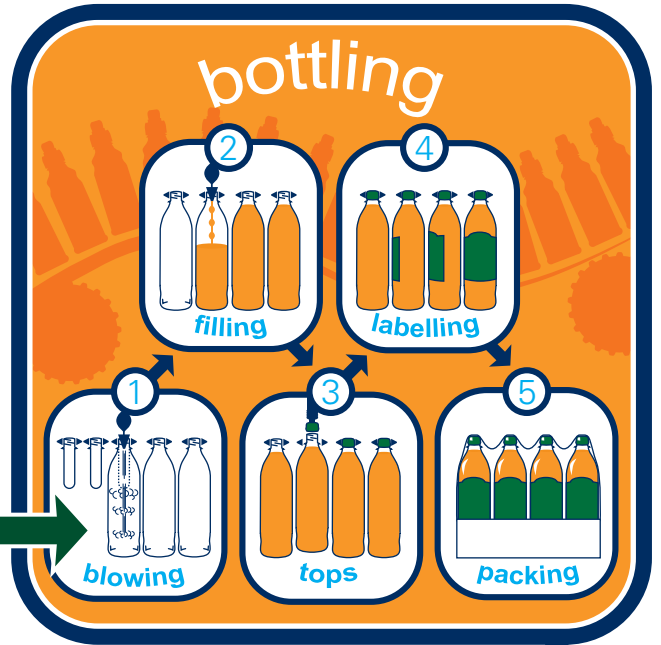
A wide variety of Britvic soft drinks are delivered to thousands of outlets ...



... such as supermarkets, corner shops, pubs, clubs and restaurants



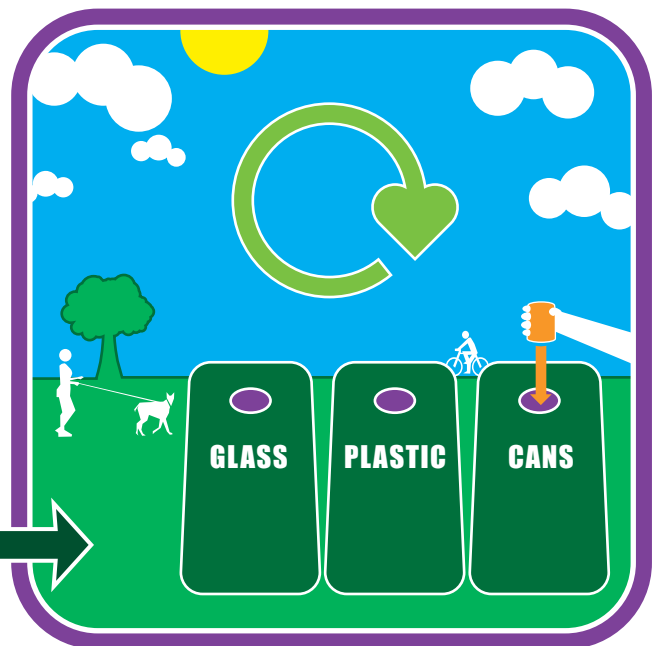
Some of these ingredients are combined in big mixing vessels



Our efficient operations mean we can produce a great range of products, packs and flavours



From the breakfast table to the gym, or on-the-go to relaxing with friends, someone somewhere is enjoying a Britvic brand



Don't forget to recycle!

## OVERVIEW

# GOVERNANCE, CR MANAGEMENT AND STAKEHOLDERS

## Britvic corporate governance

Britvic has a number of mechanisms in place to ensure that our business operates legally, transparently and accountably.

Our board of directors oversees the company's entire performance and management. The plc board has seven members who meet 10 times a year to decide on major issues such as budgets, policies, acquisitions and capital commitments. The board includes a non-executive chairman and four other non-executive directors – one of whom is nominated by PepsiCo.

Britvic's Group Finance Director, John Gibney, is the board-level representative for Corporate Responsibility, and he is responsible for ensuring that CR is supported from the top of the organisation.

Our major shareholders also have a direct voice in our CR performance, which ensures that our business performance is regularly held accountable.

## Corporate Responsibility management

A Corporate Responsibility Committee (CRC) was set up four years ago to ensure that CR is embedded throughout the business.

The 14 CRC members are employees representing all levels and functions of the business such as HR, marketing, procurement, finance, operations and customer management. They meet four times a year to review strategy and agree projects, and report back to our sponsor John Gibney.

We have had a full-time CR advisor for the past four years, who drives the community and employee aspects of our CR agenda. During 2010 we also appointed our first full-time sustainability manager with a focus on our environmental performance through the supply chain and on the sustainability of our products.

The CR strategy is led by the corporate affairs team with input from the sustainability manager.

## Our stakeholders

Our stakeholders are groups that influence our business or those that we affect through our business operations.

We listen to all of our stakeholders, and their views help shape our approach to managing corporate responsibility. We use opinion surveys to gain feedback from our employees, focus groups to hear from our consumers, and engage locally with our community partners around our sites. We meet with a range of other stakeholders such as investors, suppliers, customers and government, as and when issues arise.

STAKEHOLDERS	THEIR INTERESTS
<b>Investors</b>	Financial performance; risk management
<b>Consumers</b>	Safe products; high quality; good value in economic climate; packaging
<b>Customers</b>	Safe products; high quality; how we manage our social and environmental impacts
<b>Government</b>	Our compliance with safety, marketing and labelling regulation; payment of taxes; management of environmental impacts, and our contribution to health and social initiatives
<b>Employees</b>	Safe and positive working environment; health and wellbeing and the support of the local community
<b>Suppliers</b>	Fair trading terms
<b>NGOs</b>	Environment, ethical sourcing, health and wellbeing
<b>Communities</b>	Safety of our operations; community investment programme
<b>Multi-stakeholder initiatives</b>	Depends on the initiative: packaging (WRAP); supply chain (SEDEX, AIM-PROGRESS); environment (Climate Change Agreements); community (LBG – London Benchmarking Group)



## OUR PERFORMANCE

# PROGRESS AGAINST TARGETS

Below is a snapshot of how we've performed against the targets listed in our last CR report. A fuller explanation of activity can be found in the pages that follow. Green means we delivered against our target, amber means we are on target to deliver, and red means we are off target.

Remove 5000 tonnes of packaging by Dec 2010 based on 07/08 volumes

Complete rPET trial using UK only recycled content by 2010

Complete trials on more energy efficient chillers and dispense equipment by 2010

Achieve full compliance from packaging and ingredients suppliers to our ethical trading policy and complete planned audits by Dec 2010

Complete evaluation of accreditation options for fruit available in commercial quantities by end of 2010

Promote healthy and enriched lifestyles through marketing initiatives and working with partners

Improve work-life-balance as measured by our employee opinion survey

Further reduce accident frequency rate across the business by 10%

Improve occupational health services through increase support for musculoskeletal problems

Reduce CO<sub>2</sub> emissions by 20% by 2010 compared to 1990 (by tonne of product)...

...and aspire to 30% reduction by 2020

Send zero food and waste to landfill by 2015

Contribute to an industry wide absolute target to reduce water use by 20% by 2020 compared to 2007

Achieve full compliance by indirect suppliers to our ethical trading policy by Dec 2014

Increase community investment

# PACKAGING







# OUR PERFORMANCE PACKAGING

## Issue

In order to maintain the quality and taste of our soft drinks, packaging is absolutely critical. Not only does packaging protect our products and ensure they are safe to drink, it also ensures that our consumers can enjoy our drinks whenever they want, in the format they choose.

However, all packaging has an environmental impact, from the energy used in its production to the waste created after consumption.

## Our commitment

We are committed to minimising the use of materials and waste, using recycled materials wherever possible, and supporting the recycling and reuse of packaging.

We apply this approach to primary, secondary and tertiary packaging used throughout our supply chain. Primary packaging includes the cans and bottles that contain our drinks. Secondary packaging covers the card or shrink wrap and trays around the packs, while tertiary packaging includes the pallets and containers used in transporting loads.

In practice, we employ design to reduce the amount of material we use – without compromising quality or usability. We work closely with packaging and material suppliers to develop innovative packaging and ensure that we incorporate as much recycled material as possible. And we design our packaging to be recyclable.

## Progress

Britvic has always been at the forefront of industry and government initiatives which seek to promote sustainable packaging and minimise its impact on the environment. In 2006, we were the first soft drinks company to sign the Courtauld Commitment, an industry-wide programme with the government agency WRAP to deliver absolute reductions in packaging waste by 2010.

As part of that first WRAP Courtauld Commitment, we set ourselves a target to remove 5,000 tonnes of primary packaging by December 2010 compared to our 2007 volumes. In fact, we beat this by over 60% achieving a reduction of more than 8,000 tonnes – or the equivalent of 40 million J<sub>2</sub>O bottles.

In March 2010, we were one of the first companies to sign up to phase 2 of the Commitment. This moves away from weight-based targets and towards the more sustainable use of resources over the entire lifecycle of products, throughout the whole supply chain. Its aim is to reduce the carbon impact of packaging by 10%, consumer waste by 4% and supply chain waste by 5% by 2012.

Significant successes in the past 12 months have included making design changes to both our Britvic 55 and J<sub>2</sub>O bottles to reduce cost, complexity and their environmental impact. Making the bottles 20 grams lighter (at 180 grams) has contributed to a 4,500 tonnes a year reduction to our packaging total.

We have also cut the glass weight in Britvic mixer bottles (saving 650 tonnes a year), and are using thinner gauge steel to produce lighter 330ml cans for all variants of Pepsi, Tango and 7UP. Lighter drench and Pepsi PET bottles have also been introduced this year, along with thinner corrugate and film.

Changes like these not only cut the amount of packaging we use, but also improve Britvic's carbon footprint: by reducing the energy content of the packaging materials themselves and via the transportation of our products.

## CASE STUDY – DRENCH

Our policy is to use recycled materials in our packaging wherever possible, and make sure that the packaging itself can be recycled.

In March 2010, drench became the first British soft drinks brand to use UK-sourced, recycled plastic in its bottles, a move that will close the loop on its UK packaging.

This means that for the first time consumers can enjoy a bottle of the UK-sourced spring water, put the empty bottle in their recycling bin – to be recycled in the UK into food grade rPET (recycled PET) – which could then be used in making another drench bottle. The inclusion of 10% rPET in the bottles ensures less energy is used in manufacturing than if virgin PET is used, reducing each bottle's carbon footprint by approximately 6%.<sup>1</sup>

Thanks to this innovative process, drench was named 'Recycled Packaging of the Year' at this year's National Recycling Awards.



<sup>1</sup>The Boustead Model from PlasticsEurope gives 3.4 tonnes of CO<sub>2</sub> per tonne of virgin PET manufactured, to produce a tonne of rPET uses 44% of the energy thus reducing the CO<sub>2</sub> footprint by 56%, therefore if you were to use 10% rPET content in a bottle you would reduce its CO<sub>2</sub> footprint by 6%.







# OPERATIONS





Line 2 Filler



SIMONAZ

# OUR PERFORMANCE OPERATIONS

Reduced CO<sub>2</sub> by 20% (by tonne of product) by 2010

## Issue

Britvic is a growing business and cannot survive without using basic resources such as energy and water. However, we work hard to ensure that wherever possible, we can reduce our use of these resources to ensure that we minimise our environmental impact and play our part in addressing the big issues raised by climate change. We recognise the need for our business – and supply chain – to have a sustainable future in every sense – economically, socially and environmentally.

## Our commitment

We have a zero waste philosophy in operations – zero waste of energy, of water and of all other resources. Our staff, at all levels, is incentivised to make savings through key performance indicators and performance bonuses. A host of small, locally-based improvement projects run throughout the company alongside major strategic initiatives. Work has also now begun on making fuller life-cycle assessments of our products, and driving efficiencies throughout the total supply chain.

We have committed to using systems to measure and manage the carbon footprint of our own manufacturing and transport operations, thus enabling us to make better decisions. Similar systems are in place to reduce direct water usage, and we are also taking action to reduce the carbon footprint of our chillers and dispense coolers across our estate.

## Progress

### Carbon

In 2009/10 we reduced our energy consumption by 11.1%. This means that we have made an absolute reduction in our energy use. We are now emitting 3.2% less carbon than we were in 1997, despite producing almost 72% more product.

It also means that we have achieved one of our long term targets to reduce CO<sub>2</sub> by 20% (by tonne of product) by 2010 using a 1990 baseline and are well on track to achieving a 30% reduction by 2020.

We have completed trials on more energy efficient chillers and dispense equipment and are in the process of rolling these out. All of the new chillers and coolers being supplied to customers now use hydrocarbon-based coolants rather than HFCs as these not only have a lower environmental impact, but also use less energy (see the case study).

The average life of a chiller is about seven years, and we will replace existing equipment over their lifetime. But, in the case of one new customer, we are offsetting the CO<sub>2</sub> emissions of the chillers we supply as part of their contract with us, making them carbon neutral.

## CASE STUDY – CHILLERS

**Britvic has been running a project to reduce our customers' carbon emissions and cut their energy consumption. By the middle of 2011, all of the new chillers and dispense coolers that we supply to the trade will be using a hydrocarbon refrigerant that has a negligible global warming impact. The change will deliver an estimated saving of 3,860 tonnes of CO<sub>2</sub> a year from our estate – which is a 5.5% reduction of the estate's overall emissions.**

**Running costs of the new chillers are up to 10% lower than standard equipment, and additional energy savings of 24% are available with energy management systems that limit energy consumption out of trading hours.**







Using a combination of vehicle tracking and engine management technology, driver training and improved sourcing efficiency to reduce lorry movement, we have made some significant savings during the year. These include reducing fuel consumption by around 5%, saving 21 tonnes of CO<sub>2</sub> and cutting over 463,000 road miles (additional 600 tonnes CO<sub>2</sub> equivalent).

We have also begun to use rail for taking deliveries to Scotland, consolidating loads with other companies. This has saved over 1,860 loads from road transport, and more than 310,000 road miles, as well as more than 710 tonnes of carbon dioxide.

Innovations in the delivery of “tall pack” J<sub>2</sub>O glass to our Widford plant in Chelmsford have halved the number of deliveries by more than doubling the amount of glass per pallet – the equivalent of 80,000 road miles.

### **Landfill**

Our waste levels have fallen by 60% over the past two years, and three of our six sites now send nothing to landfill.

Nearly 90% of manufacturing site waste materials are recycled, and while we are focussed on finding ways of recycling what’s left, in the meantime the remainder is sent for energy-generating incineration where possible.

### **Water**

Water is central to our operations. It is the main ingredient of our products and is essential for cleaning and washing, for cooling and as steam in our manufacturing processes. Our objective is to achieve an absolute reduction in our water use of 20% by 2020 compared to 2007, and we are on target to do so. We have already cut our water-to-product ratio by 20% since 2002, and in 2010 have made a further 4.7% cut compared to 2009. This year the ratio was 1.70 compared to 1.79.

We are continuing to reduce our effluent-to-consumption ratio, which fell a further 10.4% last year – and is down by approximately one third since 2002.

We have also begun a risk assessment process to develop a better understanding of where our water ‘risks’ lie at a global level. Climate change and increasing water stress are likely to affect several of the countries from which we source fruit. It is important to know what – and where – the issues are in order to decide what action to take.

## **CASE STUDY – BOILERS**

**Our Widford site had a relatively low condensate return rate – where water is returned to the boiler for re-use after having previously been converted to steam. There were a number of areas where this condensate was sent to drain or used as low grade hot water.**

**However, following the investment in new valves and pipework, the site team increased condensate return rate to the boiler by 160%. This is currently saving the business 2,000 litres of water an hour.**



# HEALTHY LIFESTYLES & EMPLOYEE WELLBEING







# OUR PERFORMANCE

# HEALTHY LIFESTYLES AND

# EMPLOYEE WELLBEING

## Issue

Health and wellbeing remain significant public issues and we continue to play our part by helping the people we interact with most directly – the consumers of our drinks and our employees – to lead healthy, balanced lifestyles.

## Our commitment

Britvic is committed to providing a broad range of soft drinks that meets people's diverse needs. They can all be enjoyed as part of a balanced diet and lifestyle, and clear nutritional information enables consumers to make informed choices. Our portfolio includes low-sugar drinks and all-natural drinks with all-natural ingredients for those who prefer no artificial sweeteners. We market our drinks responsibly and work with partners to promote healthy and active lifestyles.

In terms of employee wellbeing, we are committed to working effectively and safely in a way that balances home and work life and delivers job satisfaction. We are also committed to providing support for employees who have health related problems, and encourage healthy lifestyles in order to prevent illness.

## Progress

### Healthy lifestyles

We introduced several new products during the year that promote healthy lifestyles. These include Fruit Shoot My-5, added to the Fruit Shoot range in March. Specifically designed for children, it is a combination of 80% fruit juice and 20% spring water, is ideal for lunchboxes, and counts towards one of their 'five a day'.

We also launched a new 600ml pack for our low and no added sugar carbonates range, designed to offer consumers better value for money in the current economic climate. Full sugar carbonates retained the 500ml format, and as both packs have the same recommended selling price, we were offering a real benefit to consumers switching from full sugar.

As part of our continuing support of Change4Life, the Department of Health's healthy lifestyle campaign, our Fruit Shoot brand partnered with the Play Providers Association (PPA) on a Play4Life initiative to encourage kids to be active. Fruit Shoot donated 30,000 frisbees as giveaways to encourage school groups to visit PPA play centres, and more recently, Fruit Shoot's My-5 supported the Play4Life schools challenge with the donation of pedometers to further promote physical activity.

We also lent our support to Walk4Life a Change4Life campaign promoting the health benefits of walking. This year Britvic supported the initiative with a donation of 10,000 bottles of drench at the various organised walking events around the country, organised by the Department of Health.

Finally, Gatorade teamed up with British Cycling and Team Sky as its official hydration partner. As part of this, the brand is co-sponsoring Sky Rides, which are free, cycling events around the UK – one of the biggest mass participation sports programmes in the UK.

## CASE STUDY – FRUIT SHOOT SKILLS CAMPAIGN

**During the Easter holidays, Fruit Shoot hosted skills events across the British Isles, to encourage children across the UK to learn a new skill. 90,000 took part!**

**The events were part of a campaign to find a new Juice Crew who would encourage kids to develop new skills from keepie-uppies to beat-boxing, skipping to body popping.**

**During the past year, the Juice Crew campaign reached nearly 50% of all British 7-9 year olds through children's TV, websites and the kids' press, encouraging them to access 'how to' videos of new skills and then practice at home with their families.**





**10,000 bottles  
of drench donated  
to Walk4Life events  
across the UK**

## **Employee wellbeing**

Throughout the past year, we have focused on making improvements to work-life balance, improving our safety record and supporting a healthier workforce.

We measure our performance of work-life balance through our annual employee opinion survey. In 2010, the statement "I am able to balance the demands of my work and home life" achieved a score of 64 – compared to a score of 62 in 2009 and an external benchmark of 65.

The improvement was due, in part, to the use of technology. For example, we have provided laptops for people who work off-site and support for mobile ways of working. This enables us to improve communication and engagement and gives employees the opportunity and control to work flexibly in terms of both location and hours.

Employee safety is paramount, and this past year, we established an on-line training campaign targeting driver safety. We are particularly proud that due to continued focus on good H&S management, risk assessment, hazard spotting and behavioural safety, our Accident Frequency Rate has reduced by nearly 31% compared with last year.

To support the health of employees and their families, we also provide a benefits package, which includes the provision of private healthcare and an employee assistance programme. This year we have focused on the prevention and treatment of one of our more serious health and safety issues – musculoskeletal problems – including offering critical health support such as a musculoskeletal care line.

Other wellbeing benefits include discounted gym membership, and a cycle to work scheme which was requested by employees and has seen a good level of success so far, with 5% of the workforce opting in.

Additionally, to help encourage healthy diets, we arranged for celebrity chef Simon Rimmer (who was our new J2O White Blend range brand ambassador) to cook in the canteens of several Britvic sites around the UK. The recipe he used (and a video of him cooking it) was then promoted to all employees via our intranet.

Finally, we are in the process of developing an employee wellbeing programme, which will link with the principles of Change4Life and focus on healthy eating, exercise and general health education. This is due to launch in January 2011.

## **CASE STUDY – CARELINE**

**Despite having engineered out a large proportion of manual handling tasks, our sickness absence statistics suggested that musculoskeletal problems remained an issue.**

**Working with our occupational health partners, Healthcare RM (HCRM), we have introduced a musculoskeletal management service, which not only helps employees access treatment when they need it, but also helps prevent problems by supporting them with improving exercise and lifestyle factors.**

**Employees can now directly contact the HCRM careline, where a trained physiotherapist will assess them over the phone and take them through a stepped care programme ranging from self-help information to specialist intervention.**

**Following positive feedback from employees about how the careline system works, we have decided to extend this service to also address any psychological concerns, such as stress.**





**LOCAL & GLOBAL  
COMMUNITIES**







# OUR PERFORMANCE

# LOCAL AND GLOBAL COMMUNITIES

## Issue

Our business impacts on the lives and livelihoods of many thousands of people, both within our supply chain and in the areas where we operate. In order to support these communities and treat them fairly, we provide support locally through our community investment programme, and globally by committing to high ethical standards.

## Our commitment

### Local communities

Britvic has formal partnerships with a number of charities and community organisations. Our activity includes business-aligned projects in areas such as improving the environment, encouraging healthy living and playing our part in the wider world around us.

We provide a mix of financial contributions, as well as hands-on involvement with time, skills and donations in kind. We operate a £2 4 £1 matched funding scheme which encourages our employees to raise money for their chosen causes. Employees are also able to donate product to charitable or community events.

### Global communities

We are committed to supplying drinks that have been sourced and manufactured in a fair, ethical and environmentally responsible way. In order to meet those expectations, we work closely with the suppliers from all over the world from whom we buy goods and services.

## Progress

### Local communities

Over the past year, employees helped Britvic raise nearly £350,000 for good causes, and the percentage of those who gave up their time to volunteer to a charity also grew considerably. Although our overall financial, product and in-kind contributions to charitable causes went down compared with last year, this was primarily due to improved practices on our part, meaning less landfill product and unused point of sale needed to be donated.

We have made considerable contributions to projects supporting children and education, health and the environment, and we have strengthened our relationships with a number of partners operating across these areas.

For example, we have now completed the first year in our three-year relationship with Barnardo's, a charity which addresses child poverty. By volunteering and through our matched funding policy, we have raised thousands of pounds for Barnardo's. Activities included a Barnardo's Green Bake-off day, book sales and a clothes swap event, where profits were donated in cash and every item not sold was donated to Barnardo's shops.

Additionally, earlier this year we opened our first "Britvic Learning Zone" concept, which is a dedicated educational area (or zone) at our East London factory in Beckton. We now use this space on a monthly basis to invite teachers from around the country to both see and learn how soft drinks are made and marketed, which links to the curriculum via 'Enterprise/Workplace learning'. To date we have trained more than 150 teachers and plan to open further Learning Zones across our other sites during the coming year. Our toolkit is publicly available via our corporate website. [www.Britviclearningzone.com](http://www.Britviclearningzone.com)



**Over 150 teachers  
trained in Enterprise  
at our Britvic  
Learning Zone**

Our Chief Executive Paul Moody has also been involved in supporting our community activity, spending time at Sir George Monoux College in East London – a sixth form school near our Beckton site. He went as part of an organised visit by the Prince of Wales' charity, Business in the Community, to see how business can help make a difference. Britvic is now working with the college to devise a programme of future activity to benefit both its teachers and students.

As in years past, we donated to Unicef's emergency fund, which supports children around the world involved in disasters, such as the earthquakes in China and Haiti.

On the environment side, our Huddersfield site provided support to the Greenstreams project through financial contributions, product donations, local advice, and regular volunteering stints. The charity aims to demonstrate how the River Colne, located near our factory, can be managed to encourage its use by the local community.

We also continued to support FareShare, which works with communities to address food waste and relieve food poverty. By donating products as well as point of sale materials, we have helped FareShare support more than 600 community organisations throughout the UK, and save 12,600 tonnes of CO<sub>2</sub> emissions.

Finally, as part of our commitment to healthy lifestyles, we worked with MEND (Mind, Exercise, Nutrition, Do-it) to help them launch a new programme aimed at families with 5-7 year olds, providing early intervention to help weight control. MEND is a community-based programme designed to treat and prevent obesity in young children and supports families to become fitter, healthier and happier. The new programme has now been commissioned by various primary care trusts across the UK as part of their efforts to tackle obesity.

## **CASE STUDY – GIVE & GAIN**

**Give & Gain is Business in the Community's national volunteering day. And this July, employees volunteered to help out at schools near our sites in Chelmsford and Norwich to support two Let's Get Cooking schemes.**

**Let's Get Cooking is a project funded by the National Lottery to establish a network of 5,000 school-based cooking clubs in England. These teach children the importance of a good and balanced diet, where food comes from and how to cook healthy meals from scratch.**

**In addition to helping the children plant a herb garden and preparing different kinds of healthy food for them to try, Britvic also donated equipment and materials.**



**£350,000  
donated to our  
charity partners  
this year**

# OUR PERFORMANCE

# LOCAL AND GLOBAL COMMUNITIES

## Global communities

Britvic's Ethical Trading Policy (ETP)\*, which sets the standards and ground rules to which we require our suppliers to adhere, was introduced in March 2009, and over the past year we have seen good progress in compliance.

In line with the target we set ourselves in last year's report, we have achieved full agreement from all of our direct packaging and ingredients suppliers to adhere to our Ethical Trading Policy. This sets out our expectations on environmental, health and safety and human rights standards. Compliance by indirect suppliers is scheduled for December 2014 – though this is a more complicated challenge as these include many different types of material and service suppliers such as stationary, insurance, consultancy etc.

Compliance to our standards is a contractual requirement for new suppliers, and will be for existing suppliers, as and when contracts come up for renewal.

As part of our ongoing programme of supplier ethical risk assessments, we completed all of our planned audits during 2009/10. Minor corrective actions have been identified at several supplier sites, predominantly of a health and safety nature and re-audits are being used to confirm that corrective actions are implemented.

In addition, through our involvement with AIM-PROGRESS, we have been participants in a number of ethical training workshops with suppliers in Turkey, Russia, India, China, Brazil and around Europe and North America. AIM-PROGRESS is a global initiative of major brand FMCG companies that aim to develop and promote an ethical supply chain through industry collaboration through the use of common evaluation methods to assess performance within the supply chain. This has the added benefit of helping to reduce 'audit fatigue' for suppliers as 'an audit for one is an audit for all'.

Finally, we recently undertook and completed an evaluation of ethical accreditation options for pineapple in commercial quantities and are currently reviewing the findings.

## CASE STUDY – MANGO AUDIT

The mango juice we use is a tailored blend of different varieties, produced by European blenders who buy their mangoes from many sources. In the past year, however, we have been developing direct relationships with mango processors in the source countries to ensure that we are aware of any potential issues.

We have visited – and approved – all of the Indian mango processors, and have completed independent CR audits with some suppliers. The direct relationship ensures that manufacturers operate ethically and responsibly, and Britvic now specifies to the European blenders which processors can be used.

We have also enabled selected Indian processors to blend our juice in country which, among other benefits, reduces the number of times we need to pasteurise the ingredients, thus improving the quality of the product and using less energy.



\*The policy is available under the Responsibility section of our website, with all our CR policies.



## LOOKING TO THE FUTURE

# MESSAGE FROM JOHN GIBNEY, GROUP FINANCE DIRECTOR



A handwritten signature in black ink that reads "John Gibney". The signature is written in a cursive style with a horizontal line underneath the name.

**John Gibney**

Group Finance Director & CR Board representative

## Corporate Responsibility is a necessary and developing theme in the business world.

The expectations of investors and other stakeholders are constantly changing. And companies themselves don't stand still.

So it is right that we keep our CR strategy under regular review and seek to understand more about what CR might mean for our business into the future.

Over the past year, we have looked again at our approach and have evolved our strategy in a way that we believe will enable us to be more focused on the areas in which it can have the most impact.

The new strategy is also intended to fully embed CR into the business. As such, it has been developed by means of an engagement programme. This has seen people within the business contributing their views to what CR in Britvic should look like and we have had discussions with our partner, PepsiCo, to identify ways to support mutual benefits across CR and sustainability.

We have been able to summarise this new strategic view in three words: **Progressive, Sustainable** and **Responsible**.

What will this mean in practice?

As a progressive business, Britvic will increasingly seek to harness the power of its brands to help address relevant social and environmental issues. Britvic is a brand-led and marketing-driven company, and we believe that we are in a good position to influence consumer behaviour – for example, through the promotion of healthy lifestyles and sustainable attitudes in areas such as the recycling of packaging.

Creating a sustainable business means what it says. Britvic's business operations require large amounts of energy – directly in our own manufacturing and distribution, and indirectly throughout our supply chain. Our packaging uses valuable resources – glass, plastics and metals such as steel and aluminium. These all contribute to our carbon footprint. Without water, Britvic couldn't operate or make its brands and so we need to use all of these resources wisely. A sustainable business is one that invests and innovates to minimise its impacts in order to ensure that it has a long-term future.

Britvic itself employs more than 2,000 people across Great Britain, and our business supports many thousands more individuals and their families throughout the world. We are responsible for their welfare and for the health of the communities in which they live and in which we operate. Our new strategy seeks to make a positive contribution to the lives of our employees and the communities around us.

This is where we are now, and the new strategy defines our direction of travel. This time next year we will report according to our three new pillars, our new goals and targets.

# LOOKING TO THE FUTURE OUR VISION

## To be a progressive, sustainable and responsible company

In the past year we have made significant progress in respect of our existing targets.

But next year we are going to report differently. Rather than looking at our CR performance in terms of packaging, operations, communities, healthy lifestyles and employee wellbeing, we will consider our achievements according to the three new criteria.

These each have new goals – though we will retain as much comparative data as possible.

# Progressive



# Sustainable



# Responsible



# LOOKING TO THE FUTURE

# 2010/11 GOALS

## Progressive

Harnessing the power of our brands to help address relevant social and environmental issues, we will:

- introduce at least two new low sugar products as part of a balanced portfolio
- promote healthier behaviours by launching at least two marketing initiatives encouraging active lifestyles
- work with the Department of Health to participate in a large-scale Change4Life initiative
- support the delivery of PepsiCo Health and Wellbeing manifesto pledges relating to Britvic's PepsiCo portfolio
- encourage 'on-the-go' recycling by piloting a branded reverse vending machine project

## Sustainable

Investing and innovating to minimise our impacts and ensure a sustainable future for our business, we will:

- contribute to an absolute target to reduce water use by 20% by 2020 compared to 2007, with water ratio reduction of 4% targeted vs. 09/10
- reduce liquid (effluent) waste ratio by 2.5% vs. 09/10
- aim to reduce CO<sub>2</sub> emissions by 30% by 2020 compared to 1990 per tonne of product, with a 2.5% reduction targeted vs. 09/10
- contribute to WRAP's Courtauld II industry-wide targets to reduce, reuse and recycle by end 2012 vs. 2009
- commit to two more factories sending zero to landfill
- continue to roll out our new more efficient chiller equipment
- work with the AIM-Progress group to ethically audit our suppliers and create appropriate action plans

## Responsible

Making a positive contribution to the lives of our employees and supporting the communities around us, we will:

- launch an employee health and wellbeing programme, improving work/life balance throughout the business
- encourage personal growth through continued support for employee volunteering by increasing the number of those who participate
- support disadvantaged children by increasing our fundraising for Barnardo's
- continue to support our charitable partners on relevant health, social and environmental issues
- deliver at least 18 Teacher, School and NEETs programmes across our three Britvic Learning Zones



# A REVIEW OF BRITVIC IRELAND









# A REVIEW OF BRITVIC IRELAND MESSAGE FROM ANDREW RICHARDS, MD BRITVIC IRELAND



A handwritten signature in black ink that reads "Andrew Richards". The signature is written in a cursive, flowing style.

**Andrew Richards**  
Managing Director, Britvic Ireland

**At Britvic Ireland, CR is an important part of our future sustainability, and we have set out on a journey to create a systematic CR strategy and programme for our business.**

We are, for example, setting up a high-level CR Committee, representing HR, marketing, supply chain and manufacturing that will drive the CR agenda within the business.

We have also joined Business in the Community Ireland, and are carrying out a baseline assessment of where we are in terms of CR. This will allow us to prioritise future activity – and identify targets that we can quickly achieve.

There is ample opportunity for us to make meaningful improvements in our CR performance that will benefit our business, our employees and the wider environment.

Britvic Ireland is an organisation that has an appetite for change, and I look forward to reporting next year on our achievements.



# A REVIEW OF BRITVIC IRELAND PROGRESS

## Packaging

By changing the neck finish on the bottles of our Ballygowan water brand, we have reduced the bottle weight, saving 100 tonnes of material a year. And by bringing the PET bottle blowing in-house, we have also removed 100 delivery trucks from the road.

Re-designing our 2L Club brand bottles has not only reduced the amount of PET we use, but has allowed us to get more bottles on a pallet – eliminating a further 450 trucks loads a year.

## Local and global communities

Britvic Ireland supports the Ballyfermot/Chapelizod Partnership, which was set up in Dublin in 1996 in response to long-term unemployment and poverty.

Many of the partners within this group have identified a need for IT and HR support, and some of our staff have donated their time and skills to provide a range of services. These include The Equine Centre which delivers a range of services to 650 young people in the community; Sarsfield House Day Centre for Older People; and a pilot HR support initiative.

We also donated bottled water and soft drinks to a party for 450 local senior citizens.

## Healthy lifestyles and employee wellbeing

We supported the Marie Keating Foundation breast cancer charity through a cause-related marketing initiative, re-branding our Ballygowan bottles as 'Ballygowan Pink.'

The Foundation says that it has received around €1m worth of advertising and PR exposure from our campaign, and our initial one year campaign has been so successful, already providing free breast screening for over 250 women, that we have now made this a permanent line extension to our range.

## Looking to the future

Next year, the path we will follow in CR will be broadly that taken by Britvic GB. Our baseline assessment is being done in line with the three key pillars of the Group strategy, namely:

- Harnessing the power of our brands to help address relevant social and environmental issues;
- Investing and innovating to minimise our impacts and ensure a sustainable future for our business;
- Making a positive contribution to the lives of our employees and supporting the communities around us.

### CASE STUDY – BALLYGOWAN PINK

**To date we have donated over €125,000 to the Marie Keating Foundation breast cancer charity via bottles sales alone, with a further €23,000 raised through sponsorship of their charity events. A bike ride by staff at the Ballygowan plant in Newcastle West raised a further €4,000.**



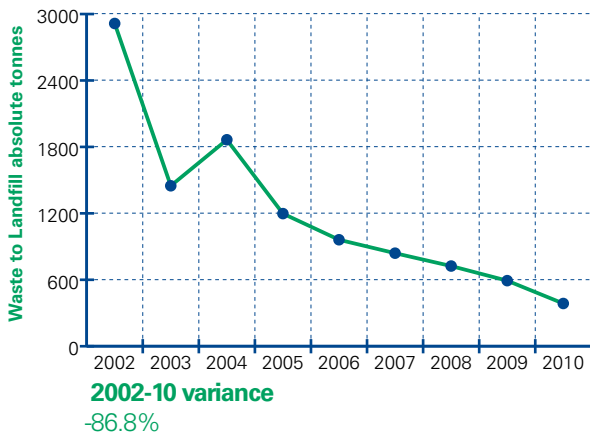
# FINANCIAL YEAR PERFORMANCE DATA

## Data:

All data represents Oct 09-Sept 10 Britvic financial year unless noted otherwise.

## Packaging

Waste to Landfill



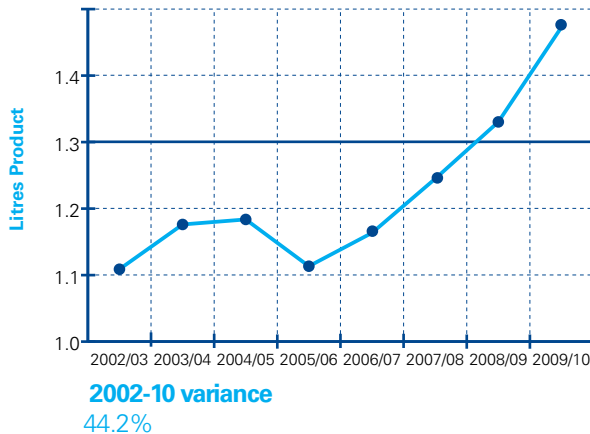
Split in percentage terms between primary, secondary and tertiary packaging:



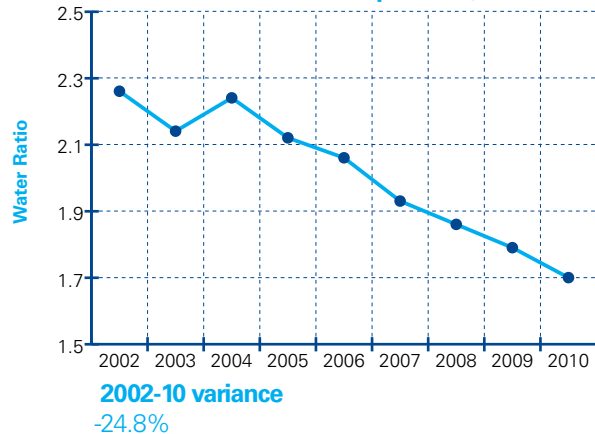
Excludes all re-usable packaging and represents the 2009 calendar year.

## Operations

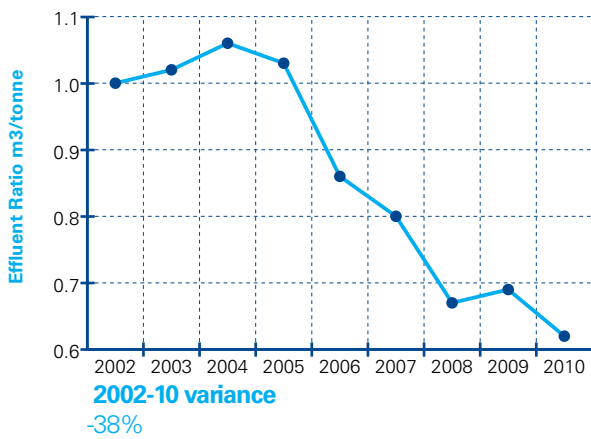
Litres of product produced over a multiyear period



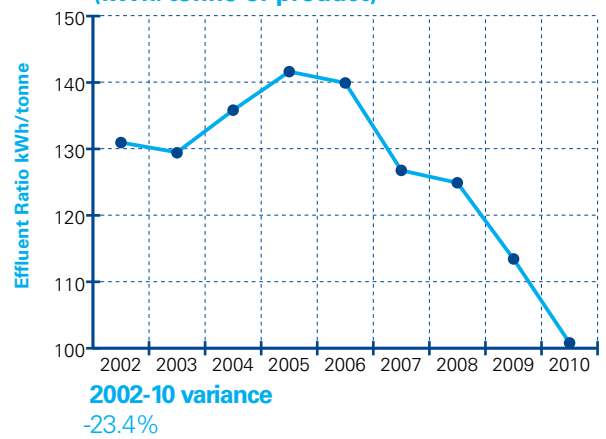
Water usage 2002-2009 (cubic metres of water used/tonne of product)



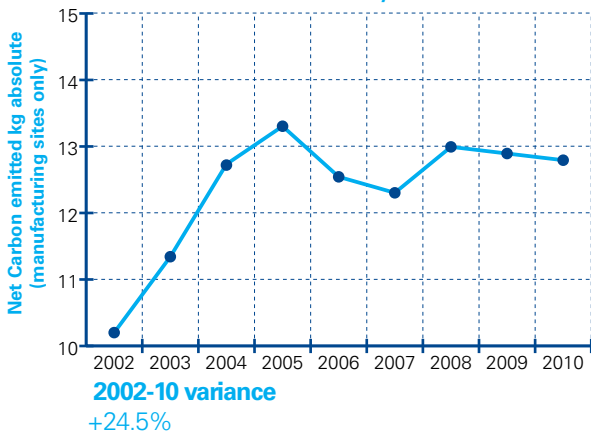
**Effluent ratio per unit volume**



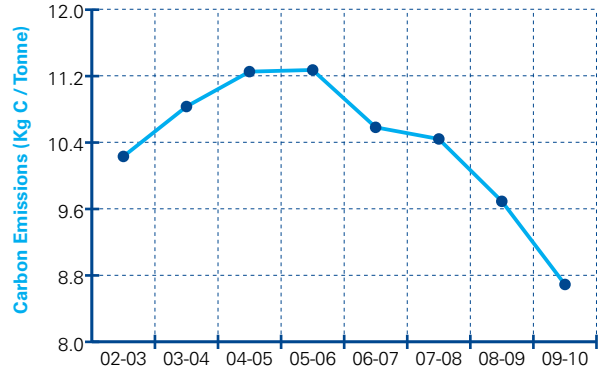
**Delivered energy usage 2002-2009 (kWh/tonne of product)**



**CO<sub>2</sub> emissions 2002-2009 (Kg carbon tonnes emitted absolute)**



**Carbon Ratio for GB production sites 2002-2010**



Kg of carbon figures are based on the Climate Change Levy conversion factors (part of UK emissions trading)



# FINANCIAL YEAR PERFORMANCE DATA CONT.

## Global communities

Supply chain total expenditure

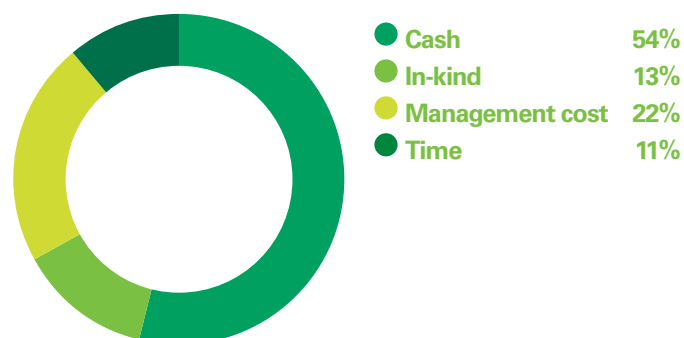
### Total expenditure



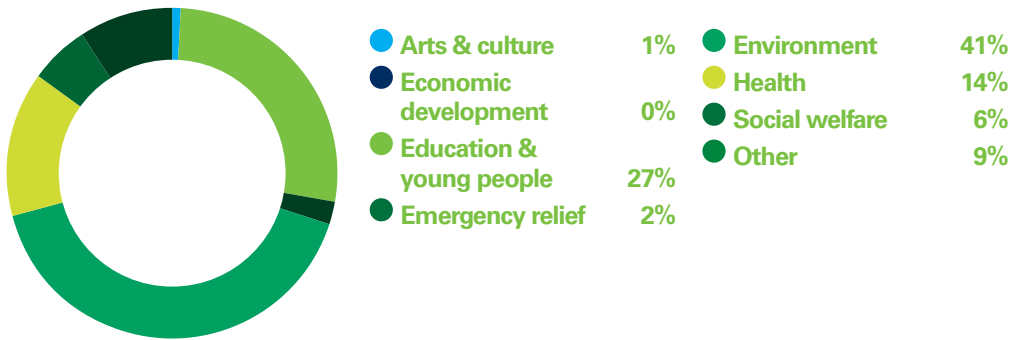
## Local communities

We use the LBG model to calculate our contributions to the community. The model provides a widely accepted standard way of managing and measuring our company's community involvement.

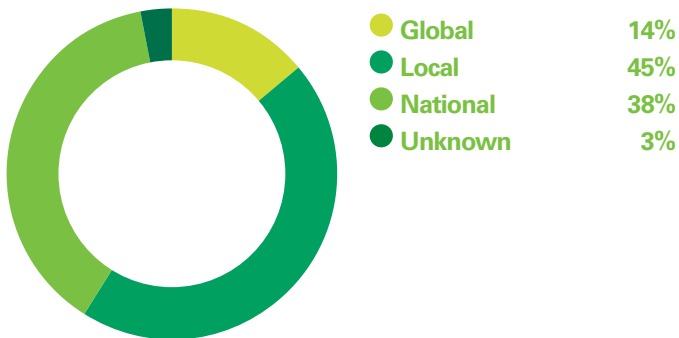
### LBG How we contribute



**LBG What we contribute**

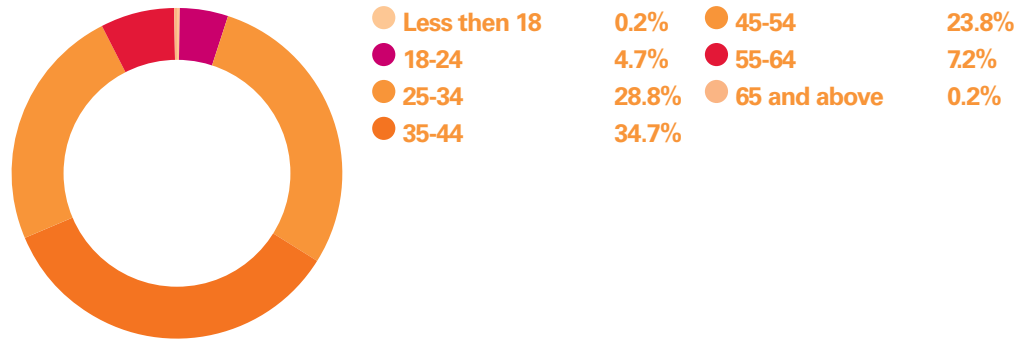


**LBG Where we contribute**

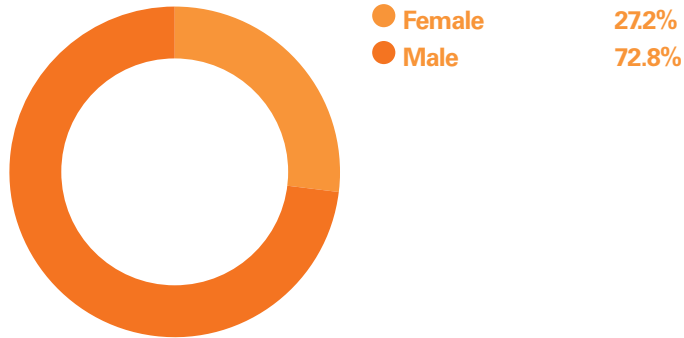


## Healthy lifestyles and employee wellbeing

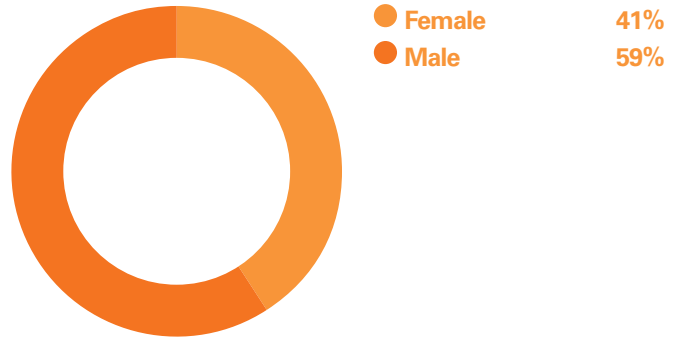
UK employee by age band



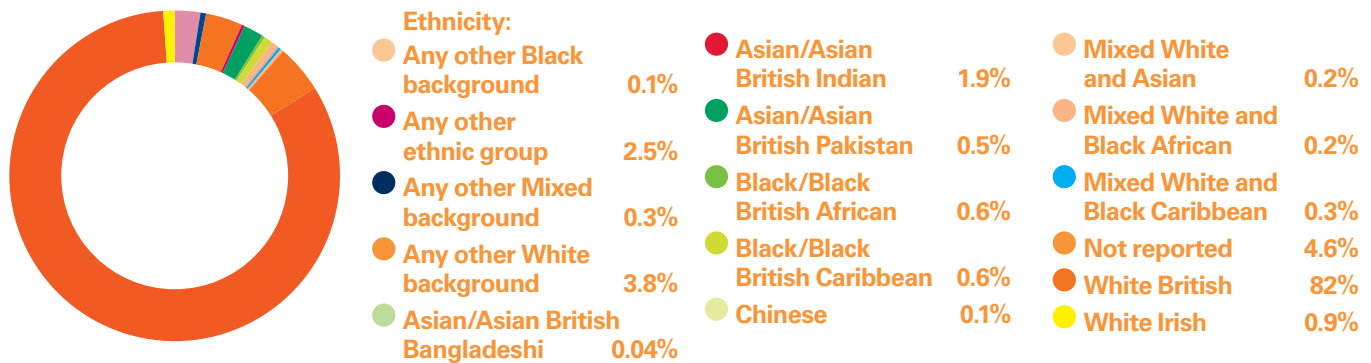
All employees by gender



Non supply chain employees by gender

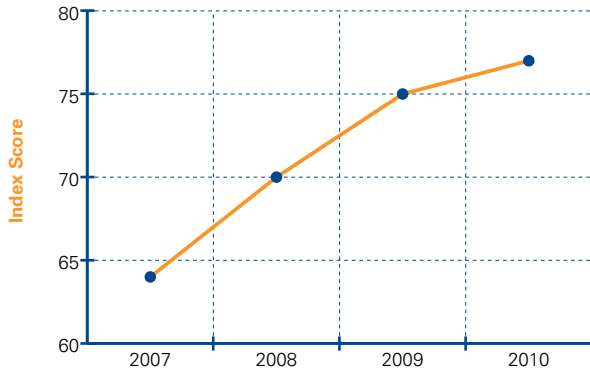


UK employee by ethnicity

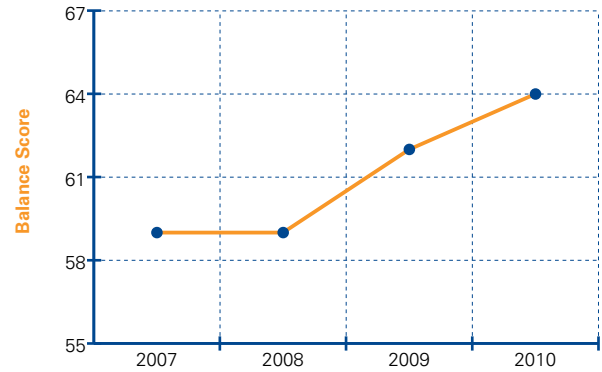




**Employee engagement index score 2007–2010**

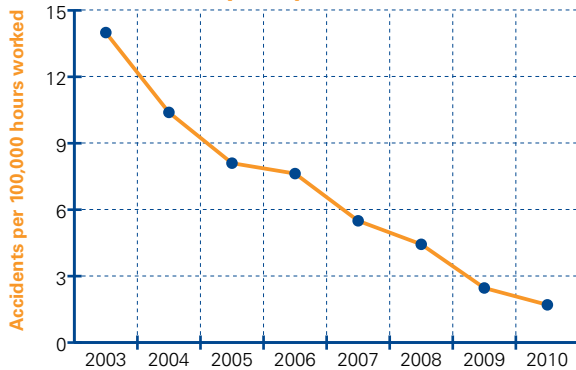


**Work-life balance score 2007–2010**



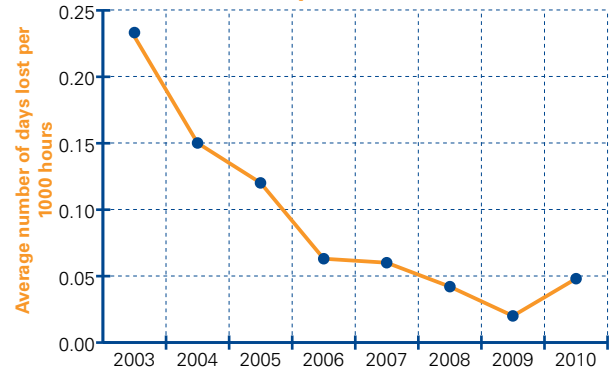
## Health & Safety

**Accident frequency rate 2003–2010**



**2003-10 variance**  
-87.85%

**Accident severity rate 2003–2010**



**2003-10 variance**  
-79.50%



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With thanks to Corporate Citizenship and to Lang Communications for their guidance and support with the writing of this report, and to all colleagues, families and friends who appear throughout.

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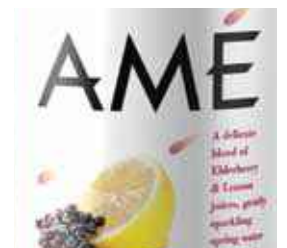
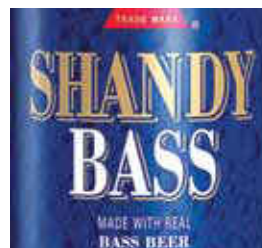
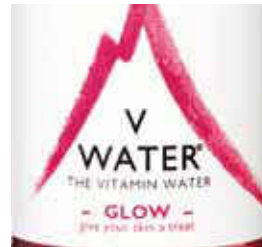
**Britvic Soft Drinks**

Britvic House  
Broomfield Road  
Chelmsford  
Essex  
CM1 1TU

Telephone +44 (0) 1245 261871

Fax +44 (0) 1245 267147

[www.britvic.co.uk](http://www.britvic.co.uk)



We are proud to support Barnardo's as our company charity