



Britvic Sustainability Metrics: Basis of Reporting 2018

This document outlines the scope and methodology principles for the collation of Britvic's key sustainability performance metrics as reported in the 2018 Annual Report. Our aim when reporting is to provide a transparent account of progress against our sustainability targets for interested stakeholders.

(i) Boundary

We apply an operational control boundary and have detailed the scope of our reporting by metric in the table below. Franchise partners, contract packers and operations and sites where we do not have operational control are excluded from the scope of all performance indicators unless otherwise indicated. All business units (GB, Ireland, France, Brazil and International) are included within our reporting scope unless otherwise indicated. Our manufacturing sites are located in GB, Ireland, France and Brazil and these also supply the International business unit. Please see http://www.britvic.com/where-we-operate for an overview of our operating locations.

We aim to fully integrate any acquired entities within our data collection, consolidation and reporting processes within the first year following acquisition where possible. In 2018, data exclude our Counterpoint and East Coast businesses.

(ii) Time period

Our 2018 reporting covers Britvic's financial year, i.e. 1 October 2017 – 30 September 2018 inclusive.

(iii) Assurance

Independent assurance over selected sustainability KPIs was provided by Ernst & Young LLP for 2018 reporting. Please see https://www.britvic.com/sustainable-business/resources for the Limited Assurance Statement.

(iv) Data sources and systems

Our objective is to gather and report reliable and robust data. Our data reporting systems are evolving and we continue to work to align data recording and reporting methods across our business units. Data sources and systems for each sustainability metric are outlined in the table below.

(v) 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 sustainability data with absolute certainty. For any data that is subsequently found to be materially in error following reporting or where conversion factors may have changed, then this will be clearly indicated and the data restated for purposes of baselines and trend analysis.

(vi) Calculation methodology

1. Healthier People metrics



- Average calories per 250ml serve
- Total calories removed from GB diets in 2018
- Percentage of the GB&I portfolio below the sugar levy

KPI Calculation

Average calories per 250ml serve

Scope: All products sold across all markets globally

Methodology:

(i) Data collection

Nutritional data is managed by internal systems in each business unit and is updated through new product development processes. Nutritional information is taken as at year end. Sales data is obtained from Group financial reporting systems.

- (ii) Assumptions
 - Calories associated with our dilutable drinks are based on the dilution rate as stated on pack.
- (iii) Calculations
 - Product sales volumes are multiplied by dilution rates to calculate total volume as consumed.
 - Calories per litre from nutrition systems are multiplied by volumes as consumed to calculate total calories for each product SKU.
 These are then summed to get total calories consumed.
 - Total calories are divided by total volume as consumed and then divided by 4 to reach average calories per serve (250ml).
- (iv) Verification

Data are independently assured by Ernst & Young LLP.

Total calories removed from GB diets in 2018

Scope: All products reformulated with reduced calories and sold in the GB market during 2018

Methodology:

(i) Data collection

Nutritional data is managed by an internal system and is updated through new product development processes. A report of all approved reformulations and dates of first production is extracted from the nutrition data management system. Sales data are obtained from Group financial reporting systems.

(ii) Assumptions

Reformulations for the 2018 calculation started production just before the start of the reporting year, therefore calorie reductions were applied to the full year sales volumes.

(iii) Calculations

Product calories pre- and post-reformulation are multiplied by total sales volumes. The difference is the total calories removed.

(iv) Verification

KPI	Calculation
	Data are independently assured by Ernst & Young LLP.
Percentage of the UK & Ireland portfolio below the sugar levies	Scope: All products sold in the UK market since the introduction of the Soft Drinks Industry Levy and sold in the Ireland market since the introduction of the Sugar Sweetened Drinks Tax in 2018
	Methodology: (i) Data collection Nutritional data is managed by an internal system and is updated through new product development processes. Sales data are obtained from Group financial reporting systems by sugar levy band.
	(ii) Assumptions Please note that Ireland refers to the Republic of Ireland for this KPI to align with legislative boundaries. For all other sustainability KPIs, Ireland refers to the Republic of Ireland and Northern Ireland, to align with Britvic's business unit, portfolio and manufacturing for these countries.
	(iii) Calculations Total sales volumes of products as purchased (i.e. not diluted) that are under the respective sugar levy bands (i.e. with a sugar content of less than 5g per 100ml) are divided by the total sales volumes.
	(iv) Verification Data are independently assured by Ernst & Young LLP.

2. Healthier Communities metrics



- Employee gender balance
- Lost time injury frequency rate
- Percentage of employees engaging in charity giving
- Great Place To Work survey employee wellbeing score
 Percentage of direct suppliers linked on SEDEX
- Percentage of high risk direct suppliers audited

KPI	Calculation
Employee gender balance (senior management and total workforce)	Scope: Employees across all business units as at 30 September 2018 Definitions: Senior management – Employees in Band D or above roles in Britvic's management hierarchy Employees – This excludes temporary, contractor and agency staff.
working to the second	Methodology: (i) Data collection Gender information is supplied by employees during onboarding and maintained in HR systems. Extracts of total employees and senior management by gender as at the final day of the financial year are obtained from the systems.
	(ii) Calculations Percentages of male and female employees are calculated for each category
	(iii) Verification

Lost time injury frequency rate	Data are independently assured by Ernst & Young LLP. Scope: All manufacturing sites, offices and owned warehouses in GB, Ireland,
	Scope: All manufacturing sites, offices and owned warehouses in CR. Ireland
(LTIFR)	France and Brazil. Reported data refer to employee safety only.
	Definitions: Accident – All safety injuries involving an employee as a result of Britvic work activities. This does not include near miss events (i.e. an incident with the potential to have caused injury that did not) and accidents during commuting. Lost time injury (LTI) - Any injury arising out of or in connection with Britvic work activities and results in the injured employee being absent from work for at least
	one day or one shift (excluding the day or shift of the accident) within 12 months of the accident. The count of lost days begins on the next calendar day after the incident, regardless of whether the person was scheduled to work.
	Hours worked - Total hours worked includes hours worked by all Britvic employees, whether on-site or off-site, including any 'overtime'.
	 Methodology: (i) Data collection Accident forms are completed following any safety incidents and managed by HSE coordinators at the sites; Total accidents, LTIs and hours worked are reported by site HSE coordinators to Group on a monthly basis via a central data collection hub.
	 (ii) Calculations Accident frequency rate = Total accidents
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Percentage of employees engaging in charity giving	Scope: Employees in our GB, Ireland and International business units. Charity giving programmes included are: (i) give as you earn (GAYE) donations, (ii) employee drinks donations to charity events, (iii) employee charity lottery, (iv) employee personal charitable fundraising matched by Britvic, (v) employee volunteering hours through company volunteering initiatives.
	 Methodology: (i) Data collection Total employees making GAYE donations are obtained from payroll systems each quarter Employee drinks donations and matched giving donations are logged as approved throughout the year. Total participants in the charity lottery are recorded each month and lists are maintained by HR. Volunteering hours are recorded in an online system by employees. It is noted that not all employees use this system each time they volunteer therefore figures are understated. Total number of employees based in the three business units as at 30 September 2018 are obtained from HR systems as per gender balance data collection above. (ii) Calculations Lists of employees involved in each of the programmes described above are obtained and duplicates removed. Total number of employees

KPI	Calculation
	business units as at 30 September 2018 (as per gender balance data collection above). (iii) Verification Data are independently assured by Ernst & Young LLP.
Great Place To Work survey employee wellbeing score	Scope: All employees, across all business units, who have been employed for more than four weeks and are not due to leave the business immediately after the survey window. 86% of employees in scope completed the 2019 survey, which was issued in August 2018.
	Methodology: (i) Data collection GPTW sets a survey of 59 questions, three of which focus specifically on employee wellbeing. Employees are asked to what degree they agree with a series of statements describing a great place to work. The GPTW Survey is issued to employees via email or online kiosks depending on what is most suitable for their role. All submissions in either format are anonymous and managed by GPTW.
	(ii) Calculations Great Place To Work calculates the total positive response (i.e. agree/strongly agree) percentage score for the wellbeing section of the survey.
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Percentage of direct suppliers linked to Britvic on SEDEX Percentage of high risk direct suppliers audited	Scope: All approved direct suppliers of materials across all business units. Snapshot is taken as at 30 September 2018 (yearend). Definitions: SEDEX - SEDEX is a platform for sharing ethical supply chain data. Suppliers are requested to link with Britvic and must complete a self-assessment questionnaire on their ethical and sustainability management processes and share this information with us. The platform also manages the process and reporting of Sedex Members Ethical Trade Audits (SMETA) for suppliers. High risk suppliers – SEDEX's inbuilt risk assessment tool calculates a supplier risk rating based on both inherent risk and management proficiency risk (from the completed self-assessment questionnaire). A risk score of 5 or above is considered high. Methodology: (i) Data collection All suppliers must be registered on procurement systems before materials can be purchased. New suppliers are requested to link to Britvic on the SEDEX ethical supply chain platform. At the period end, extracts are made from both the procurement and SEDEX systems. (ii) Calculations • Proportion of total suppliers that are linked to Britvic on SEDEX is calculated as a percentage of total approved suppliers on the procurement system. • Proportion of total high-risk suppliers that have had audits within the last three years is calculated as a percentage. (iii) Verification
	Data are independently assured by Ernst & Young LLP.

3. Healthier Planet metrics



- Group Scope 1, 2 and selected scope 3 greenhouse gas emissions
- Manufacturing energy ratio
- Percentage of energy from renewables
- Percentage of hybrid and electric vehicles in the GB fleet
- Manufacturing water ratio and water effluent
- Percentage of manufacturing waste diverted from landfill and waste recycled/reused
- Savings in weight of plastic primary packaging resulting from improved manufacturing processes in GB
- Total primary plastic used in manufacturing in GB and the percentage that is recyclable

Manufacturing site environmental data collection overview

Site HSE Managers input energy, water consumption and water effluent meter readings into a central reporting hub on a monthly or four-week periodic basis. These are cross-checked to invoices received (usually 2-3 weeks after month end) and updates made where required. For some energy sources, e.g. some liquid fuels, consumption data may be obtained directly from invoiced volumes where metering doesn't exist.

Site HSE Managers obtain waste stream and final destination (i.e. recycling, incineration, waste to energy etc.) volumes from third party waste contractors on a monthly and annual basis. Waste transfer notes are used to cross-check information received as required. They also obtain volumes of refrigerant gases topped up on sites from procurement systems and/or suppliers at end of Q3 and end of Q4. Data is added to centrally-maintained spreadsheet for KPI calculation.

KPI/Topic	Calculation
Scope 1 emissions	Scope: All manufacturing, office and warehouse sites where Britvic has operational control. Emissions sources include gaseous fuels, liquid fuels, refrigerant gases and company cars.
	Methodology: (i) Data collection Manufacturing site environmental data are collected as per the summary above. Logs of all refrigerant gases topped up in owned equipment on customer sites are obtained from suppliers who manage this maintenance on our behalf. Company car mileage and vehicle size is extracted from our expenses systems.
	(ii) Assumptions In some cases it is not possible to collect consumption data for offices, particularly small, shared-tenancy spaces. Offices for which data are available are used to calculate average emissions per m² floor area, which is then applied to any remaining office space.
	 (iii) Calculations Total kWh for each fuel type are multiplied by the UK Government's Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2018 (hereafter '2018 DEFRA emission factors'). Total kilograms of refrigerant gases are multiplied by their associated global warming potential (GWP) in the 2018 DEFRA emission factors. As per DEFRA Environmental Reporting Guidance, only Kyoto Protocol-regulated gases are included in emissions reporting.

KPI/Topic	Calculation
	 Total mileage travelled by vehicle size for company car fleet is multiplied by the associated 2018 DEFRA emission factors. Emissions are calculated in tonnes CO₂e.
	(iv) Verification Data are independently assured by Ernst & Young LLP.
Scope 2 emissions	Scope: All manufacturing, office and warehouse sites where Britvic has operational control. All purchased electricity consumed on site.
	Methodology: (i) Data collection Manufacturing site environmental data are collected as per the summary above. Invoices/meter readings are also collected from office and warehouse sites at yearend.
	(ii) Assumptions In some cases it is not possible to collect consumption data for offices, particularly small, shared-tenancy spaces. Offices for which data are available are used to calculate average emissions per m² floor area, which is then applied to any remaining office space.
	 (iii) Calculations Location-based calculation: Total kWh for GB are multiplied by the 2018 DEFRA emission factors for UK electricity to calculate tonnes CO2e. International Energy Association (IEA) country-specific electricity emission factors are used for Ireland, France and Brazil (published factors refer tonnes CO2).
	 Market-based calculation: Total kWh are multiplied by supplier-specific emission factors for each market, as published by our electricity suppliers. For Brazil and Ireland, this is taken to be zero as our electricity purchased in 2018 was 100% renewable.
	(iv) Verification Data are independently assured by Ernst & Young LLP.
Total Scope 1 and Scope 2 emissions intensity ratio	Scope: All manufacturing, office and warehouse sites where Britvic has operational control. <i>Please note that the scope of Britvic's A Healthier Everyday emissions target focuses specifically on manufacturing sites, therefore reported emissions will be slightly lower for this KPI compared to our corporate emissions statement.</i>
	 Methodology: (i) Data collection Scope 1 and 2 emissions data are collected and calculated as per above. Production volumes are obtained from internal reporting systems and converted to tonnes using an average specific gravity for the site where required.
	(ii) Calculations Emissions intensity ratio = Total Scope 1 and Market-based Scope 2 (t) Thousand tonnes production
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Manufacturing energy intensity ratio	Scope: GB, Ireland, France and Brazil manufacturing sites. Energy sources include: natural gas, LPG, diesel, fuel oil, biomass, biogas and electricity
	Methodology:

KPI/Topic	Calculation
	(i) Data collection Manufacturing site environmental data are collected as per the summary above. The biogas from our anaerobic digestion plant in France that has been used as fuel for boilers on our manufacturing site is additionally collected annually.
	(ii) Calculations Manufacturing energy ratio: = Total energy consumption (kWh) Total production (tonnes)
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Percentage of energy from renewables	Scope: GB, Ireland, France and Brazil manufacturing sites. Renewable energy sources include: biomass, biogas and purchased electricity from renewable generation. Non-renewable energy sources include: natural gas, LPG, diesel, fuel oil and purchased electricity from non-renewable generation.
	Definitions: Renewable – The International Energy Agency defines renewable energy as "energy that is derived from natural processes (e.g. sunlight and wind) that are replenished at a higher rate than they are consumed". Whilst low carbon, electricity generated from nuclear power is not considered to be renewable for this KPI.
	Methodology: (i) Data collection Energy data are collected as per the metrics above. For purchased electricity, contractual information and externally published percentages of renewable generation by our suppliers are used.
	(ii) Calculations Percentage of energy from renewable sources: = Total energy consumed from renewable sources (kWh) x100 Total energy consumption (kWh)
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Percentage of hybrid and	Scope: GB company car fleet
electric vehicles in the GB fleet	Methodology: (i) Data collection Reports are received quarterly from our company car provider listing all vehicles in the fleet as a snapshot at the period end, including the type of vehicle.
	(ii) Calculations Percentage of hybrid and electric vehicles: = Total hybrid and electric vehicles x100 Total vehicles in the fleet
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Manufacturing water ratio	Scope: GB, Ireland, France and Brazil manufacturing sites. Effluent covers all water discharged from sites, including cooling water.
Total manufacturing water effluent	Methodology: (i) Data collection

VDI/Tania	Calculation
KPI/Topic	
	Manufacturing site environmental data are collected as per the summary above.
	(ii) Calculations
	Manufacturing water ratio:
	= <u>Total water consumption (m3)</u> Total production (tonnes)
	Total water effluent is the sum of effluent from all sites.
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Percentage of manufacturing waste diverted	Scope: GB, Ireland, France and Brazil manufacturing operations. Data exclude any construction/development projects on these sites.
from landfill	Methodology: (i) Data collection
Percentage of manufacturing waste recycled/	Manufacturing site environmental data are collected as per the summary above.
reused	(ii) Calculations
	Percentage of waste diverted from landfill
	= 100% - <u>Total waste sent to landfill</u> x 100
	Total waste generated • Percentage of waste recycled/reused
	= Total waste sent to landfill x 100
	Total waste generated
	(iii) Verification
	Data are independently assured by Ernst & Young LLP.
Scope 3 emissions: Water, waste and T&D losses	Scope: GB, Ireland, France and Brazil manufacturing sites. Waste data also include any construction/development projects ongoing on sites and waste from GB offices.
u	Methodology:
	(i) Data collection
	Manufacturing water, waste and electricity data are collected as per the summary above. Additional waste data for GB projects and offices is provided by our waste contractor.
	(ii) Calculations
	 Total Scope 3 emissions from water: Total water consumed is multiplied by the 2018 DEFRA emission factor for water supply to calculate tonnes CO₂e.
	 Total Scope 3 emissions from waste: Waste stream and final destination volumes are multiplied by the appropriate DEFRA 2018 emission factors to calculate tonnes CO2e.
	 Total Scope 3 emissions from transmission and distribution (T&D) losses: Total electricity consumed is multiplied by the 2018 DEFRA emission factor for UK T&D losses to calculate tonnes CO₂e.
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Scope 3	Scope: All business units except Brazil.
emissions: Business travel	Methodology:
	(i) Data collection GB, Ireland & International:

KPI/Topic	Calculation
	 Reports of total journeys and kilometres travelled by air travel class are obtained from the corporate travel provider. Expensed business travel data is used to obtain mileage for car travel and expensed monetary amount for rail travel is converted to distance travelled using a standard value for distance/km. Numbers of nights stayed in hotels by country are obtained from the corporate travel provider. France: Reports of carbon from air, rail and rental car travel are obtained from the corporate travel providers. (ii) Calculations Kilometres travelled are multiplied by DEFRA 2018 emission factors for travel to calculate tonnes CO₂e. Number of nights in hotels in each country is multiplied by the associated DEFRA 2018 emission factor. Where country factors are not available, an average was taken for the region and applied. (iii) Verification Data are independently assured by Ernst & Young LLP.
Scope 3 emissions: Logistics	Scope: Primary logistics for all business units excluding International Methodology: (i) Data collection
	 GB & Ireland: Logistics journey logs and vehicle type are obtained from third party suppliers and distances are applied to calculate mileage travelled. France: Kilometres travelled and vehicle type are obtained from logistics suppliers. Brazil: Kilometres travelled and average fuel per kilometre per vehicle are obtained from logistics suppliers to calculate total fuel consumed.
	 (ii) Calculations Kilometres travelled or fuel consumed are multiplied by DEFRA 2018 emission factors for travel to calculate tonnes CO₂e.
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Scope 3 emissions:	Scope: All owned refrigeration/vending equipment on customer sites.
Electricity from refrigeration on customer sites	Methodology: (i) Data collection A report of all equipment located on customer sites was run from internal systems as at the end of Q3 and again at the end of Q4. Data on electricity consumption per unit type is recorded as per manufacture manuals.
	(ii) Assumptions It is assumed that all equipment is running 24 hours a day every day of the year.
	 Calculations Total electricity consumption per unit type per day is multiplied by the number of days in the reporting period and also by the number of units in place on customer sites on the snapshot date. Total electricity consumption in the reporting periods is summed to get the full year.

KPI/Topic	Calculation
	 Total kWh for equipment in GB are multiplied by the 2018 DEFRA emission factors for UK electricity to calculate tonnes CO2e. International Energy Association (IEA) country-specific electricity emission factor is used for Ireland equipment (published factors refer tonnes CO₂).
	(iv) Verification Data are independently assured by Ernst & Young LLP.
Savings in weight of plastic primary packaging resulting from	Scope: All primary plastic packaging manufactured at lighter weights on our newly-installed manufacturing lines in GB as part of Britvic's Business Capability Programme. Definitions:
improved manufacturing processes in GB	Primary packaging – This refers to the individual unit, i.e. bottle, label/sleeve and closure. All additional packaging related to multipacks, cases and pallets is considered secondary and tertiary.
	 Methodology: (i) Data collection Old and light-weighted packaging specification weights are maintained by the Technical Packaging team. Production volumes of each product for each manufacturing line are obtained from internal reporting systems.
	(ii) Calculations The difference in primary packaging weights of products running on new lines and their heavier weights on old lines is multiplied by the total units of that product manufactured on the new lines during 2018.
	(iii) Verification Data are independently assured by Ernst & Young LLP.
Total primary plastic used in manufacturing in GB and the	Scope: All primary plastic packaging manufactured for the GB market during 2018, including by co-packers and in other business units (i.e. Britvic's Ireland and France manufacturing operations).
percentage that is recyclable	Definitions: Primary packaging – This refers to the individual unit, i.e. bottle, label/sleeve and closure. All additional packaging related to multipacks, cases and pallets is considered secondary and tertiary. Recyclable – The most recent WRAP Recycling Guidelines (version 1.9 - amended August 2018) were used to guide whether each product is recyclable. Where there were areas of uncertainty (e.g. because the material was technically recyclable but current recycling infrastructure does not allow for recycling in some areas of the country), a conservative approach was taken, i.e. to state not recyclable.
	Methodology: (i) Data collection Packaging specification weights for each product and line are maintained by the Technical Packaging team. Production volumes of each product for each manufacturing line or from co-packers and intercompany transfers are obtained from internal reporting systems.
	 (ii) Calculations Total weight of primary plastic used in manufacturing: The total weight of plastic for each primary packaging unit is multiplied by the number of units manufactured for the GB market during 2018. Percentage recyclable

KPI/Topic	Calculation
	(iii) Verification Data are independently assured by Ernst & Young LLP.