

## **Britvic Sustainability Metrics: Basis of Reporting 2017**

This document outlines the scope and methodology principles for the collation of Britvic's key sustainability performance metrics as reported in the 2017 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. Our latest acquisition Bela Ischia has been included within the scope of this year's report.

### ***(ii) Time period***

Our 2017 reporting covers Britvic's financial year, i.e. 3 October 2016 – 1 October 2017 inclusive.

### ***(iii) Assurance***

Independent assurance over selected sustainability KPIs was provided by Bureau Veritas UK Ltd for 2017 reporting. Please see [www.britvic.com](http://www.britvic.com) 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***

Topic	Methodology
<b>Safety</b>	<p><b>KPIs:</b> Accident Frequency Rate (AFR), Lost Time Injury Frequency Rate (LTIFR)</p> <p><b>Scope:</b> All manufacturing sites, offices and owned warehouses in GB, Ireland, France and Brazil. Reported data refer to employee safety only.</p> <p><b>Definitions:</b></p> <p><i>Accident</i> – 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.</p> <p><i>Lost time injury (LTI)</i> - 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 or not the person was scheduled to work.</p> <p><i>Hours worked</i> - Total hours worked includes hours worked by all Britvic employees, whether on-site or off-site, including any 'overtime'.</p> <p><b>Methodology:</b></p> <p>(i) <i>Data collection</i></p> <ul style="list-style-type: none"> <li>• Accident forms are completed following any safety incidents and managed by HSE coordinators at the sites;</li> <li>• Total accidents, LTIs and hours worked are reported by site HSE coordinators to Group on a monthly basis via a central data collection hub.</li> </ul> <p>(ii) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Accident frequency rate = <math>\frac{\text{Total accidents}}{100,000 \text{ hours worked}}</math></li> <li>• Lost time injury frequency rate = <math>\frac{\text{Total lost time injuries}}{100,000 \text{ hours worked}}</math></li> </ul> <p>(iii) <i>Verification</i></p> <p>Data are verified internally through our yearend HSE data review process and are externally assured by Bureau Veritas.</p>
<b>Health</b>	<p><b>KPIs:</b> Average calories per 250 ml serve</p> <p><b>Scope:</b> All products sold across all markets globally</p> <p><b>Methodology:</b></p> <p>(i) <i>Data collection</i></p> <p>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.</p> <p>(ii) <i>Assumptions</i></p> <ul style="list-style-type: none"> <li>• In 2017, as J2O reformulations came into market just before yearend it was selected to apply pre-reformulation nutritional information to sales volumes to more accurately reflect calorie figures for the full year.</li> <li>• Calories associated with our dilutable drinks are based on the dilution rate as stated on pack.</li> </ul> <p>(iii) Where products are available in both dispense and pre-packaged formats the volume is combined, which may result in a lower</p>

	<p>calorie per serve figure; however this does not significantly affect year-on-year comparison.</p> <p>(iv) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Work out total volume consumed per SKU by applying recommended dilution rates to sales volumes.</li> <li>• Obtain the calories per litre from nutrition system for all SKUs.</li> <li>• Multiply calories per litre by volumes consumed to calculate total calories for each SKU and sum to get total calories consumed.</li> <li>• Divide total calories by total volume consumed and then divide by 4 to reach average calories per serve (250ml).</li> </ul> <p>(v) <i>Verification</i> Data are independently assured by Bureau Veritas.</p>
<b>Diversity</b>	<p><b>KPIs:</b> Gender balance – total employee population, Gender balance – senior management</p> <p><b>Scope:</b> Employees across all business units as at 1 October 2017</p> <p><b>Definitions:</b> <i>Senior management</i> – Employees in Band D or above roles in Britvic’s management hierarchy</p> <p><b>Methodology:</b></p> <p>(i) <i>Data collection</i> 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.</p> <p>(ii) <i>Calculations</i> % male and % female in each category are calculated</p> <p>(iii) <i>Verification</i> Data are independently assured by Bureau Veritas.</p>
<b>Great Place To Work</b>	<p><b>KPIs:</b> Plc Trust Index Score from 2018 Great Place to Work (GPTW) Survey.</p> <p><b>Scope:</b> 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. 89% of employees in scope completed the 2018 survey, which was issued in September 2017.</p> <p><b>Methodology:</b></p> <p>(i) <i>Data collection</i> GPTW sets a survey of 59 questions. The GPTW Survey is issued to employees in paper or electronic format depending on that most suitable for their role. All submissions in either format are anonymous and managed by GPTW.</p> <p>(ii) <i>Calculations</i> GPTW uses its calculation methodology to produce a Trust Index score for the Plc and also sub-units within the organisational hierarchy and provides this to Britvic.</p> <p>(iii) <i>Verification</i> The KPI is independently assured by Bureau Veritas.</p>
<b>Charitable giving</b>	<p><b>KPIs:</b> Total value of employee charitable giving, Employees engaging with community support programmes (ratio)</p> <p><b>Scope:</b> GB based-employees only (i.e. GB business unit and GB-based International business unit). Giving includes:</p> <p>(i) Give as you earn (GAYE) employee donations;</p> <p>(ii) Employee drinks donations to charity events;</p> <p>(iii) Employee donations through charity lottery and amount matched by Britvic;</p> <p>(iv) Value matched by Britvic of employee personal charitable fundraising;</p>

	<p>(v) Value of employee volunteering hours through company volunteering initiatives. Total excludes charitable giving through corporate partnerships and brand campaigns.</p> <p><b>Methodology:</b></p> <p>(i) <i>Data collection</i></p> <ul style="list-style-type: none"> <li>• Total GAYE employee donations are obtained from payroll systems at yearend.</li> <li>• Employee drinks donations and matched giving values are logged as approved throughout the year.</li> <li>• Total participants in the charity lottery are recorded each month and lists are maintained by HR.</li> <li>• 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.</li> </ul> <p>(ii) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Total employee charitable giving: <ul style="list-style-type: none"> <li>- GAYE: Total value donated in FY17</li> <li>- Drinks donations: Total value of drinks to be donated approved</li> <li>- Charity lottery: Number of participants per month multiplied by value (£5), multiplied by amount donated to charity (75%) and multiplied by 2 to include Britvic matched value.</li> <li>- Matched giving: Total value of approved matched giving requests.</li> <li>- Volunteering: Total hours recorded multiplied by £18/hour rate.</li> </ul> </li> <li>• Employees engaged in community support programmes (ratio): Lists of employees involved in each of the programmes described above are obtained and duplicates removed. Total number of employees engaged is divided by total number of employees based in GB as at 1 October 2017 (as per Diversity data collection above).</li> </ul> <p>(iii) <i>Verification</i> Data are reviewed internally for accuracy but are not currently included in the scope of external assurance.</p>
<p><b>Supply Chain</b></p>	<p><b>KPIs:</b> % Direct suppliers linked or requested to link to Britvic on SEDEX, % High risk direct suppliers with or requested to have audits</p> <p><b>Scope:</b> All approved direct suppliers of ingredients and packaging only excluding the Brazil business unit. Snapshot is as at 30 September 2017 (yearend).</p> <p><b>Definitions:</b> <i>High risk suppliers</i> – Suppliers are considered high risk if they are allocated a certain risk score by our external risk profiling tool.</p> <p><b>Methodology:</b></p> <p>(i) <i>Data collection</i> Supplier lists are maintained in procurement systems on an ongoing basis. New/removed suppliers in this system are updated in the SEDEX tracker on a monthly basis. New suppliers are requested to join SEDEX if they haven't already and then link to Britvic. Logs are made when suppliers are requested to link on SEDEX, link, requested to have an audit and complete an audit.</p> <p>(ii) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Proportion of total suppliers that are linked/requested to link on SEDEX is calculated as a percentage.</li> </ul>

	<ul style="list-style-type: none"> <li>• Proportion of total high-risk suppliers that have had or requested to have audits is calculated as a percentage.</li> </ul> <p>(iii) <i>Verification</i> The KPIs are independently assured by Bureau Veritas.</p>
<p><b>Energy and emissions: Fuels</b></p>	<p><b>KPIs:</b> Total energy consumption from manufacturing sites (kWh), Manufacturing energy ratio, Scope 1 emissions (CO<sub>2</sub>e)  <b>Scope:</b> GB, Ireland, France and Brazil manufacturing sites.  <b>Definitions:</b> Fuels are anything combusted on site for energy. For our sites, this includes natural gas, LPG, diesel, fuel oil and biomass.  <b>Methodology:</b></p> <p>(i) <i>Data collection</i> Site HSE Managers input meter readings into a central reporting hub on a monthly basis. These are cross-checked to invoices received (usually 2-3 weeks after month end) and updates made where required. Total figures are collated at yearend and inputted into the HSE Annual Report Tool.</p> <p>(ii) <i>Calculations</i> Sites use location/supplier-specific factors/calorific values to calculate energy from fuel combustion in kWh. The kWh totals for each fuel type are then used to calculate the KPIs:</p> <ul style="list-style-type: none"> <li>• Total energy consumption: Sum of all energy combustion from fuels and electricity (see below)</li> <li>• Manufacturing energy ratio:  <math display="block">= \frac{\text{Total energy consumption (kWh)}}{\text{Total production (tonnes)}}</math></li> <li>• Total scope 1 emissions: Total kWh for each fuel type are multiplied by the UK Government's Greenhouse Gas (GHG) Conversion Factors for Company Reporting 2017 (hereafter '2017 DEFRA emission factors'). Emissions are calculated in tonnes CO<sub>2</sub>e.</li> </ul> <p>(iii) <i>Verification</i> Data are verified internally through our yearend HSE data review process and are externally assured by Bureau Veritas.</p>
<p><b>Energy and emissions: Electricity</b></p>	<p><b>KPIs:</b> Total energy consumption from manufacturing sites (kWh), Manufacturing energy ratio, Scope 2 emissions (CO<sub>2</sub>e)  <b>Scope:</b> GB, Ireland, France and Brazil manufacturing sites. All purchased electricity consumed on site.  <b>Methodology:</b></p> <p>(i) <i>Data collection</i> Site HSE Managers input electricity meter readings into a central reporting hub on a monthly basis. These are cross-checked to invoices received (usually 2-3 weeks after month end) and updates made where required. Total figures are collated at yearend and inputted into the HSE Annual Report Tool.</p> <p>(ii) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Total energy consumption: Sum of all energy combustion from fuels and electricity (see below)</li> <li>• Manufacturing energy ratio:  <math display="block">= \frac{\text{Total energy consumption (kWh)}}{\text{Total production (tonnes)}}</math></li> <li>• Total Scope 2 emissions: Reported Scope 2 emissions follow the location-based calculation approach. Total kWh for GB are multiplied by the 2017 DEFRA emission factors for UK electricity to calculate tonnes CO<sub>2</sub>e. International Energy Association (IEA) country-specific electricity emission factors are used for Ireland, France and Brazil (published factors refer tonnes CO<sub>2</sub>).</li> </ul>

	<p>(iii) <i>Verification</i> Data are verified internally through our yearend HSE data review process and are externally assured by Bureau Veritas.</p>
<b>Water</b>	<p><b>KPIs:</b> Total water consumption from manufacturing sites (m3), Manufacturing water ratio, Scope 3 emissions from water (CO<sub>2</sub>e) <b>Scope:</b> GB, Ireland, France and Brazil manufacturing sites. All water withdrawn on site, including municipal supply, groundwater/borehole and surface/river water withdrawn. Water not used in manufacturing, e.g. used for cooling or borehole maintenance only, is also included. <b>Methodology:</b></p> <p>(i) <i>Data collection</i> Site HSE Managers input electricity meter readings into a central reporting hub on a monthly basis. These are cross-checked to invoices received (usually 2-3 weeks after month end) and updates made where required. Total figures are collated at yearend and inputted into the HSE Annual Report Tool.</p> <p>(ii) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Total water consumption: Sum of all water consumption across sites (m3).</li> <li>• Manufacturing water ratio: = <math>\frac{\text{Total water consumption (m3)}}{\text{Total production (tonnes)}}</math></li> <li>• Total Scope 3 emissions from water: Total water consumed is multiplied by the 2017 DEFRA emission factor for water supply to calculate tonnes CO<sub>2</sub>e.</li> </ul> <p>(iii) <i>Verification</i> Data are verified internally through our yearend HSE data review process and are externally assured by Bureau Veritas.</p>
<b>Waste</b>	<p><b>KPIs:</b> Total waste to landfill from manufacturing sites (tonnes), % Total waste diverted from landfill, Scope 3 emissions from waste (CO<sub>2</sub>e) <b>Scope:</b> GB, Ireland, France and Brazil manufacturing sites. All waste generated on site (hazardous and non-hazardous). <b>Methodology:</b></p> <p>(i) <i>Data collection</i> 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.</p> <p>(ii) <i>Calculations</i></p> <ul style="list-style-type: none"> <li>• Total waste to landfill from manufacturing sites (tonnes): Sum of all waste sent to landfill across sites.</li> <li>• % waste diverted from landfill = <math>100\% - \frac{\text{Total waste sent to landfill}}{\text{Total waste generated}} \times 100</math></li> <li>• Total Scope 3 emissions from waste Waste stream and final destination volumes are multiplied by the appropriate DEFRA 2017 emission factors to calculate tonnes CO<sub>2</sub>e.</li> </ul> <p>(iii) <i>Verification</i> Data are verified internally through our yearend HSE data review process and are externally assured by Bureau Veritas.</p>
<b>Business travel and logistics</b>	<p><b>KPIs:</b> Scope 3 emissions from business travel and logistics (CO<sub>2</sub>e) <b>Scope:</b></p> <ul style="list-style-type: none"> <li>• Business travel flights booked through corporate travel provider for all business units excluding Brazil;</li> </ul>

- Expensed travel via company cars, fleet vehicles, personal cars and rail for all business units excluding Brazil;
- Hotel stays for all business units excluding Brazil and France;
- Primary logistics for all business units excluding International.

**Methodology:**

(i) *Data collection*

GB, Ireland & International:

- 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 and fleet vehicle 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 are obtained from the corporate travel provider.
- Logistics journey logs and vehicle type are obtained from third party suppliers and distances are applied to calculate mileage travelled.

France:

- Reports of carbon from air and rail travel are obtained from the corporate travel provider.
- 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 2017 emission factors for travel to calculate tonnes CO<sub>2</sub>e.

(iii) *Verification*

Data are independently assured by Bureau Veritas.