

# Modern Slavery Act Transparency Statement 2019



This statement is made in accordance with obligations under the UK Modern Slavery Act 2015 and sets out the actions Britvic has taken during the 52 weeks ended 29 September 2019 (FY19) to understand potential modern slavery risks and prevent modern slavery and human trafficking in its business and supply chain. This statement covers the activities of all relevant companies in the Britvic plc Group, as listed on pages 131 – 132 of the 2019 Annual Report and Accounts.

## Our commitment

As a business with a complex global supply chain we recognise that we have a responsibility to take a robust approach to preventing slavery and human trafficking. Britvic is committed to ensuring all our businesses and partners are free from slavery and human trafficking.

## Operations & Supply Chain

Britvic is the largest supplier of branded still soft drinks and the number two supplier of branded carbonated soft drinks in Great Britain (GB), and it is an industry leader in Ireland and France. Headquartered in the UK, we have manufacturing operations in GB, Ireland, France and Brazil where we produce our iconic brands, including Robinsons, Tango, J2O, drench, MiWadi, Ballygowan, Teisseire, Fruité, Maguary and DaFruta. Alongside our own manufacturing sites, we also have manufacturing contracts in the UK, Europe and the US. In addition, in GB and Ireland, we produce and sell a number of PepsiCo's soft drinks brands, including Pepsi, 7UP and Mountain Dew, under exclusive agreements with PepsiCo.

We directly employ over 4,500 people and have a diverse supply chain of approximately 1,700 supplier organisations, sourcing ingredients, materials and services from over 50 countries. These suppliers range in size from small and medium-sized enterprises to large multinationals, each of which has its own supply chain. We are committed to producing high quality soft drinks which are sourced and manufactured in a fair, ethical and environmentally responsible way.

# 1,700

We have a diverse supply chain of approximately 1,700 supplier organisations

# 4,500

We directly employ over 4,500 people


# 50

We source ingredients, materials and services from over 50 countries

## Governance

We recognise that having the right governance framework to address human rights and ethical behaviours is fundamental to managing the risk of modern slavery in our business and supply chains. In 2017, Britvic established a Modern Slavery Prevention Group, made up of representatives from across the relevant business functions including risk, supply chain, procurement and sustainability. The group is responsible for overseeing Britvic's approach to preventing modern slavery and reviewing the effectiveness of our policies and processes. It is sponsored by the Chief Supply Chain Officer who is a member of the Executive team and chaired by the Deputy Company Secretary, and the activities of the group are monitored by the Environmental, Social and Governance Committee.

Ethical scorecard updates that measure and report progress against our responsible sourcing KPIs are included when appropriate in Quality, Health, Safety, Environment and Wellbeing reports to the Executive team and Board. Modern slavery issues are also considered during risk assessments at all levels throughout the business and are covered in principal risk reviews of Supply Chain, International Expansion and Legal & Regulatory.

 See the description of Principal Risks and Uncertainties on pages 35 – 38 of the 2019 Annual Report at [www.britvic.com/annualreport](http://www.britvic.com/annualreport)

## Policies in relation to Modern Slavery

Britvic has developed a suite of policies that relate to ensuring ethical business practices are followed and these are supported by further procedures and guidance. Our approach is guided by international conventions and standards, including the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Ethical Trading Initiative (ETI) Base Code.

## Code of conduct

The Britvic Code of Conduct sets out Britvic's core values and how we work. It explains what "doing the right thing" means for Britvic, including with respect to human rights and speaking up about concerns. The code applies to the whole Britvic workforce worldwide regardless of their role or seniority.

 Find the Britvic Code of Conduct here: [www.britvic.com/codeofconduct](http://www.britvic.com/codeofconduct)

## Ethical Business Policy

The Ethical Business Policy sets out the appropriate ethical and legal behaviour that an individual is expected to adopt when doing business on behalf of Britvic, along with a set of ethical business standards expected of both Britvic operations and our suppliers.

It states that we “respect and protect human rights by ensuring that we and our suppliers work in a clean and safe environment, have proper standards of employment, comply with local laws and don’t oppress or exploit anyone”. This policy applies to the whole Britvic workforce and to all third parties acting on behalf of Britvic including secondees, advisors, agency workers, contractors and other companies.

The ethical business standards that support the policy include a statement that “standards of employment must comply with the UK Modern Slavery Act 2015 which forbids the employment of anyone under conditions of: ‘forced labour’, ‘compulsory labour’, ‘slavery’ or ‘servitude’ or the exploitation of any person by ‘human trafficking’.” Furthermore, Britvic and our suppliers must maintain standards of employment in accordance with the Ethical Trading Initiative (ETI) Base Code (see below).

 Find the Britvic Ethical Business Policy here: [www.britvic.com/ethicalbusiness](http://www.britvic.com/ethicalbusiness)

### Ethical Trading Initiative (ETI) Base Code Labour Standards

- 1 Employment is freely chosen
- 2 Freedom of association and the right to collective bargaining are respected
- 3 Working conditions are safe and hygienic
- 4 Child labour shall not be used
- 5 Living wages are paid
- 6 Working hours are not excessive
- 7 No discrimination is practiced
- 8 Regular employment is provided
- 9 No harsh or inhumane treatment is allowed

## Speak-Up Code

This code sets out various methods by which employees, suppliers and third parties can raise concerns about working practices that they believe breach any company policies or the law. Britvic provides a confidential hotline via both phone and web, which is available 24/7 and 365 days a year. The hotline is operated by an independent external organisation.

Any concerns reported via the hotline or through line management are referred to the Global Head of Compliance and all matters are treated in the strictest confidence. Concerns can be reported anonymously and are investigated as quickly and thoroughly as possible, and the position of the person reporting the concern is protected, regardless of the outcome of the investigation. The Board receives a report on any concerns raised and progress towards resolving them at every Board meeting.

In the course of FY19, Britvic has revisited the whistleblowing provision with a view to relaunching the policy and procedures globally in 2020. Local policy owners have been identified in our businesses in France, Ireland and Brazil, as well as representatives in our international sales and distribution businesses. Work is ongoing to ensure that translations of the code are available in the appropriate local languages, and the processes are suitable to local conditions and working practices. The 2020 relaunch will involve a global communications programme and training throughout the business.

In the meantime, other measures were taken at local levels, such as an email from CEO Simon Litherland to all GB manufacturing employees, promoting the confidential hotline service in December 2018.

 Find the Britvic Whistleblowing Policy here: [www.britvic.com/whistleblowing](http://www.britvic.com/whistleblowing)

### Other policies relating to Modern Slavery

Britvic has other policies in place which contain terms relating to the principles of ethical business, including the Work Experience and Young People Manager Guidance, the Equality & Diversity Policy and the Harassment & Bullying Policy.

### Policy implementation, compliance and training

Each policy is assigned to a Global Policy Owner who is responsible for ensuring the policy is kept up to date and is properly implemented. Local policy owners are responsible in different countries to ensure that policies are amended in line with requirements of local regulation. Each market has its own approach to implementing, communicating and training on our global policies.

## Policy implementation, compliance and training continued

On joining the business, new starters are required to read key Britvic policies, which include the Code of Conduct and the Ethical Business Policy. Key personnel in functions such as procurement and research and development are given extra training to raise awareness of the associated risks within the supply chain.

All our suppliers, as part of the onboarding process, are required to read and confirm adherence to our Ethical Business Policy. Failing to do so will result in the vendor not being accepted as a supplier to Britvic.

Britvic has a Compliance function responsible for overseeing the compliance agenda, including working with policy owners to ensure that individual policies form a coherent framework across the business. One of the objectives of this function is to ensure that policies remain relevant and new policy areas are identified and addressed.

## Risk assessment, due diligence and assessment of suppliers and supply chain

### Our suppliers

As part of our ethical performance monitoring, we assess the ethical risks in our supply chains. All direct suppliers<sup>1</sup> into businesses are required to join Sedex, complete the Sedex self-assessment ethical questionnaire and give us access to their data through the on-line database. We assess each supplier's risk using the platform risk assessment tool which identifies the likelihood of an issue occurring. The risk score is calculated using inherent risk based on country, product area, sector profile and site function.

Britvic requires all direct suppliers<sup>1</sup> identified as "high-risk" to have a SMETA 4 Pillar audit (Sedex Members Ethical Trade Audit), which assesses and verifies compliance against:

- Labour Standards (including absence of forced labour)
- Environmental Standards
- Business Ethics (including absence of bribery and corruption)
- Health & Safety

These audits also include confidential interviews with a percentage of the workforce and are carried out by independent auditors from internationally recognised audit bodies. If any issues or non-compliance with the audit standard are identified during an audit, the supplier is required to prepare a corrective action plan and implement this within an agreed period.

In recognition of the potential modern slavery risks associated with the agriculture of raw materials, this year we began a mapping exercise of our raw materials which are classified as high risk, for example, sugar. Mapping the chain of custody for these materials will create transparency within these supply chains. Similar exercises will continue for other high-risk raw materials used in Britvic in our next financial year (FY20).



### Sedex

Sedex is a not-for-profit organisation and the largest collaborative platform for sharing ethical supply chain data. It is dedicated to driving improvements in ethical and responsible business practices in global supply chains and has more than 60,000 members in 180 countries (as reported on [www.sedexglobal.com](http://www.sedexglobal.com) on 10 October 2018). It has a secure, online database which allows members to store, share and report information about labour standards, health & safety, the environment and business ethics.

We continue to proactively contribute to the Sedex data platform and its continuous improvement. Britvic has been a member of Sedex since 2005 and we contribute to the development of the SMETA 4 Pillar audit at the Sedex Stakeholder Forum.



### AIM-PROGRESS

Britvic is one of the founding members of AIM-PROGRESS which started in 2007. AIM-PROGRESS is a global fast-moving consumer goods manufacturer and supplier forum whose goal is to positively impact people's lives through combined leadership of robust responsible sourcing practices throughout our supply chains. AIM-PROGRESS members exchange views and share learnings that help us to develop best practice and continually enhance our ethical processes. Further information can be found at [www.aim-progress.com](http://www.aim-progress.com)

We are a part of the Mutual Recognition working group whose aim is to enable the social and ethical audits conducted by AIM-PROGRESS members to be recognised and accepted by other fellow members.

## Our own business

As part of our commitment to meet the same standards that we're asking of our supply chain, all our manufacturing sites in GB, Ireland, France and Brazil have completed the Sedex self-assessment questionnaire. All manufacturing sites in GB and Ireland, France and Brazil have also successfully completed their SMETA 4 Pillar audits.

The SMETA audit findings highlighted an opportunity for the management teams at each Britvic manufacturing site to receive training to increase awareness and demonstrate ethical standards. Britvic will roll out Ethical Trading Initiative base code training to management teams at each site.



### Spotlight on Britvic Brazil

During 2019, the Sedex supplier management system was rolled out to our Brazil business. This project saw the Brazil team receive training from Sedex, equipping them with the necessary skills and knowledge to initiate and support our suppliers through the audit process. We continue to link with suppliers through the Sedex system and we aim to complete the majority of this in 2020.

In July, the Britvic Brazil team co-hosted the AIM-PROGRESS Responsible Sourcing Supplier Forum in São Paulo. Around 280 attendees including suppliers who were not affiliated with Sedex were invited to attend an event to learn about anti-corruption, forced labour, the value of social audits, wages and working hours and health and safety at work. Sedex membership of direct approved suppliers in Brazil increased from 14% in the previous year (FY18) to 73% in FY19.

More information on the event can be found at [www.aim-progress.com](http://www.aim-progress.com)

## Training

Britvic is introducing new starter induction training on raising awareness of the existence of modern slavery in the UK. The course was developed using information from the Modern Slavery Act and various anti-modern slavery Non-Governmental Organisations (NGOs), for example Anti-Slavery and the Modern Slavery Partnership.

Britvic has trained key internal staff on the ETI Base Code and the Sedex Members Ethical Trade Audit to promote awareness of modern slavery within consumer goods manufacturing practices.

The indirect procurement team received an internal introduction to the Sedex audit process and refresher training on the Ethical Business Policy. In FY20, members of the indirect procurement team for key categories such as temporary labour and facility management will be attending training courses run by Stronger Together, a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. Workshops will focus on mitigating the risk of modern slavery in our business through procurement practices.

More information on Stronger Together can be found at [www.stronger2gether.org](http://www.stronger2gether.org)

## Evaluating our progress and next steps

Our ethical scorecards have shown a steady rise in the number of our suppliers becoming members and sharing their SEDEX memberships throughout FY19. There has been a steady increase in numbers linked with the France supply base and significant improvement in the Brazil supply base following the supplier capability building event.

### SEDEX scorecard

|   | FY19 | FY18 |
|---|------|------|
| Percentage of direct approved suppliers <sup>1</sup> linked on SEDEX                        | 92%  | 57%  |
| Percentage of high-risk direct suppliers <sup>1</sup> with audits <sup>2</sup>              | 40%  | 25%  |
| Percentage of Britvic manufacturing sites with SMETA 4 Pillar Audits completed <sup>2</sup> | 83%  | 69%  |
| Number of calls to the "Speak Up" whistleblowing hotline related to Modern Slavery issues   | None | None |

The Modern Slavery Prevention Group sets out areas of focus to drive progress in terms of being able to provide assurance that our own business and that of our suppliers is conducted ethically. Our FY19 priorities included focusing on indirect suppliers and co-packers and improving training, and progress on these is described throughout this statement.

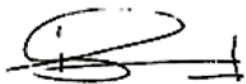
Following an assessment of Britvic's indirect supply base, Britvic piloted a scheme where the temporary labour and 'soft' facilities management providers have shared with Britvic their ethical data on the Sedex platform. The next step is to roll this procurement driven practice out in France and Brazil in FY20.

Britvic is working with SEDEX in the development of a new risk assessment tool to measure risks within our supply chain using a new scoring system and provide new supplier risk ratings.

Our priorities in FY20 are:

- Link with 100% of Britvic direct suppliers<sup>1</sup> on Sedex
- Conduct a risk assessment of our complete indirect supply base and formulate a prioritised action plan for monitoring ethical standards
- Refresh our recruitment policy to specifically include references to modern slavery prevention
- Align all Britvic businesses training on modern slavery with targeted training for procurement and human resources teams
- Ethical coaching for all procurement teams and selected senior managers

This statement has been approved by the Board of Britvic plc.



**Simon Litherland**  
Chief Executive Officer  
November 2019

1 Direct suppliers are those who supply raw materials, defined as any items that end up in the completed products on sale. This includes ingredients and packaging. Britvic also purchases items not included in sale products such as machinery, cleaning products, office equipment etc., known as indirect supplies. These are not included in the audit process at present.

2 Audits are only considered in the KPI if they have been completed within the last three years, in line with AIM-PROGRESS' requirements for mutual recognition. The site or supplier may still have been audited in the past.

