

Section 172 statement

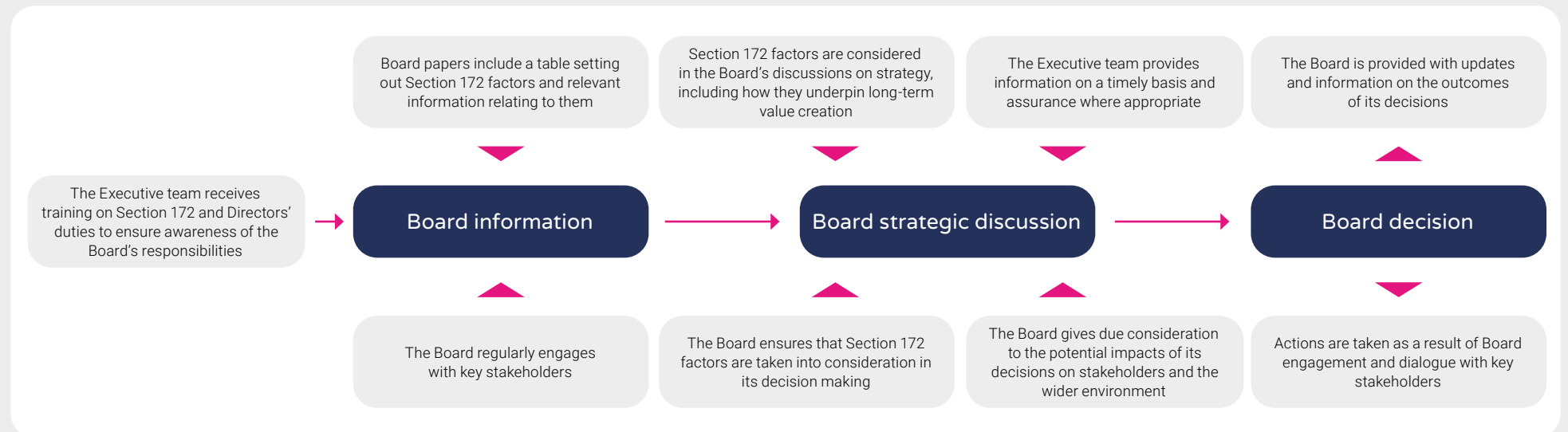
The Board has a duty to promote the success of the company and, under Section 172 of the Companies Act 2006, in doing so it must have regard for a number of matters when making decisions. Additionally, under the Corporate Governance Code the Board must consider the interests of the company's stakeholders.

+ On pages 26–28, further detail is provided on our key stakeholder groups and how each of them is considered as part of key decisions, along with an insight into how the Board engages with each group.

The purpose of this statement is to demonstrate how those matters are taken into account in decisions made by the Board.

The Board's decision making process is illustrated by the graphic below. The Directors receive training on their duties, including Section 172 and the requirement to consider all factors when making key decisions. Board papers also include a dedicated section setting out how each factor has been considered in the proposal. The Board delegates some of its decision making to the Executive team and individual business unit executive teams through a clear Statement of Authorities policy. Therefore, significant papers presented to these groups will also include reference to Section 172 to ensure that delegated decision making still meets the requirements and that the correct decision making principles are embedded across the business. Accordingly, the examples in this statement include decisions made directly by the Board, and also decisions which have been delegated to others within the business along with the requirement to consider the interests of all stakeholders in decision making.

On pages 30–31, three examples of Board decisions made during the past financial year are summarised, and the Section 172 matters most relevant to those decisions are highlighted. Some Board decisions may require consideration of a particular matter, or a particular stakeholder group, more than others, nonetheless each matter and stakeholder group is considered for each decision made.





Section 172 statement continued

Stakeholder groups most impacted



Our consumers



Our suppliers



Our customers



Our communities



Our employees



Our shareholders

New PET plastic line at Beckton



Context

In December 2021, the Board approved the investment in a new PET plastic line at our Beckton site in Great Britain.

Section 172 factors considered

Long-term consequences of the decision

The new PET line will contribute towards meeting our 2025 targets. The additional volume capacity will allow us to increase our share of the immediate consumption market in line with our long-term strategy. Manufacturing of small PET in-house is a strategic value driver and provides long-term supply resilience in a challenging external environment.

Interests of the company's employees

The new line will create additional jobs within the business to operate the line and opportunities for existing employees.

Impact on the community and the environment

While the addition of manufacturing capacity can have an adverse impact on the environment, care has been taken to minimise this throughout the process. The new production line will run at a higher capacity while maintaining a lower energy utilisation than current equipment at the Beckton site which highlights the environmental benefits of using modern equipment. The supplier of the equipment, Krones, is a close partner of Britvic which has sustainability at the heart of its business strategy, and has aligned its 2030 sustainability plans to reduce carbon and contribute to our science-based targets.

Share buyback programme



Context

In May 2022, along with our interim results, we announced that we would commence a £75 million share buyback programme, reflecting the strength in our balance sheet and the confidence in our growth strategy.

Section 172 factors considered

Long-term consequences of the decision

Our strategy for long-term sustainable growth is underpinned by the effective management and utilisation of cash. As both net debt and leverage continued to reduce, we had the option to return cash to shareholders. The share buyback programme balances this opportunity with the existing and planned investment back into the business and the need to ensure we meet our short and long-term profit targets.

Maintaining reputation for high standards of business conduct

The decision to launch the share buyback programme was taken after obtaining expert internal and external opinions on the most effective way to deploy cash, and following engagement with shareholders on the preferred approach. It was then clearly announced externally as part of our interim results. The ability to execute the programme is largely due to our continued focus on cash management, which has allowed us to pay down debt over the past few years, reducing the debt leverage in our business and strengthening our balance sheet.

Acting fairly between members

The ability of the business to manage its cash position in an effective way is clearly in the interests of all shareholders. The share buyback programme is in line with our strategy for long-term sustainable growth and delivering value for our shareholders, and the execution of this strategy will benefit all members. Shareholders who have sold shares since the programme commenced will have received a fair market rate, and remaining shareholders (including many Britvic employees) will now own shares which represent a larger percentage of the business.



Section 172 statement continued

Stakeholder groups most impacted continued

[Our consumers](#)[Our suppliers](#)[Our customers](#)[Our communities](#)[Our employees](#)[Our shareholders](#)

Working Well site renovations



Context

During 2021, we launched a dynamic working policy called Working Well. The aim of Working Well is to ensure Britvic has happy, healthy employees, thriving in a dynamic workplace. This year, and continuing into next year, a key part of the evolution of this journey has been the approval of funds to renovate working spaces across our sites both in Great Britain and other countries (see more on page 37).

Section 172 factors considered

Interests of the company's employees

The improved facilities will clearly benefit of our employees. They have improved the day-to-day experience of working at Britvic, and in doing so promote wellbeing, which is in line with our Healthier People, Healthier Planet goals.

Impact on the community and environment

The investment in our office facilities and sites has put in place the technology and workplaces required to enable hybrid working to be effective. Our office spaces are now focused around collaboration areas, which are linked to technology that enables online meetings. The ease with which employees can now communicate in different locations, whether at our offices, manufacturing sites or home, ensures that they can stay connected wherever they are, reducing the environmental impact of unnecessary travel. For our head office renovation, we also utilised recycled materials where possible and the environmental impact of the works was at the centre of the plans.

Fostering relationships with suppliers and customers

The upgraded offices are also useful collaboration spaces for our customers and suppliers. Since our head offices re-opened in December 2021, numerous customer events and meetings have taken place. The improved facilities across all sites will enable us to foster our relationships with key suppliers and customers who visit our sites regularly.

