

Enjoying life's everyday moments

Sustainable Business Review 2019



Creating stakeholder value

We are dependent upon our **stakeholders for our success** and we aim to create **powerful relationships** for our future. We engage with our shareholders, employees, communities, customers, consumers, suppliers and governments in a variety of ways – to both gain valuable insights to help shape our future direction and inform them of our activities. This section highlights our **sustainability and stakeholder engagement strategies** and what we are doing to deliver long-term value for our communities.



Our 'A Healthier Everyday' strategy continues to frame our sustainability approach and this year we have reviewed and updated the connection with the United Nations ('UN') Sustainable Development Goals ('SDGs') to those that are most relevant to our business. While we acknowledge we contribute, both directly and indirectly, to all of the 17 SDGs and they are all inherently interlinked, the selected three relate most closely with our material issue areas, the trends we are seeing in the market and where we feel we have the biggest opportunity to make a positive impact.



SDG 3 – Good health and wellbeing

Ensuring healthy lives and promoting wellbeing at all ages is essential to sustainable development. Across all our markets, society is facing growing health challenges linked to rising levels of obesity, diabetes and deteriorating mental health. We have an opportunity to make a positive difference by reformulating our drinks to be healthier, encouraging consumers to drink more water through our flavour concentrates portfolio and using the power of our brands to inspire healthier lives. The health, safety and wellbeing of our people, as well as those in our supply chain, also represent key focus areas as we strive to create a healthier workplace.



SDG 12 – Responsible consumption and production

Global consumption continues to increase and as a consumer goods company that heavily relies on natural resources we are acutely aware of the environmental challenges presented by the linear 'take–make–dispose' model of consumption. With rising populations, the existing pressure on natural resources is set to further increase and as a responsible business we are committed to driving resource efficiency and waste avoidance within our operations and supporting a more circular economy for our packaging.



SDG 13 – Climate action

Climate change is the defining issue of our time and the greatest challenge to sustainable development, affecting every country, business and person on the planet. Addressing climate change – our contribution to it and its impact upon us – makes business sense, reducing costs and mitigating risk. We are committed to transitioning towards a low carbon economy and operating within the parameters of climate science.

Governance

Sound corporate governance, through having the right structure, people, practices and policies in place, is fundamental to ensuring Britvic's ability to create maximum value over the short, medium and long term. During 2019 we transformed our approach to governing our *A Healthier Everyday* strategy, forming a new Environmental, Social and Governance (ESG) Committee. This Committee is responsible for overseeing, on behalf of the Executive team, the development of

Britvic's *A Healthier Everyday* strategy, reviewing ESG risks and opportunities and monitoring performance against our sustainability KPIs. The ESG Committee meets on a quarterly basis and provides updates to the Executive team and the Board on a regular basis. The calendar of meetings and topics is set out below. An overview of our corporate governance framework, including an introduction to our Board, Executive team and the key practices and policies that are in place, is set out in the Corporate Governance section of our Annual Report.

OCT 18	NOV 18	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19	JUL 19	AUG 19	SEP 19
	Sustainable Business Committee <ul style="list-style-type: none"> FY18 Annual Report assurance findings 		Sustainable Business Committee <ul style="list-style-type: none"> Employee communications Diabetes UK partnership 		Board <ul style="list-style-type: none"> Diversity and inclusion deep dive 		Board <ul style="list-style-type: none"> ESG update 				
				Executive team <ul style="list-style-type: none"> Q1 ESG performance update 		ESG Committee <ul style="list-style-type: none"> Q2 ESG performance update Packaging deep dive 		ESG Committee <ul style="list-style-type: none"> Q3 ESG performance update Science Based Targets deep dive 			ESG Committee <ul style="list-style-type: none"> Q4 ESG performance F20 targets Risk update
						Executive team <ul style="list-style-type: none"> Q2 ESG performance update Policy deep dive 					Executive team <ul style="list-style-type: none"> Q4 ESG performance update

Materiality and reporting

Each year we engage with internal and external stakeholders to ensure that our sustainability strategy is addressing the material issues – for further information please see page 8. Insight gathered this year confirmed that health continued to be a priority issue for our stakeholders, particularly around healthier diets and sugar reduction. This year we also witnessed a marked increase in interest, especially from our customer base, on the environmental impacts associated with plastic packaging. Further information on these trends can be found on pages 28 – 29 of our 2019 Annual Report. We are committed to listening and responding to our stakeholders and as a result the format of this section will reflect the issues of greatest interest, providing information about our activity and performance over the course of the year. Further information on our full sustainability programme, including performance datasheets, can be found on our corporate website www.britvic.com/sustainable-business.

Britvic's 2019 Basis of Reporting is available on our website and outlines the scope and methodological principles for the collation of our key sustainability metrics. We continue to enhance the robustness of our performance data, and where any misstatements have been identified in prior year figures, these have been restated for accuracy within this report.

Independent assurance

Britvic plc appointed Ernst & Young LLP to provide limited independent assurance over selected sustainability content within the Strategic Report ('the Report'), as at and for the period ended 29 September 2019. The assurance engagement was planned and performed in accordance with the International Standard for Assurance Engagements ('ISAE') 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information.

These procedures were designed to conclude on the accuracy and completeness of the sustainability performance indicators, which are indicated in the Report with an obelus (†).

A limited assurance report was issued and is available on www.britvic.com/sustainable-business, along with further details of the scope, respective responsibilities, work performed, limitations and conclusions.



Consumers

Helping consumers to live healthier lives is part of our DNA. With a heritage dating back to the 1930s, our business was built on bringing an affordable source of vitamins to consumers at a time when diets lacked important nutrients. Today, the health challenges facing our consumers may have changed but we still believe we have an important role to play in making it easier for our consumers to make healthier choices.

The global obesity crisis continues to affect many of our markets and while obesity is a complex issue with many contributing factors, diets high in calories are a major cause of people becoming overweight and obese. In recognition of this, in 2013 we set ourselves the goal of reducing the number of calories in our drinks by 20% by 2020 and have been cutting sugar and calories from our portfolio every year as we work towards this goal. This year we have surpassed our original 2020 goal, achieving an average calorie per 250ml across our global portfolio of 27.5¹, a 12% improvement on last year¹ and a 22% reduction since 2013. This achievement was principally driven by strong growth in low and no calorie sales, especially Pepsi MAX in the UK. Across the Group 73% of all volume sold (as consumed) was in low/no calorie drinks².

In the UK and Ireland we witnessed the anniversary of the SDIL and SSDT. Ahead of the introduction of these taxes our portfolio was already heavily skewed towards low and no sugar drinks and this continued this year.

	Total portfolio below/exempt (including PepsiCo)	Owned brand portfolio below/exempt
UK	91.5%	99.5%
Ireland	84.1%	91.1%

Tango introduced three new sugar free flavours: Tropical, Strawberry & Watermelon and Orange sugar free, alongside a new packaging design. This year also saw the arrival of Pepsi MAX Raspberry as the latest addition to the Pepsi MAX range.

Alongside the continued demand for low and no sugar drinks, this year we have also witnessed growing trends in plant-based diets and drinks with added nutritional and/or functional benefits. We are proud that 92% of our global owned brand portfolio is suitable for vegetarians and vegans, and this year in Brazil we launched a new range of almond milks and tea products. In France, demand for organic and preservative free products continued. In response, our Teisseire classic range has been reformulated to contain no preservatives, and in April we launched a new Teisseire Bio range, offering an affordable organic proposition to French consumers.

We encourage our consumers to discover healthier options, including low or no sugar. We were the first UK soft drinks business to introduce colour-coded front of pack labelling. Our strict Responsible Marketing Code sets out the principles we adopt in all marketing and advertising activity globally, and we do not advertise high sugar products to under 16s in GB.

¹ Please note the 2018 average calories per serve was reported as 29.8 and has since been restated as 31.3.

² Low calorie beverages are defined as those with fewer than or equal to 20 kcal/100ml. No calorie beverages are fewer than 4 kcal/100ml.

We continue to lead all cola advertising with no sugar Pepsi MAX which we have done since 2005. In all markets we operate in, where both regular and reduced sugar variants of a brand exist, we include the reduced sugar variants in our marketing.

2020 goal:

At least 73% of drinks volume sold is low/no calorie drinks (as consumed) across the Group

In 2013 we set ourselves a target of reducing calories per serve by 20% by 2020. We have achieved this goal a year early through our continued focus on creating great tasting products with low or no added sugar.

In June 2019 we launched Ballygowan Activ+ in Ireland, a range of low calorie, zero sugar fitness drinks with added electrolytes and minerals to support active adults looking to optimise their workout.



Communities

We want the communities in which we operate to thrive and, through our community support programmes, we offer a variety of mechanisms by which our employees can support their communities including paid volunteering days, matched fundraising and drinks donations.

As part of our ongoing commitment to addressing societal health issues that affect both our consumers and employees, this year we announced our three year partnership with Diabetes UK. Diabetes is one of the most devastating and fastest-growing health crises of our time, affecting more people than any other serious health condition in the UK – more than dementia and cancer combined. Our partnership aims to actively support those living with and at risk of diabetes – helping our colleagues to reduce their risk of Type 2 diabetes by offering 'Know your Risk' assessments.

Over the course of our partnership with Diabetes UK, Britvic aims to raise £500,000 to directly improve the lives of children and families affected by diabetes. Through our corporate donations and employee fundraising we have delivered over £190,000 in the first year. Our network of charity champions has played a critical role and their impact has been every bit as impressive as their creativity. Alongside Diabetes UK's Swim22 Challenge, One Million Step Challenge and the London Bridges Challenge, they have shown their support through head shaving, Tough Mudders, Task Angels, fancy dress contests and more.

We also support children with Type 1 diabetes and their families through the Diabetes UK 'Make the Grade' school programme. This year Diabetes UK received over 500 applications for the Good Diabetes in School Awards with 81 schools receiving the award and over 2,000 'Make the Grade' school packs ordered and downloaded. Each pack includes information about what Type 1 diabetes is, practical tips and guidance on training to help teachers put in place the necessary measures to support children living with diabetes.

In Ireland, the Britvic MiWadi team continued its support of Temple Street Foundation for the seventh year in a row. The team helped to raise funds for vital, life-saving equipment for the children's hospital through its annual 'Trick or Treat' campaign. In France, we entered the fourth year of our partnership with youth charity Apprentis d'Auteuil and 100 employees raised over €8,000 this summer by completing the charity's step challenge. In Brazil, our Araguari site is sponsoring a project to help develop the writing and reading, as well as imagination and creativity, of children in four local schools. The project will culminate in the publication of a book of essays by the children.

2020 goal:

Continue to support our corporate charity Diabetes UK to improve the lives of people living with diabetes by donating over £300,000*

* Since the start of the partnership in November 2018.



Our team in Ireland continued to support families facing homelessness and crisis situations by participating in Focus Ireland's Shine a Light Night in October 2018. Our colleagues participated in the Sleep Out event, raising more than €20,000 for this great cause.



Members of Britvic's Executive team joined thousands of others in the London Bridges Challenge. The team took on the 10-mile challenge and conquered 12 iconic London bridges to help Diabetes UK reach a future where diabetes can do no harm.

Creating stakeholder value

Employees

The foundation for achieving our strategy and continued success will be determined by the capability and capacity of our workforce and this year we have delivered a broad range of people initiatives, from ensuring that we are promoting a safe, healthy and inspiring workplace to raising our game in creating a truly diverse and inclusive culture for all our employees. Our overall score in this year's Great Place to Work ('GPTW') trust index, our annual satisfaction survey, rose to 77% from 73%¹ in 2018. The biggest improvement came from GB which jumped from 70% to 76%, confirmation of the work we did to address feedback from the previous year. Employee engagement also remains strong. This year our overall engagement scores increased from 80% to 84%, in a year that saw record levels of participation. Clearly engagement and trust will continue to be priorities for us and in 2020 we will be building more frequent opportunities to respond to our employee voice.

Wellbeing, health and safety

At Britvic, prioritising health and employee wellbeing is a critical part of our company culture. Our employees cannot be fulfilled in their career or give their best performance if they are not supported physically, mentally and emotionally. Our GPTW wellbeing score went from 71% in 2018 to 70% this year. Three new wellbeing measures were introduced this year by GPTW. When these new measures are removed to enable a direct comparison between 2018 and 2019, our scores show a 3%² rise in how employees feel when it comes to Britvic being a psychologically healthy place to work.

This year employees across our markets got active through our step challenges. In GB 15 employee teams took part in the One Million Step Challenge to raise funds for Diabetes UK, in Ireland 23 teams took part in a step challenge supporting the launch of Ballygowan Activ+ and in France 20 teams took part in the annual 'Je marche pour' walk held by youth charity Apprentis d'Auteuil. In total 125 million steps were completed, which is the equivalent of walking approximately twice around the world. As part of our commitment to providing a healthy environment for employees, Britvic is launching a new wellbeing framework in 2020 – My Life – which will promote good emotional health, energy and physical wellbeing as well as helping to build resilience and mindfulness.

Across the Group, our focus has been on improving our safety performance and standardising the proactive mechanisms we have in place to identify hazards and control the risks from our operational activities. Key to this has been building our new reporting tool for health, safety and environment. This will support compliance with external standards as well as those we set for ourselves internally. The sophisticated business intelligence offered by the tool also enables us to access data and respond to trends with greater agility. Our efforts have also continued to centre on creating a 'zero harm' culture through behavioural safety observations, near miss and hazard reporting. Engagement with local teams led to the successful embedding of our Safety Critical Rules, designed to raise awareness and compliance with our significant risks and controls. Against this backdrop of activity, the number of employee lost-time accidents has decreased by 5.1% year on year, resulting in a lost-time injury frequency rate of 0.81[†]. While we are encouraged by these figures, we remain committed to reducing them further in line with our goal of zero harm.

1 This year's data does not include Norwich and France. If they are removed from last year's score it gives 75% in 2018, which means a 2% increase in 2019.

2 Excluding France and Norwich employees as they did not take part in this year's survey.

2020 goal:

All employees have access to wellbeing programmes that support healthier lifestyle choices and we achieve a wellbeing score of 81% in the GPTW survey across the company

Diversity and inclusion

By appreciating and celebrating our differences we are creating a Britvic that is a more dynamic and inspiring place to be for our employees. We are working hard to ensure that our workforce reflects the diverse communities we serve, and we create an inclusive culture where each employee can truly be themselves at work.

In 2019 we relaunched our global Diversity and Inclusion ('D&I') Strategy, B-Yourself, and set up a representative steering committee to lead this agenda across the organisation. Our Executive team also all completed unconscious bias training to help them lead this agenda from the top. Supplementing this strategy, we have a series of self-run employee networks that represent specific cross-sections of our employee community. These networks, while at different stages of evolution, are all gaining momentum. They include:

- B-Empowered – helping to stamp out gender inequality;
- B-Proud – promoting inclusion and celebrating diversity;
- See-Me – supporting Britvic's diverse-ability network.

We successfully grew B-Proud, our LGBT+ network, this year through our new partnership with Stonewall, a charity that believes we are stronger united and will help us create real change for the better. In July 2019, during Pride season, we launched our Allies programme to support employees with any questions they may have on LGBT+ issues – and we're proud to say we have almost 200 Allies.

The overall gender balance across all employees within the business at year end was 29% female and 71% male[†]. This figure is indicative of our industry, with a high proportion of operational employees typically being male, and has remained largely unchanged since the previous reporting period. This year the representation of women in leadership roles increased to 38%[†] and we are on track to meet our target of women holding at least 40% of leadership positions by 2020. This is being achieved through targeted female development, diverse shortlists and a leadership team committed to this change. We are also committed to improving ethnic diversity within our leadership population.

Embracing diversity underpins our commitment to providing equal opportunities to our current and potential employees and applying fair and equitable employment practices. We codify this through our Equality and Diversity Policy, our D&I Strategy and our values.

	Male	Female
Board	5 (62%)	3 (38%)
Executive team	10 (83%)	2 (17%)
Senior managers (Band D+)	235 (62%)	144 (38%)
All employees	3,275 (71%)	1,327 (29%)

2020 goal:

Women are represented in 40% of senior manager roles (Band D+) across the company

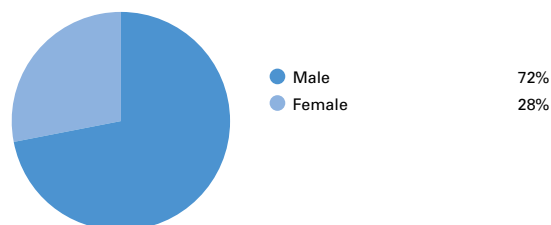
GB gender pay gap

The following results show our GB gender pay gap for the 1,867 people who were employed by Britvic on 5 April 2019.

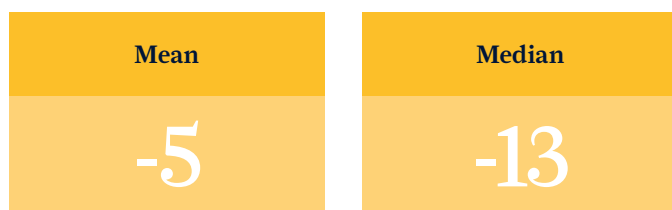
The gender pay gap is the difference between the average earnings of men and women across the business regardless of the nature of their work. It is different from equal pay. Equal pay relates to men and women being paid equally for equivalent jobs. This is a legal requirement in the UK and one that Britvic believes in fully across all of our markets. We are confident that men and women are paid equally for equivalent work, however because different jobs pay differently and the number of men and women performing these jobs varies, a gender pay gap exists.

The mean pay gap is the difference between average hourly rate of men and women. The median pay gap is the difference between the midpoints in the ranges of hourly rate of men and women. In both cases, a positive figure indicates that men receive the higher pay and a negative figure indicates that women do.

GB employees by gender



Difference in pay between genders (%)



Difference in bonus payments between genders (%)



Proportion of men and women receiving a bonus (%)



Pay quartile (%)

Upper quartile (%)



Upper middle quartile (%)



Lower middle quartile (%)



Lower quartile (%)



Our total gender pay gap is skewed towards women which means that the average earnings of women are higher than men. Britvic has a -13% median pay difference against the UK average of 18% median. The primary driver of this is the structure of our workforce which, in line with the industry we operate in, is weighted towards manufacturing and distribution operations, where the balance of the workforce is predominantly male (7:1). The roles in our manufacturing and distribution operations have, on average, lower salaries and bonus payments than those in our office functions.

We have proportionally fewer women in our leadership roles that, on average, attract higher pay rates, as shown by the upper quartile pay gender split (65.8% men). The mean bonus payment is 2.6% in favour of males primarily because higher bonuses are paid at a senior executive level.

Creating stakeholder value

Government

Despite being politically neutral, the regulatory environment is critical to our success as a business, and therefore we engage openly and transparently with governments and political bodies in the markets in which we operate. We do not make donations to, nor receive donations or services from, political parties; however, we do represent our views on the issues that affect our business to political actors, both directly and with relevant industry bodies and trade associations. We will always do so while complying with any relevant laws regulating political activity, and, where appropriate, we submit regular updates to lobbying registers.

We work proactively and positively with policy makers and this year we conducted research in the UK to seek their views on issues affecting the soft drinks industry. Concern in relation to sugar and plastic packaging dominated the feedback, albeit with differing levels of sentiment. Across respondents, sugar is broadly considered an ongoing concern in relation to public health but one that the soft drinks industry has made significant progress on. In contrast, the plastic packaging issue is a relatively new issue for UK policy makers but one that is gaining considerable momentum with impending regulation to support a more circular economy.

“It is a fairly responsible sector overall because it responded very well to the challenge that we, the Government, set them around sugar and that has been to their credit.”

Policy stakeholder

Customers

Our customers are essential to our business as our main route to market, and as partners on joint business plans where we can create shared value with our category-led approach. With our deep knowledge of the soft drinks category and fantastic products, we share our expertise with our customers to drive category growth. As befits these close partnerships, we engage regularly with our customers with face-to-face meetings, conferences and events, webinars and hosting customer facing websites and online platforms. As well as day-to-day operational contact, we have regular reviews of joint business plans to ensure that we deliver beyond what is necessary to reach our shared goals.

This year we once again published our Soft Drinks Review, the annual barometer of the soft drinks industry containing data and our insight on consumer trends, broken down by channel. Linked to the launch, we hosted many co-creation events with our customers to find solutions to their challenges, often at our equipment centre in Mica Point or our commercial environment showcase space at our head office.

Suppliers

We engage with suppliers to address challenges and drive positive change through our procurement and supplier quality assurance teams and processes, as well as through conferences and training sessions for suppliers. This year the Britvic Brazil team co-hosted the AIM-PROGRESS Supplier Capability Building event in São Paulo aimed at raising awareness of responsible sourcing and knowledge in the areas of anti-corruption, forced labour, the value of social audits, wages and working hours, and health and safety at work.

We are committed to sourcing the ingredients and materials that go into our drinks in a responsible manner and continually strive for the

highest ethical standards, holding our suppliers and partners to the same criteria. Our Ethical Business Policy details our commitment to human rights and covers bribery and corruption, conducting business with respect, integrity and equality, and managing personal activities and interests. Our approach is guided by international conventions and standards, including the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. Our policy extends to our suppliers and other trading partners and compliance is monitored through our responsible sourcing programme. Following the integration of Brazil into our responsible sourcing programme last year, we are proud to have grown the percentage of direct suppliers linked to us on Sedex, the ethical supply chain data platform we use, from 57% to 92% across the Group over the course of 2019. Full details on our Sedex scorecard and our approach to protecting human rights and preventing modern slavery across our business can be found within our Modern Slavery Statement published on our website at www.britvic.com/modernslavery.

Trade associations

Britvic plays an active role in promoting the growth, development and understanding of our business and the wider industry, and we are proud to work alongside and support a wide variety of relevant trade bodies and associations in our key markets. These organisations primarily provide us with the opportunity to work in partnership with the wider industry to communicate values and concerns to key stakeholders such as consumers, governments, media and regulators. This helps to ensure that the best interests of the soft drinks and wider food sectors are represented at all levels of decision making, and that our perspective is always considered and respected. We also benefit from the wide variety of professional services offered by many of these associations – including advice on policy, regulation and best practice – and we often take advantage of training opportunities and important stakeholder events and receptions.

Last year we played a key role in a number of associations, including sitting on the relevant boards and executive councils of organisations including the Food and Drink Federation, the British Soft Drinks Association, Food Drink Ireland and the Irish Beverage Council. We are active participants in a number of working groups most relevant to our strategic priorities.



In GB, our Sensational Drinks trade platform gives independent pub and restaurant operators a helping hand by providing a free suite of services, support tools and inspiration. The site includes a range of advice and guidance, access to the latest innovations, free promotional material, recipe inspiration and advice from leading bartenders, and tips and advice for driving footfall.



Healthier Planet

As a soft drinks business, our long-term success depends on our ability to source our ingredients and raw materials, which in turn depends upon a stable healthy natural environment. The climate crisis and the inefficient way in which resources are consumed have hit the headlines this year and governments, business leaders and communities at large are waking up to the fact that something needs to change, and more must be done to tackle the environmental challenges we face. We are committed to playing our part.

Climate action



This year we have seen a huge swell in concern about climate change, with governments around the world responding to citizen pressure and enhancing their carbon commitments. We welcome these steps towards a low carbon economy.

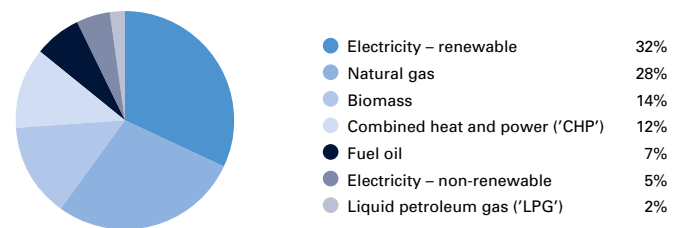
This year we were proud to commit to setting a science-based emissions reduction target to ensure that our carbon strategy reflects the ambition and urgency required to keep global temperature rise to within 1.5°C. We have targeted an overall absolute reduction of 36% vs 2017 by 2025. To set this target, we completed a full value chain analysis including engaging with over 300 suppliers to understand their current carbon impact and programmes in place to reduce it. This baseline dataset has enabled us to identify hotspot areas and develop projects that will have the biggest impact on reducing our indirect emissions footprint. Going forward, this information will aid us to better measure and understand the climate change risk in our key supply chains, as we step towards incorporating the recommendations of the Taskforce on Climate-Related Financial Disclosures.

We continued our commitment to the green energy transition in 2019. Over the course of the year, we reduced our market-based¹ manufacturing emissions intensity by 20%, primarily through the switch of our GB grid-sourced manufacturing electricity to wind power. This has meant that overall, our percentage of energy sourced from renewables has increased from 28% last year to 46%¹ and we are continuing to investigate new clean energy opportunities. The proportion of hybrid/electric vehicles in our GB company car fleet increased to 27% and we additionally supported carbon sequestration through an employee tree planting project in Brazil and Teisseire's brand partnership with the National Forests Office in France.

Our investment in operational excellence and efficiency has counterintuitively caused a temporary increase in our location-based¹ manufacturing emissions intensity this year to 27.41 tonnes CO₂e/ thousand tonnes production¹. This 2.6% increase in our overall emissions intensity was primarily driven by the energy required for commissioning four new manufacturing lines and a CHP plant at our Rugby site.

However, we believe it is essential to invest now to recoup emissions savings over the long term. The new lines are highly energy efficient, while the CHP plant converts natural gas into electricity and also captures waste heat and steam for use in on-site processes such as pasteurisation, thus improving the generation efficiency compared with a traditional grid connection. This year we also installed new biomass-powered boilers at our Araguari site, which are estimated to halve the manufacturing emissions from our Brazil business unit once fully operational, and in France we trained ten energy champions across our sites through a government-certified programme, each of whom is developing energy reduction initiatives.

Manufacturing energy sources



	2019 (tonnes CO ₂ e) ^{2,3†}	2018 (tonnes CO ₂ e)
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Location-based emissions method		
Scope 1	28,060	31,048
Scope 2	34,765	31,067
Total scope 1 & 2 emissions	62,825	62,115
Scope 1 & 2 emissions intensity (per thousand tonnes production)	28.86	29.03

Market-based emissions method		
Scope 1	28,060	31,048
Scope 2	10,191	17,414
Total scope 1 & 2 emissions	38,251	48,462
Scope 1 & 2 emissions intensity (per thousand tonnes production)	17.57	22.65

Downstream emissions		
Scope 3 – Business travel ⁴	4,136	4,700
Scope 3 – Logistics	52,050	53,711

Notes:

- The GHG Protocol (2015) defines location-based Scope 2 emissions as reflecting 'the average emissions intensity of grids on which energy consumption occurs' and market-based Scope 2 emissions as reflecting 'emissions from electricity that companies have purposefully chosen'.
- 2019 figures refer to the 52 weeks ended 29 September 2019. Please refer to Britvic's 2019 Basis of Reporting available at www.britvic.com/sustainable for full scope, boundary and methodology disclosure for our greenhouse gas reporting. This data is independently assured by Ernst & Young LLP.
- Figures include all office and non-manufacturing emissions.
- Business travel includes our Brazil business unit for the first time and 2018 data have been restated for comparability.

2020 goal:

- Launch science-based target and roadmap
- 7% reduction in location-based scope 1 and 2 manufacturing emissions intensity

Responsible consumption and production

Resource stewardship

The World Economic Forum's Global Risk Report has listed water crises among the top five risks in terms of impact for eight consecutive years (World Economic Forum, 2019). While none of our manufacturing sites are located in high water risk areas (as per the World Business Council for Sustainable Development's Aqueduct water risk tool), we remain committed to minimising our water footprint and continue to monitor this risk.

In 2019, our manufacturing water intensity ratio increased by 2% to 2.18m³/tonne produced[†]. Decreases in our GB and Ireland business units were offset by a larger (16%) increase in water intensity in Brazil. This was caused by numerous factors, including new clean-in-place testing and borehole cleaning. This water performance was disappointing and we have initiated a series of third party water audits and internal projects across our manufacturing sites to identify water-saving opportunities in our operations to turn this performance around.

We continued our journey to become a zero waste to landfill business this year. We sent zero manufacturing waste to landfill across GB, Ireland and France and diverted 99%[†] of manufacturing waste generated from landfill overall. Our focus for 2020 is therefore to stop the small amount of waste still going to landfill from our Brazil sites. As well as encouraging our consumers to recycle, we led by example ourselves. Over 95% of our GB manufacturing plastic waste was recycled or reused, up from 87% in 2018, with the remaining sent for energy recovery, and we also installed new filtered water fixtures throughout our head office.

2020 goal

- Achieve a water intensity ratio of 1.98m³/tonne produced across our global manufacturing sites
- Achieve zero waste to landfill across our global manufacturing sites

Packaging and the circular economy

The world is facing unprecedented pressure on natural resources, leading to price volatility and restricted availability on certain raw materials. As a business dependent on resources including energy, water, packaging materials and agricultural commodities, we are committed to reducing our risk exposure by using resources as efficiently as possible and supporting a more circular economy.

This year the focus of many of our stakeholders has been on the environmental impact associated with plastic packaging. Across our global portfolio we use a variety of different packaging formats including PET plastic, aluminium cans, glass and carton. Plastic is a hugely versatile packaging format that offers a wealth of benefits including its lightweight, hygienic, resealable properties but we share our stakeholders' concerns in relation to the wasteful nature in which this resource is used and we are committed to being part of the solution.

Our ambition is to see a world where packaging never becomes waste. This year we continued to be a proud signatory to the UK Plastics Pact, an initiative launched in April 2018, bringing together all parts of the plastic value chain aimed at keeping plastics in the economy and out of the natural environment. In support of the pact this year, we launched our new packaging strategy that focuses on actions that will reduce, recycle, reframe and reinvent the way we handle plastic packaging.

1. Reducing

We work collaboratively with our suppliers to reduce the amount of packaging we use across all format types. This year we successfully removed 646 tonnes[†] of plastic through packaging redesign and new technology in GB and Ireland. We are working closely with PepsiCo to drive global best practice in our PET bottle light-weighting – a key enabler of our commitment to remove at least an additional 500 tonnes of plastic packaging next year.

In support of the circular economy we are also committed to ensuring that all our packaging is recyclable and its value is retained. This year we switched our Squash'd black plastic bottle to a recyclable, non-black format and all of our cans and PET bottles are recyclable in GB and Ireland.

2. Recycling

As well as ensuring that the materials we use are recyclable, in order to create a closed loop for packaging, we recognise these recycled materials need to be viewed as a valuable resource and to do so business needs to incorporate more recycled content into the packaging used. This year we were proud to launch ARTO LifeWTR in a PET bottle which contained 50% recycled content (rPET) and we kicked off trials for the introduction of recycled content in our trade shrinks.

Next year, enabled by our transformational strategic partnership with Esterform, the UK's largest independent preform manufacturer, we will accelerate rPET roll out across GB and Ireland, achieving at least an overall average 15% rPET level, including at least 100% rPET content on two of our brands.

3. Reframing

Consumers and customers tell us they want to reduce the amount of plastic and packaging they use and for it to be easy for them to recycle. We have an important role to play and through the unique reach and scale of our brands we have an opportunity to reframe the conversation on packaging waste.

This year we have continued to feature the On-Pack Recycling Label ('OPRL') on all our packaging and we significantly increased our consumer facing recycling communications with 'Recycle Me' messaging featuring on our Pepsi, Robinsons and 7UP TV campaigns and on-cap messaging on Pepsi, Tango and Ballygowan brands. Working with WRAP and Recycle Now, our biggest brands supported Recycle Week through their social channels.

We are pleased that the UK Government is addressing the current packaging waste challenges and we welcomed the opportunity to respond to the policy consultations on Extended Producer Responsibility, deposit return schemes and plastics packaging tax this year. We are committed to playing our part and will continue to work with our industry peers to influence the design and development in support of a more circular economy.

4. Reinventing

We see exciting possibilities for reinventing how drinks are packaged. This part of our packaging strategy looks to future initiatives and next generation technologies in the aim of reducing the total environmental footprint.

2020 goal

- Remove over 500 tonnes of additional packaging through new light-weighting initiatives
- Increase rPET in our GB and Ireland portfolio at 15% with 100% recycled content for at least two brands
- By year end, 100% of our trade and consumer advertisements in GB and Ireland carry a recycling message



Our partnership with Esterform accelerates Britvic's ability to meet our plastic reduction targets across our GB and Ireland portfolio. We are investing £5m to support the construction of new rPET manufacturing facilities at Esterform's site in Leeds. rPET is plastic material made from recycled plastics and presents an alternative to virgin fossil-based packaging. This gives rPET significant environmental benefits and contributes towards creating an effective circular economy. However, there is a significant industry issue in accessing the quantity and quality of food-grade rPET required to satisfy the demand, with insufficient capacity currently available in the UK. This deal, therefore, provides Britvic with secure access to UK-sourced rPET and offers Esterform the security to invest in a major capital project that will enhance the UK's efforts to create a circular economy.

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