

BRITVIC
CORPORATE RESPONSIBILITY
REPORT 2009

Playing our part





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About this report

The scope of this report covers our corporate responsibility activities for the past 12 months to May 2009 for Britvic Soft Drinks, Great Britain. It does not cover Britvic Ireland or Britvic International.



Message from our Chief Executive Paul Moody

“Our stated strategy, and the progress we have already demonstrated, positions us well to meet the various challenges ahead.”

In our second year of reporting on our commitments to sustainability, progress is the watchword. Since the publication of our first report we have achieved significant progress towards many of our targets, whilst recognising areas where we need to refocus our efforts. As part of this evolution, we have realigned our corporate responsibility strategy to reflect both business and stakeholder needs more closely. To do this in such challenging economic times sends, we believe, a clear signal that we remain committed to playing our part.

Unsurprisingly, in such times, consumers are looking for value, but not at the expense of values. We know that our consumers do not want to compromise on quality, and that the demand for hydrating, healthy and enjoyable drinks is still high. We pride ourselves on offering value to consumers at all times, and we are determined to maintain consumer trust in our products.

Reflecting on the achievements of the past 12 months, I am reassured that colleagues across the business are intent on contributing to our goals. Our stated strategy, and the progress we have already demonstrated, positions us well to meet the various challenges ahead.

Finally, it is good to see our progress recognised externally. Our inclusion in the FTSE4Good Index for the first time this year is welcome acknowledgement of our hard work to date. The challenge in the coming years is to maintain the momentum we have enjoyed in the past 12 months; I am confident that we will.

A handwritten signature in black ink that reads "Paul Moody". The signature is stylized with a large, sweeping underline that loops back under the name.

Paul Moody
Chief Executive



All
about
Britvic

Company facts

- 1.68bn litres sold annually
- Second largest supplier of branded soft drinks in the UK
- Number one supplier of soft drinks in licensed on-premise (pubs, restaurants) and number two supplier in take-home (grocery) in the UK
- Group total branded revenue £926.5m, up 29.3% on our last financial year
- Group operating profit £96.7m, up 20.9% on our last financial year
- Robinsons Fruit Shoot is the number one kids' brand in the UK
- Robinsons squash is found in almost two thirds of all UK households with children
- J₂O is the number one packaged soft drink in licensed on-premise in the UK
- Pepsi recently achieved its highest market share of the cola category in the last five years

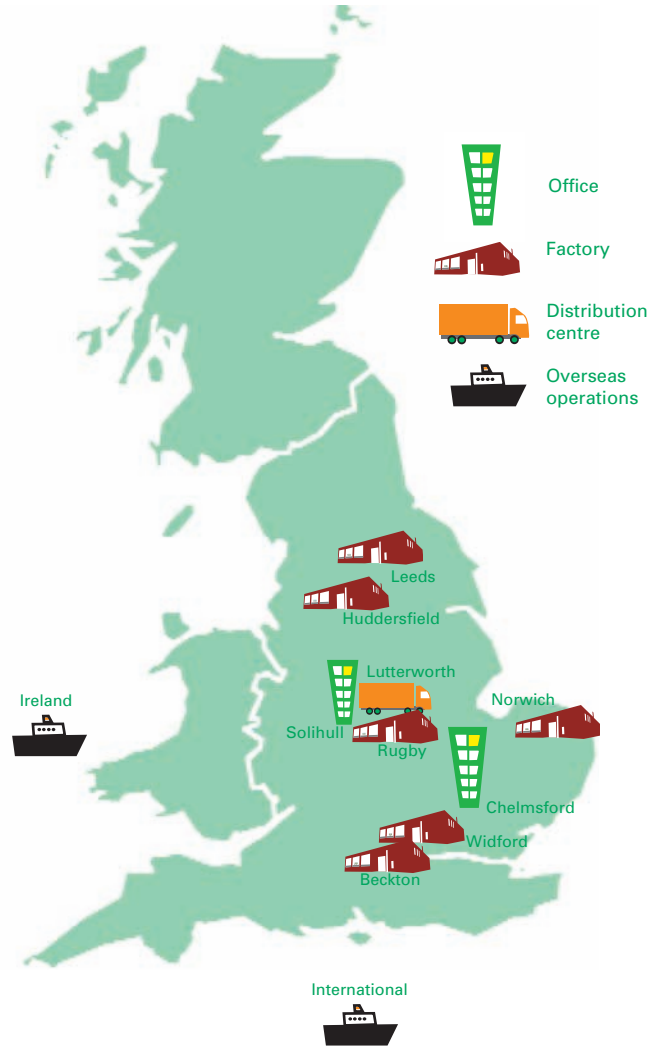
Who we are

Britvic is one of the largest suppliers of branded soft drinks in Great Britain. Our history dates back to Victorian England and a chemist's shop in Chelmsford, where our Head Office remains. Now we have six production sites across the UK, offices in Solihull and a state-of-the-art national distribution centre in Lutterworth.

We employ 2,100 people across our business in Great Britain. Additionally, we have an International division and a subsidiary in Ireland.

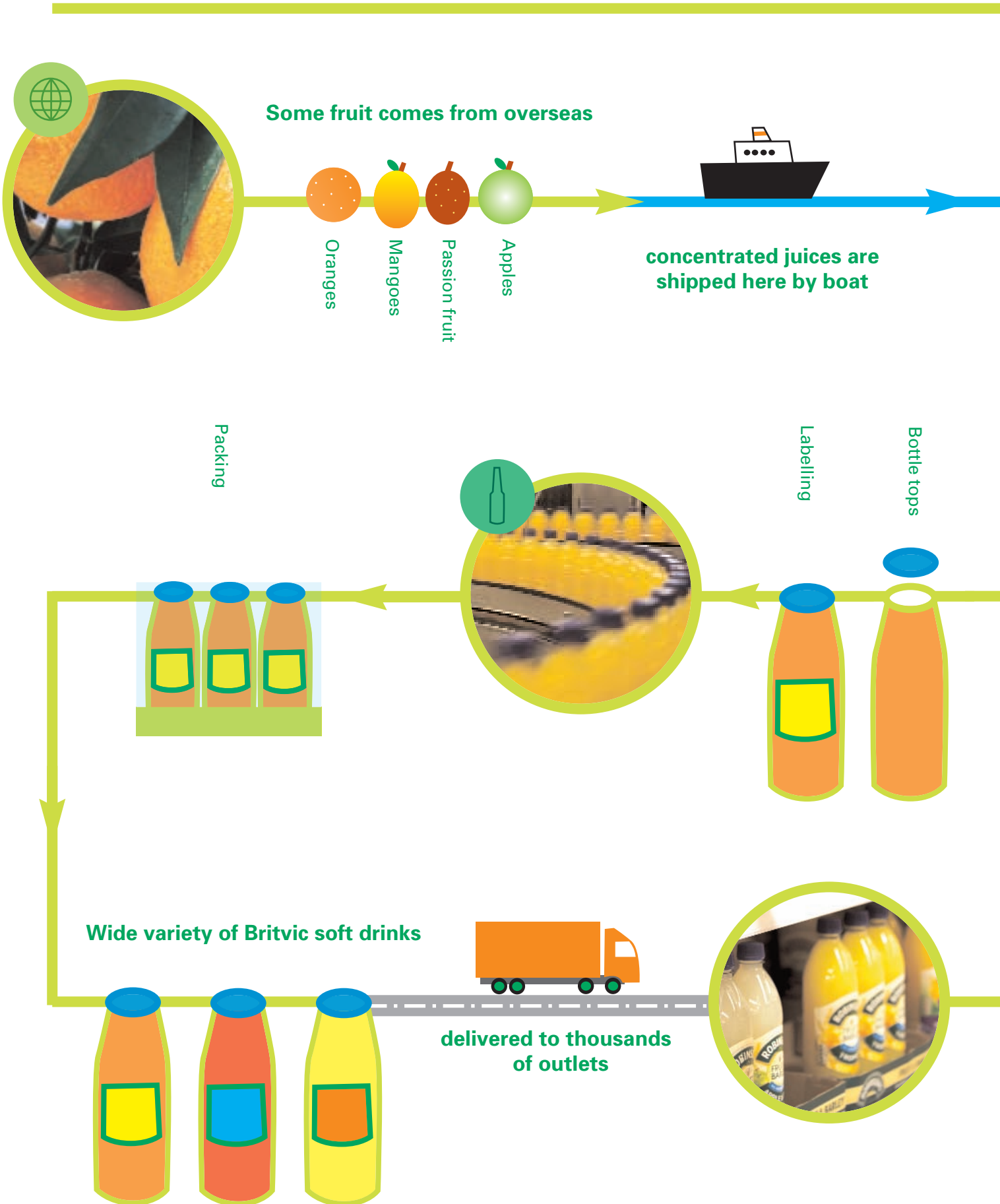
We have a strong track record of innovating in products, packaging and marketing activity and our portfolio of well-loved household brands includes Robinsons, Fruit Shoot, Tango and J2O. We also have a long-standing, exclusive agreement with PepsiCo to produce, market, and sell the Pepsi and 7UP brands in Great Britain and Ireland. We have similar agreements for Gatorade, Lipton Ice Tea and V Water in Great Britain.

This broad portfolio enables us to satisfy a wide range of consumer demands in all of the major soft drinks categories. Our products reach consumers in many different ways – through our retail customers such as the major supermarkets, small local shops and pubs, restaurants, hotels and cinemas, as well as vending machines.



Britvic's core brands are the main value drivers of our business, and seed brands are smaller brands that have strong consumer and market potential.

How we make our drinks





Some barley, vitamins and spring water from home



then go to the factory by lorry



Water



Fruit juice



Sugar

Some of these ingredients are combined in big mixing vessels



Preservatives



Colours



Flavours



Fruit concentrates

Filling



Bottle blowing



SUPERMARKET



such as supermarkets, corner shops, pubs and restaurants



Enjoy!



Don't forget to recycle

Our changing world

Soft drinks fall into the 'fast-moving consumer goods' category. Our sector is affected by a range of external factors, not least changing consumer preferences, regulation and the weather!

We report these market dynamics through our annual Soft Drinks Report.
www.softdrinksreport.com

Total Take-Home Sub-Category Performance 2008

	Value and volume	%change	%share
Cola	1,294	4	21
	1,631	3	24
Pure juice	1,212	-1	20
	1,146	-2	17
Glucose and stimulant drinks	522	12	9
	255	12	4
Juice drinks	480	-1	8
	372	1	5
Squash	446	2	7
	537	-3	8
Fruit carbonates	432	-1	7
	531	-6	8
Plain water	417	-9	7
	978	-8	14
Dairy and dairy substitute	382	2	6
	170	-4	2
Smoothies	172	-20	3
	64	-15	1
Sports drinks	166	7	3
	103	9	1
Non-fruit carbonates	149	2	2
	224	-5	3
Water plus	149	-8	2
	212	-4	3
Lemonade	143	5	2
	481	-4	7
Traditional mixers	112	4	2
	171	-3	2
Cold hot drink	8	-11	0
	5	-8	0
Total soft drinks	6,085	1.0	
	6,877	-2.0	

Value (£m) ■ Volume (m litres) ■

Source: Nielsen Scantrack, MAT 27 Dec 2008

The soft drinks market

It is impossible to report on 2008 without addressing the economic downturn and its impact upon our business and our consumers. While four key trends still drive this market (health, indulgence, convenience and ethical concerns), the economic downturn has affected the way consumers are shopping.

In the current economic climate, consumers have looked to reduce their overall grocery bills, often through promotions and own-label alternatives. However, within soft drinks, consumers have resisted trading down to own-label from the brands they trust and that offer quality at good value. With another tough year ahead, our challenge is to keep delivering the combination of value and quality that consumers expect.

Nonetheless, soft drinks continue to meet consumer needs for many reasons - including taste, enjoyment, health and hydration. Here are some of the highlights from the market in 2008:

- UK soft drinks sales totalled £8.4bn, just 1% lower than the previous year's record figure.
- Take-home sales, accounting for almost 75% of this market, grew by 1% in value. This growth was largely driven by glucose, energy and sports drinks. Traditional favourites such as cola, squash and juice drinks held up well.
- On-premise had a more difficult year although the growing emphasis on food and families favoured soft drinks. While sales were down 4% by value and 6% by volume, they still outperformed the total alcoholic drinks sector. Cola and lemonade remained pub staples. Family friendly fruit juice and juice drinks performed most strongly.

Our brands' performance

Strong performance from core brands, combined with our innovation and product launch programme, has contributed to strong financial performance.

Robinsons continues to go from strength to strength and Fruit Shoot continues to play an important part in keeping children hydrated. Fruit Shoot H₂O is now the number one kids' water and Fruit Shoot 100% provides an easy way to meet one of the recommended five-a-day.

Pepsi and 7UP also performed well and our close relationship with brand owner PepsiCo has been instrumental in achieving this performance.

J₂O remains the number one packaged drink in licensed on-premise, despite the challenging market conditions.



Our strong market positions, balanced portfolio and track record in innovation has enabled us to deliver the quality and value that consumers want, whilst meeting our commitments as a responsible business.

Our consumers

Our core purpose is to create and build brands that delight consumers, always. But the world has changed since the 1930s when the British Vitamin Company invented a method of bottling fruit juice without preservatives to help people get enough vitamin C! So what do people want from us today?

Of the four key trends that continue to shape the market (health and wellbeing, indulgence, convenience and ethical and environmental concerns), two have particular relevance for our corporate responsibility programme:

Healthy lifestyles

While the recession has led many of us to re-evaluate our consumption habits, health remains a priority. A recent survey showed that 66% of consumers intend to improve their health over the next 12 months.¹

Health and wellbeing increasingly mean different things to different people. Consumers want products to meet specific health needs – whether that be low-calorie, more natural ingredients or added benefits such as vitamins. Three trends within health and wellbeing are emerging:

- Naturalness
- Functional benefits (something added)
- Diet (something removed)

Health and wellbeing continues to drive our industry as we look to cater for a range of health concerns. Our commitment to providing healthy choices is now coupled with a need to offer value to consumers as they tighten their purse strings. At Britvic, we've recognised this need by boosting some of our biggest household names with more healthy choices at good value.

The ethical and environmental agenda

Notwithstanding the economic downturn, the big issues haven't gone away. Ethical consumerism, or the demand for products with ethical credentials, is still strong. Last year, total ethical spend on consumer goods was up 15%.²

Consumers may want value through a recession, but not at the cost of their values. Our research and third party studies back this up:

- Analysis of 'green' product spend shows that consumption fell between October and December 2008, but is now rising again.
- 64% of consumers surveyed in November 2008 wanted to know if the packaging on their purchase was recyclable.³
- In January 2009, 46% of consumers said Fairtrade was important in deciding which food and drink products to purchase.⁴
- 55% of consumers globally are prepared to pay more in a recession for a brand that supports a good cause they believe in.⁵

A comparison of these statistics with similar studies in 2007 shows that consumers show no signs of abandoning their interest in these issues. Our values and direction have not changed, despite the uncertain financial climate.

'Playing our part' means sustaining a responsible business, with progressive brands and dedicated people to help us deliver our corporate responsibility commitments now and in the future.

Britvic governance, CR management and our stakeholders

At Britvic, we are committed to running our business responsibly, managing our corporate responsibility programme effectively and listening to our stakeholders.

Britvic governance

We have a number of mechanisms in place to ensure that our business operates transparently, accountably and, as far as possible, without conflicts of interest.

Board of Directors

Our Board of Directors, which sits at arm's length from Britvic's business operations, oversees the company's performance and management. It ensures that the company adheres to the principles set out in the revised 2006 Combined Code on Corporate Governance. At present, there are seven Plc Board members including the Non-Executive Chairman, the Chief Executive, the Finance Director, three further independent Non-Executive Directors and the PepsiCo nominated Non-Executive Director.

The Board meets ten times each financial year and decides on a number of issues, including approval of annual and interim results, annual budgets, material acquisitions and disposals, material agreements and major capital commitments. The Board assesses business performance against an agreed budget on a monthly basis. It also reviews the company's medium term plans at least annually.

Our Finance Director, John Gibney, is the Board level representative for corporate responsibility. His leadership ensures that the CR agenda is supported right from the top of the organisation.

Committees of the Board

The Board has a number of standing committees, such as the Audit Committee, the Nomination Committee and the Remuneration Committee. Each Committee meets several times a year. They are comprised of and chaired by Non-Executive Directors.

Shareholders

Our major shareholders, at 25 November 2008, included: Snowden Acquisitions Limited, AXA S.A., Standard Life Investments Ltd., Newton Investment Management Limited, PepsiCo Inc., Legal & General Group Plc and Aviva plc and subsidiaries.

Corporate Responsibility management

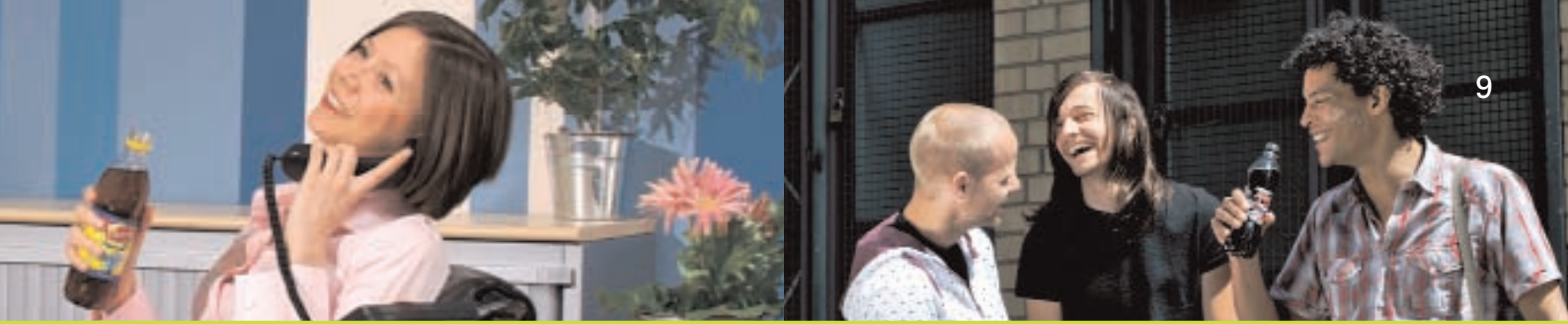
Our Corporate Responsibility Committee (CRC) oversees our programme on a day-to-day basis. In the past year, it has played a key role in revising our corporate responsibility strategy and embedding it in the business.

Committee members represent a number of business functions – human resources, corporate affairs, environment, quality and safety, procurement and customer management. This reflects our belief that corporate responsibility should be an integral part of the business. Members are responsible for facilitating delivery of corporate responsibility goals in their respective business functions.

Our strategy is led by the corporate affairs team and we have a dedicated corporate responsibility advisor. We report regularly to our Board-level representative, John Gibney.

The Committee recommends annual targets in line with our strategic corporate responsibility goals. Members meet four times a year to review progress and identify priority areas. We have set out our progress against last year's objectives on page 11.

The Committee routinely welcomes fresh ideas from external advisers and experts on a range of issues. It also brings in colleagues from around the business to address specific corporate responsibility items – such as packaging and the supply chain.



Our stakeholders

We define our stakeholders as groups that influence our business or those that we impact upon through our business operations.

We listen to our stakeholders and their views help shape our approach to managing corporate responsibility. We use opinion surveys to gain feedback from our employees, focus groups to hear from our consumers, and our community partners to engage locally around our sites. We meet with a range of other stakeholders such as investors, suppliers, customers and government, as and when issues arise.

Stakeholders	Their interests
Investors	Financial performance; risk management
Consumers	Safe products; high quality; good value in economic climate; packaging
Customers	Safe products; high quality; how we manage our social and environmental impacts
Government	Our compliance with safety, marketing and labelling regulation; payment of taxes; management of environmental impacts, and our contribution to health and wellbeing initiatives
Employees	Safe and positive working environment; wellbeing
Suppliers	Fair trading terms
NGOs	Environment, ethical sourcing, health and wellbeing
Communities	Safety of our operations; community investment programme
Multi-stakeholder initiatives	Depends on the initiative: packaging (WRAP); supply chain (SEDEX, AIM-PROGRESS); environment (Climate Change Agreements)

“ Britvic’s investment in technology has resulted in being able to work anywhere. This flexibility is very positive and allows me to better balance work/home-life. ”

Employee, Employee Opinion Survey 2009

“ It is clear to us that Britvic take their responsibilities within the community very seriously and are open to developing their charitable and community activity with Barnardo’s. We look forward to working with them further and developing our partnership over the coming years. ”

Liz Cox,
Director of Fundraising, Barnardo’s

“ In February 2007 Britvic became the first soft drinks company to sign up to the Courtauld Commitment and have since then demonstrated commitment to reducing the environmental impact of their packaging. Britvic have made positive strides in removing material from their packaging. They are also in the process of rolling out a labelling scheme to provide clarity to consumers on how recyclable each pack is and have more recently begun to support the development of the rPET infrastructure in the UK. ”

Richard Swannell,
Director of Retail & Organics Programme,
WRAP (Waste Resources Action Programme)



Our Corporate Responsibility strategy

“This new focus is underpinned by four strategic goals that reflect the most pressing sustainability issues facing our business.”

Our CR vision and strategy

Progressive brands

Responsible business

Dedicated people



It is now three years since we first fully articulated our sustainability commitments as a public company. We began by using an external framework to help us think about our responsibilities in terms of the environment, marketplace, supply chain, workplace and community. It was a useful starting point.

In the past 12 months we have reviewed this approach and the result is a new vision focused on three key areas: progressive brands, responsible business, and dedicated people. With **progressive brands**, we will continue to build on the success of our portfolio by responding to consumer expectations for products that deliver quality, taste and enjoyment, while at the same time integrating relevant social and environmental considerations. Being a **responsible business** means responding to our stakeholders' expectations for delivering both shareholder value and remaining true to our values. Finally, we wouldn't be the thriving business we are without **dedicated people** working with us. We encourage our employees to support our drive to be a better business and also acknowledge the role we have to play in protecting and improving their overall wellbeing.

This new focus is underpinned by four strategic goals that reflect the most pressing sustainability issues facing our business.

The chart opposite sets out the progress we have made against the goals we set last year. In some areas we have made great strides; in others, we acknowledge we still have work to do. But our overall direction is the right one.

John Gibney

Finance Director and CR Programme Sponsor

2007/08 targets – our progress

These are the goals and targets we set ourselves last year. Where we are working on longer-term goals (e.g. waste, water) these are addressed in the body of the report, and at the back under '2009/10 goals'.


2007/08 goals

Level achieved

2007/08 goals	Level achieved
Increasing the efficiency of our operations	
Investigate a 3-year programme to retrofit our equipment, looking at more efficient lighting, fans, motors and timers	●
Work in partnership with suppliers to investigate new technologies around environmentally friendly refrigerant gas	●
Reduce product miles by introducing contractual conditions with hauliers	●
Evaluate opportunities to use renewable energy resources	●
Review fleet policies with a view to 'greening our fleet' and continuing to add lower emission vehicles	●
Optimising the environmental performance of our packaging	
Investigate relevant alternative bioplastics for quality and suitability	●
Standardise our on-pack consumer communication for the recyclability and recycled content of our packaging	●
Increase the use of recycled materials in our packaging	●
Develop relationships with customers and identify brand opportunities to work together on packaging waste reduction by December 2008	●
Provide WRAP with an annual report in line with the Courtauld Commitment	●
Complete social, environmental and economic 'footprints' of a sample of our brands by September 2009. Publish progress in 2008/09. ⁶	●
Supporting our local and global communities	
All packaging and ingredients suppliers signed up to our Ethical Trading Policy and SEDEX by December 2008	●
Strengthen our work with broader industry initiatives such as AIM-Progress	●
By end of 2008 identify priority areas in our fruit supply chain on which to work with key suppliers	●
Launch a formal community investment programme	●
Expand and embed our volunteering policy	●
Deliver education tools for schools that support the government, health and environment agendas	●
Continue to increase our cash and in-kind donations against baseline of 2007/08	●
Expand activities via cause-related marketing in addition to our Rainforest Foundation partnership	●
Supporting healthy lifestyles and employee wellbeing	
Review the availability and delivery of nutritional information	●
Engage with consumers on issues that matter to them and consider ways of enhancing their input into our activities	●
Pilot a programme encouraging healthy and active lifestyles	●
Provide an employee health and wellbeing intranet site providing greater health information advice	●
Embed new tools to support employee choice about working more effectively	●
Re-launch employee assistance programme to provide employees with support services for personal and professional needs	●
Start behavioural safety programme at all sites	●
Review and enhance our diversity initiatives planned for 2008 and during 2009	●

● on track/substantially met ● work in progress ● limited progress

⁶This target is not restricted to packaging alone - it is relevant to a number of our strategic focus areas and aims to demonstrate the way in which we are starting to integrate issues.



Optimising the environmental performance of our packaging

What's the issue?

Packaging is essential for our drinks. It protects, preserves and enables our products to be transported easily and consumed conveniently. Packaging also means that our consumers can keep hydrated while on the go. However it has an environmental impact – from the energy used in its production, to the waste created after consumption. Our challenge is to minimise these impacts without compromising on product safety, quality or usability.

Principles and commitments

We work hard to reduce the environmental impact of our packaging whilst maintaining stringent quality standards. Our environmental packaging strategy focuses on minimising waste, using recycled materials and supporting recycling.

We don't just look at primary packaging (the bottles our drinks come in), but also secondary packaging (for example, the card or shrink wrap and trays around the packs) to give a fuller picture of our impacts across the value chain.

We also play our part by using our expertise to develop more sustainable packaging, by communicating recycling messages on-pack and by contributing to broader, cross-business initiatives. We were the first soft drinks company to sign the Courtauld Commitment, an industry-wide programme with the government agency, WRAP, to deliver absolute reductions in packaging waste by 2010.

Policies and actions

Over the past few years, sustainable packaging has become part of "business as usual" at Britvic. Below are some examples of how we are doing this:

Minimising waste - reducing our packaging

- We have already removed 11,000 tonnes per year from our total packaging waste. Our target now is to remove an additional 5,000 tonnes from our primary and secondary packaging by 2010. We are on course to meet this stretching target and have already successfully completed projects which reduce our packaging by over 2,000 tonnes per year.
- One example of this is our 500ml drench bottle, where we have reduced the amount of material (and therefore waste) by four grams. This amounts to a reduction of over 17% in bottle packaging. We are continuing to focus on light-weighting the rest of our range.

Last year we saved approx

70

tonnes of corrugated board
and 89 tonnes of shrink
film by using returnable-use
trade-ready display units
and semi-pallets.

- We have also made savings on our secondary packaging, for example, with Pepsi we now maximise the use of trade-ready display units instead of shrink wrap and trays. This allows the pallet of bottles to be wheeled into the store so customers can shop directly from it.

Using recycled materials

- We are working with recycling companies in the UK to introduce plastic bottles containing PET which has been recycled from British households - currently all recycled PET (rPET) is made from imported material. Initial bottle manufacturing trials have taken place, and further work is required to ensure that they meet our rigorous quality standards, but we have taken an important first step. We have also examined the feasibility of using bio-plastics packaging for our juice and water products. Unfortunately, in trials the packaging did not perform well enough to reach the quality levels our high standards demand. However, we continue to watch this technology closely for improvements.



Supporting consumer recycling

- We know that consumers would like clearer on-pack guidance to help improve their understanding of which packaging can be recycled and we want to encourage our consumers to recycle more. That's why we have adopted the Recycle Now logo which will feature across all Britvic drinks. The on-pack logo aims to deliver a simple, UK-wide, consistent message which will help consumers recycle more material, more often.

Future plans

- Remove 5,000 tonnes of packaging by December 2010 based on 2007/08 volumes
- Send zero food and packaging to landfill by 2015
- Complete rPET trial in 2009 using UK-only recycled content

Robinsons light-weighted bottles

Over the past two years we have invested over £5 million in making the packaging of Robinsons products lighter, saving 1,600 tonnes of plastic per year in total.

In August 2008, we made our Robinsons one litre bottle two grams lighter. This delivered two wins for us: we estimate this saves around 330 tonnes of PET a year, equivalent to over nine million empty bottles, and reduces the energy needed to make the bottles at the Robinsons factory in Norwich by 5%.

This latest two gram saving is in addition to a pack re-design in April 2007 which saw a 1.5 gram reduction for the Robinsons one litre bottle. The lighter weight allowed Britvic to reduce the amount of cardboard used in the trays displaying the bottles in store by 5% and saved an additional 50 tonnes of cardboard per year.



Increasing the efficiency of our operations

What's the issue?

We can't run our business without basic resources such as energy, water and fuel. We want to ensure these resources are used wisely so that we minimise our environmental impact and play our part in addressing the big issues such as climate change and water use. We're looking into greener technologies and experimenting with new ideas, and we're committed to this for the long term.

Principles and commitments

We've sought to strengthen our commitments to the environment in a number of areas – including improving utility performance, transport efficiency and enhancing the performance of our chillers.

Where possible we work with other organisations to tackle broader environmental issues, but for our own specific impacts we have developed a series of policies and actions to drive progress.



By the end of the year we expect to achieve an absolute reduction in energy compared to 1997, despite increases in production.

We have reduced our carbon emissions by

23.8%

per tonne of product since 1997.

Policies and actions

Energy

Our manufacturing plants are the most energy intensive part of our business and every site management team includes energy efficiency improvement targets in their personal objectives. This helps our teams understand that we all have a role to play in making our operations more efficient.

Across the business, we are committed to a 20% reduction in CO₂ emissions by 2012 on 1990 levels (per tonne of product), with an aspirational target of a 30% reduction by 2020. This year we have:

- Completed ISO14001 certification of our Huddersfield site and maintained certification across all our other plants.
- Achieved a 30.2% reduction in energy used in manufacturing and a 23.8% reduction in carbon emissions per tonne of product produced since 1997. In absolute terms, this means we now produce over 45% more product each year using only 1.4% more energy, compared to 1997. By the end of the year we expect to achieve an absolute reduction in energy compared to 1997, despite increases in production.
- Evaluated renewable energy options, including wind, solar and combined heat and power (CHP). In particular, we completed feasibility studies on wind turbine options at our major sites. Unfortunately, our sites are situated close to housing and other large buildings, which means that wind power options are not currently viable. We also undertook a detailed study on CHP plants. Although CHP plants have some potential benefits we have not yet found a solution that makes commercial sense. We will continue to review this as new technologies become available.

Water

Water is the largest ingredient in our drinks and central to our manufacturing process. We use water carefully, and our long-term target is to reduce water use in manufacturing by 20% by 2020 compared to 2007 levels. This is an absolute target. In the past year, we have continued to build on existing progress and have:

- Reduced our overall water-to-product ratio by 17.7% since 2002. This ratio is calculated by dividing total water usage by litres of products produced.
- Reduced our effluent-to-consumption ratio by 16.3% in the past year, and by 33% since 2002.



Increasing the efficiency of our operations



Chillers

Product chillers in our customers' outlets represent 14% of our carbon footprint and addressing their environmental impact is one of our strategic priorities. Last year we investigated retrofitting our existing equipment but decided we will have more impact by focusing on new, more energy efficient equipment. We have recently purchased a new range of chillers, all HFC-free and with energy saving functions such as night blinds and energy efficient motors that can save up to 50% of energy compared to traditional chillers. During 2009 we will trial a number of low impact chillers with key customers, with the potential to reduce energy by a further 25%.

Waste

We are making progress towards our 2015 target of sending zero packaging and food waste to landfill:

- Waste going to landfill is down by 13.8% since last year. Waste being recycled is up 57.3% since 2007. We have achieved this through initiatives to improve waste segregation across all our sites.
- We have also launched a project to help us achieve our target of sending zero waste to landfill by 2015. The first step is detailed analysis of our landfill waste to identify items that cannot currently be recycled. The next step is to find ways of averting this waste from landfill through innovative means.

Transport

Transport makes up 27.9% of our carbon footprint (this includes company vehicles, primary logistics, third party logistics and air miles). In the past 12 months we have focused our efforts on reducing our transport emissions and have had positive results:

- We have reduced our product miles by 444,187 miles since last year by working closely with our hauliers and using the most sophisticated planning software to reduce unnecessary stock movements and lorry journeys.
- Our core lorry fleet is now all Euro 5 compliant, meeting the strictest European standards on air pollutants and improving efficiency. Together with improved planning, we have saved 511 tonnes of CO₂ per annum since last year.
- We have reduced our CO₂ emissions from company cars and vans by 40% since 2006. We are currently introducing more energy efficient technical service vehicles, used to carry out chiller maintenance, which will save 1,000 tonnes of CO₂ over four years.

By working with our hauliers and planning teams, we have saved

444,187

product miles since 2007.

Future plans

We believe there is value in working across the industry to bring about change on a wider scale, so a number of our targets have been set in collaboration with the Food and Drink Federation. Below we set out our long term targets and we will report annually on our progress:

- Reduce CO₂ emissions by 20% by 2010 compared to 1990 (by tonne of product) and aspire to a 30% reduction by 2020
- Contribute to an industry-wide absolute target to reduce water use by 20% by 2020 compared to 2007
- Complete trials on more energy efficient chillers and dispense equipment by 2010



Leeds water savings

We discovered that one of our pasteurising lines in Leeds was contributing to significant energy and water loss. Once the problem had been diagnosed, we developed a project to improve its efficiency. A series of planned mechanical modifications has meant that we now save eight million litres of water per year, and with a second stage of improvements to optimise the temperature system, will be saving 25 million litres per year.



Supporting our local and global communities

Our employees raised over

£157,000

for good causes last year, which includes a percentage donated by Britvic via our matched giving scheme.

What's the issue?

Within our supply chain, our business impacts upon both people's lives and their livelihoods. This includes the people who live near our sites as well as the communities worldwide who supply us with the ingredients and materials to make our drinks. We want to support these communities and treat them fairly. We do this locally through our community investment programme, and globally by committing to high ethical standards throughout our supply chain.

Principles and commitments

Supporting local communities

This year we established our first long-term community investment strategy, Learning for Life. We wanted a programme where everyone – from employees to charity partners – could benefit from learning about the issues that affect our business and, by extension, our community.

We consulted with employees and external stakeholders and developed a strategy with four focus areas that made sense for the business. Each area is supported by a number of partners.

Supporting global communities

We buy from over 2,000 suppliers globally. 60% of our business expenditure is on packaging, raw materials and juices. When working with suppliers we take into account a wide range of factors: quality, risk, service and cost, as well as environmental impacts and workplace conditions. We only buy our ingredients and packaging from a shortlist of quality-assured suppliers.

All of our suppliers are expected to comply with Britvic's Ethical Trading Policy. This is now reflected in our terms and conditions of purchase.

Policies and actions

Supporting local communities

We have community investment and volunteering policies that underpin our Learning for Life programme. These policies encourage our employees to play their part in the local community and support their chosen charities in a number of ways:

- Employee fundraising matching scheme – Britvic now donates £2 for every £1 raised by employees
- Product entitlement – an allocated amount that every employee can donate to their chosen local charities and school events

78%

of our employees said they believe Britvic behaves in a responsible way towards the community, up five points from last year.

2009 Employee Opinion Survey



We support these partners through donations, volunteering, cause-related marketing, £2.4.£1 matched giving and in-kind product donations.

- A payroll giving scheme – promoted annually through site road shows
- Employee volunteering policy – up to two days of paid volunteering per year

Partnerships

Learning for Life helps us support our local community whilst also addressing the issues that are most important for our business. We have carefully selected our partners to help us make a real and lasting impact:

- Barnardo's – our company charity for the next three years and a partnership that enables employee engagement via local volunteering and donations through our Britvic charity lottery
- UNICEF – we continue to work with UNICEF supporting their emergency relief fund
- FareShare – a new partner that supports UK communities by distributing surplus stock to good causes, thereby minimising our waste and ensuring our brands go to worthwhile community activities
- Essex Community Foundation – now manages two Britvic funds helping local families and backing environmental projects. The funds align with Government focus on industry support for 'grassroots' projects
- Greenstreams - a project to improve the environment in the River Colne region, around our Huddersfield factory

Education programmes

Britvic has long supported projects on education and young people and this will continue under our new strategy. Below we highlight two key initiatives from the past year:

- Rainforest Foundation – our partnership supported 20 children with schooling and helped a further 20 into safe housing. Four mentors have been trained to work with the children.
- Our new Britvic Learning Zone allows us to work closely with trade bodies such as the British Soft Drinks Association (BSDA) to deliver added benefit to classrooms and learning days, and support the Government 'work related modules' launched last year. In addition, where possible we offer to host teachers and students at our manufacturing sites and also plan to open our small museum collection to these audiences.

Investing in the community

Since 2006, our charitable giving has grown from £80,000 to £330,000. Last year we had exceptionally high levels of in-kind giving due to donating bottled water to all those affected by the Gloucestershire floods. We are committed to increasing our community investment over the next three years.



Britvic Learning Zone microsite



Supporting
our local
and global
communities



Supporting global communities

Over the past two years, our focus has been on establishing core standards for all our suppliers.

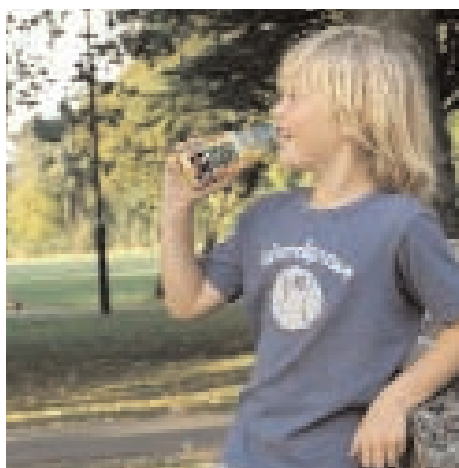
Ethical trading policy and SEDEX (Supplier Ethical Data Exchange)

Our Ethical Trading Policy (ETP) sets out our expectations on environmental, health and safety and human rights standards in both our own and our suppliers' operations.

As a first step towards understanding our supply chain, we enrolled the help of SEDEX. This is a recognised web-based tool for suppliers and customers to exchange data on the ethical standards they apply in their supply chain. It helps us to understand whether or not there are issues in our supply chain that might need attention. From here, we can develop priorities and plans to address them.

Last year we set stretching targets on commitments by our ingredients and packaging suppliers to both our own policy and SEDEX registration.

- 95% of our packaging and ingredients suppliers have formally accepted our ETP or registered with SEDEX. We will continually work towards full compliance of our ETP and will be conducting 'spot check' audits to ensure these stated standards are being fully carried out in practice.
- We have also strengthened our own policy. From now on, it forms an integral part of our contractual Terms and Conditions. For those that tell us they have their own equivalent policies, we have a process in place to independently assess whether these policies match or exceed our own standards.
- In 2007 we also committed to signing up all our remaining suppliers to our ETP within five years and reporting via SEDEX where appropriate. These suppliers include logistics, equipment, machinery, utilities, and services such as advertising, temporary labour and consultancy. This part of the supply chain is more complex and we will prioritise our efforts using a risk-based methodology. We have made some good progress. 30% of our indirect supplier spend last year was from sources signed up to our ETP.
- We are working with the AIM-PROGRESS group of global FMCG (fast-moving consumer goods) companies to pool our efforts to promote transparency of standards throughout the global supply chain. AIM-PROGRESS is a global initiative that allows an exchange of views regarding responsible sourcing practices and aims to develop and promote industry collaboration through the use of common evaluation methods to assess performance within the supply chain.



FIVE

A glass of fruit juice counts as one of the recommended five a day.

Identifying priority areas in our fruit supply chain

With core standards in place, we are now examining our fruit supply chain in more detail. Our fruit processors' responses to date indicate compliance with our policy, and a number of our suppliers have already undergone third party ethical audits.

However, we want to go further. We have developed our compliance process to include audits to the SEDEX standard and we will shortly be commissioning further third party audits in Asia and South America to ensure compliance of key suppliers in these locations. In particular we are keen to understand our supply chain beyond the processing plant level – that is, at farm level. Future plans will take this into account.

In the past year we started talking to organisations such as the Rainforest Alliance and Fairtrade Foundation to understand if or how their certification standards may be applied in our supply chain. While it's early days, we remain open to such certification standards, though more work needs to be done.

Future plans

Supporting local communities

In the year ahead we plan to:

- Increase community investment in line with our Learning for Life three year strategy

Supporting our global communities

- Achieve full compliance from packaging and ingredients suppliers to our Ethical Trading Policy and complete planned audits by December 2010
- Achieve full compliance by non-ingredients and packaging suppliers to our Ethical Trading Policy by December 2014
- Complete evaluation of accreditation options for fruit available in commercial quantities by end of 2010

Supplier focus

We source fruit juices from a wide number of countries around the world – everywhere from Poland through to Brazil.

Our largest juice purchase is frozen concentrated orange juice (FCOJ) from Brazil. The production of FCOJ in Brazil takes place in an area known as the "Citrus Belt", a largely agricultural region in Sao Paulo State. We source mainly from three long-term supply partners and have built our relationships with many visits for commercial, quality and technical reasons. The suppliers are large producers. The volume of juice that we buy represents less than 1% of their overall production capacity.

The suppliers source their oranges in three ways – direct from their own farms, through long-term contracts with groups of farmers and, to a lesser extent, through "spot" purchases on the market. Some of our suppliers provide sustainable agriculture training to the farms from which they source, and others fund social programmes in their local area. We are working to learn more about their sourcing practices in the future.



Supporting healthy lifestyles and employee wellbeing

What's the issue?

Health and wellbeing continues to be a significant public issue and we want to play our part by helping those people that we interact with directly – the consumers who choose our drinks, and our employees – to lead healthy, balanced lifestyles.

Principles and commitments

Supporting healthy lifestyles

Consumers are at the very heart of our business. We recognise that we can play a role in addressing some of the health and wellbeing issues that face the nation. We therefore support our consumers in leading healthy lifestyles by:

- Providing a wide variety of soft drinks to meet their needs
- Helping them make informed choices
- Marketing our drinks responsibly
- Promoting health, wellbeing and nutrition

Employee wellbeing

For us, employee wellbeing means motivated and engaged employees with a good work-life balance. Our people strategy focuses on leadership, performance, nurturing talent and embedding behaviours essential to personal and business success. The health and safety of our employees is also crucial and we have put in place stretching annual improvement targets and supporting practices.

Policies and actions

Supporting healthy lifestyles

We have responded to consumer demand for more healthy and natural products and continue to re-balance our portfolio. Importantly, in the economic downturn, we offer these options at good value.

Developing our portfolio

This year we have:

- Launched Robinsons be Natural™ and Pepsi Raw, both of which contain naturally sourced ingredients
- Launched Gatorade in the UK with a new formulation free from artificial colours, flavours, sweeteners and preservatives



76%

of our employees believe Britvic behaves responsibly towards its employees, up five points from last year.

2009 Employee Opinion Survey with 87% response rate

FIVE

our overall employee engagement index score has increased by five points to 75% since our 2008 opinion survey.

33.3%

of our employees have more than 10 years service and over 10% have worked with Britvic for more than 20 years.

Working with our partners

We can make a bigger difference to this agenda by working with specialist organisations and other industry bodies. Our partners include:

- MEND (Mind, Exercise, Nutrition, Do-it) is a UK wide programme advising families on healthy lifestyles. Funded by the public and private sectors, MEND programmes offer free help to families most in need of developing healthier lifestyles. We are funding research into a new programme to help focus on preventative steps to avert obesity.
- Business4Life, a coalition of industry partners, supporting the government's Change4Life initiative.

Engaging with our consumers

To support our consumers better, this year we have:

- Continued the roll-out of on-pack contact details and guideline daily amounts (GDA) labelling on our drinks. The labelling provides guidance on daily intake of calories, sugar, fat, saturates and salt.
- Moved our consumer care line in-house to enable better engagement with consumers, including the provision of nutritional information.
- Established a health and wellbeing blog, written by our in-house nutritionist.
- Promoted active, healthy lifestyles through initiatives such as: Gatorade's Gear-Up for fitness promotion; Fruit Shoot's focus on helping kids develop new mental and physical skills; and drench's mental hydration and brain health campaign. Additionally we have continued to support and promote sport in the UK through: Robinsons' association with the Wimbledon Championships and BBC Sports Personality of the Year; Pepsi's association with cricket and football; and Gatorade's support of triathlon events across the country.

Employee wellbeing

Our policies and actions are designed to develop and support our employees, promoting flexibility for all, and recognising this is particularly important to those with parental and caring challenges.

We measure our success and take on board feedback through our Employee Opinion Survey (EOS). This was completed in March 2009 where we achieved an impressive increase of five points since last year and improved our scores against all questions.



Supporting healthy lifestyles and employee wellbeing

Training and developing our people

Our programme includes:

- Core business skills training, which develops broad learning in topics such as facilitation, influencing and IT skills
- Management Essentials courses for all line managers, covering issues such as diversity and respect
- The launch of online safety training, which will be extended across all sites this year and covers home working, driving and lone travel

Supporting employees to balance work and home life

Employee feedback has shown that we are making steady progress in this area with a three point increase in our Employee Opinion Survey. We have made a number of improvements this year by:

- Investing heavily in mobile communications, video conferencing and file sharing technology. This reduces unnecessary travel, supports employees who work frequently in different locations and enables home working where appropriate.
- Doubling the number of additional holiday days that can be selected from five to 10 via our benefits programme.
- Increasing paternity leave to five paid days plus a weeks leave at statutory pay.

Health and Safety

We continue to build on our good health and safety record through:

- Extensive training
- Engagement of our employees through our Employee Involvement Forum and behavioural safety programmes
- A focus on identification of hazards and early correction to avoid potential accidents

This has resulted in a 68% reduction in accidents over the last five years, and an 81% reduction in working days lost through injury.

This year our Huddersfield site obtained certification for its 'Health and Safety Management to OHSAS 18000', and our Rugby site achieved a 'British Safety Council International Safety Award' and 'RoSPA Gold Award for Safety.'

Supporting our employees in challenging times

We invest in quality outplacement support for all employees who leave Britvic as a consequence of redundancy, ensuring they receive the best advice and practical help in reviewing their career options and securing alternative employment. Employee feedback about these services indicates a high degree of satisfaction with the support provided.



Vicky Collet and Martin Berry receive the RoSPA Gold Award for Safety.

68%

reduction in accidents
over the last five years

Diversity

We aim to promote an open and diverse culture in the workplace. As part of this we have begun to benchmark ourselves against others, and national averages, where relevant statistics exist.

In production and supply chain functions, we have a higher proportion of male workers – which is typical of many manufacturing companies. In terms of ethnicity, we are above the UK average, at just under 10% of our workforce. Our age diversity is broadly representative of the national picture (please see our charts at the back of this report for a more detailed picture).

We will continue to review employee diversity on a regular basis along with the changing diversity trends of our markets and consumers.

Future plans

Supporting healthy lifestyles

In the year ahead we plan to build on our success in this area:

- Promote active and enriched lifestyles through marketing initiatives and working with partners

Employee wellbeing

Our plans in the next 12 months include:

- Improve work-life balance as measured by our Employee Opinion Survey
- Further reduce accident frequency rate across the business by 10%
- Improve occupational health services through increased support for musculoskeletal problems, the most common medical complaint within our business



Rugby activity week

In October, the Rugby factory stopped production for a week to provide its 200 staff with a series of interactive training sessions. The activity week was designed to improve team working and raise awareness of good practice procedures and new health and safety legislation. Throughout the week, 91 people received fire extinguisher training, 118 people were trained in the principles of first line machine maintenance and the management team had refresher training on managing performance.



Playing our part

2009/10 goals

In line with our new strategy, we have set the following key targets against which we will focus our efforts in the coming years. We will report on our progress next year.

Increasing the efficiency of our operations

Reduce CO₂ emissions by 20% by 2010 compared to 1990 (by tonne of product) and aspire to a 30% reduction by 2020

Contribute to an industry-wide absolute target to reduce water use by 20% by 2020 compared to 2007

Complete trials on more energy efficient chillers and dispense equipment by 2010

Optimising the environmental performance of our packaging

Remove 5,000 tonnes of packaging by December 2010 based on 2007/08 volumes

Send zero food and packaging to landfill by 2015

Complete rPET trial using UK only recycled content by 2010

Supporting our local and global communities

Achieve full compliance from packaging and ingredients suppliers to our Ethical Trading Policy and complete planned audits by December 2010

Achieve full compliance by indirect suppliers to our Ethical Trading Policy by December 2014

Complete evaluation of accreditation options for fruit available in commercial quantities by end of 2010

Increase community investment in line with three year strategy

Supporting healthy lifestyles and employee wellbeing

Promote active and enriched lifestyles through marketing initiatives and working with partners

Improve work-life balance as measured by our Employee Opinion Survey

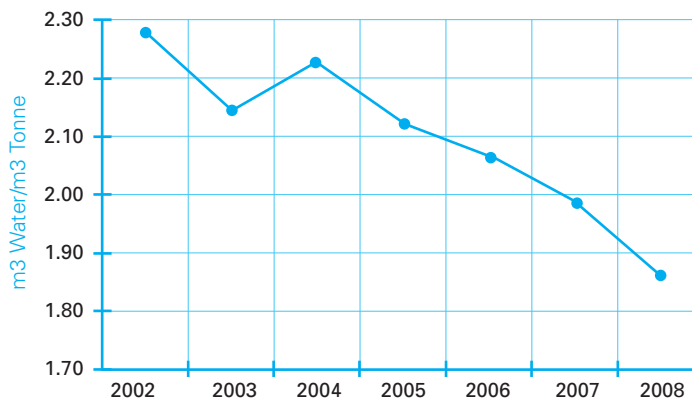
Further reduce accident frequency rate across the business by 10%

Improve occupational health services through increased support for musculoskeletal problems

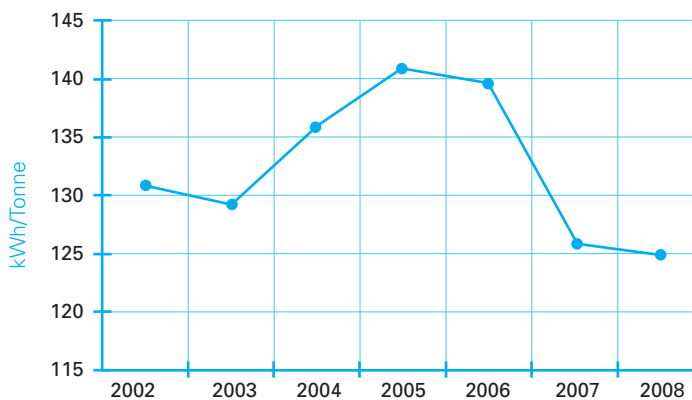
Additional data

Increasing the efficiency of our operations

Water Usage

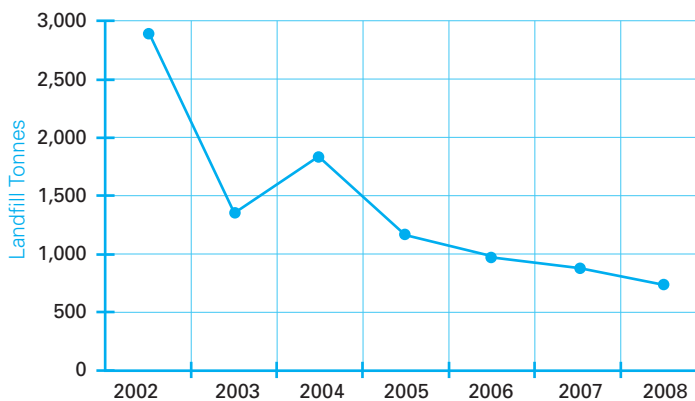


Delivered Energy Usage¹



¹ Between 2003 - 2006 we invested to bring bottle-blowing in-house. This increased our energy consumption but removed over 2.7m road miles each year.

Waste to Landfill



Additional data

Supporting our local and global communities

Community investment



- Cash 50%
- In kind 30%
- Management costs 18%
- Time 2%



- Local 88%
- National 11%
- Global 1%



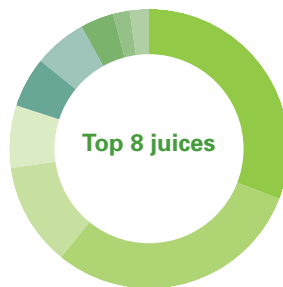
- Education and young people 53%
- Social welfare 30.48%
- Other 14%
- Health 2.43%
- Arts and Culture 0.2%
- Environment 0.07%
- Economic development 0.01%
- Emergency relief 0.01%

We use the LBG model to calculate our contributions to the community. The model provides a widely accepted standard way of managing and measuring our company's community involvement

Supply chain



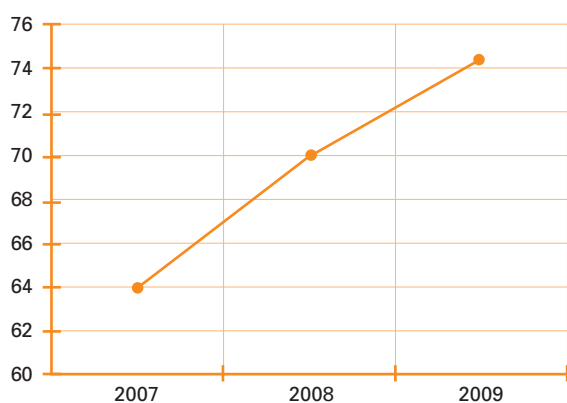
- Indirect expenditure 40%
- Packaging materials 29%
- Ingredients - Raw materials 25%
- Ingredients - Juices 6%



- Orange 31%
- Apple 30%
- Various other fruits 12%
- Blackcurrant 7%
- Mango 6%
- Raspberry 6%
- Passion fruit 4%
- Peach 2%
- Strawberry 2%

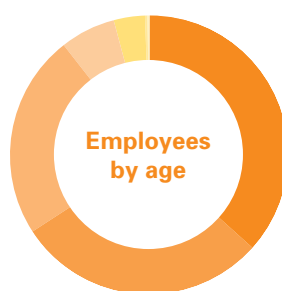
Supporting healthy lifestyles and employee wellbeing

Employee Engagement Index Score



Source: Employee Opinion Survey

Our 2009 survey recorded positive improvements on all eight questions that make up our engagement index score

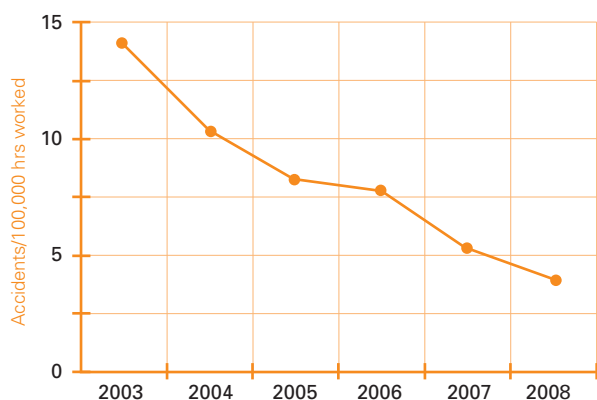


- 35 to 44 years 36.83%
- 25 to 34 years 29.20%
- 45 to 54 years 23.47%
- 55 to 64 years 6.54%
- 18 to 24 years 3.63%
- 65 years and over 0.19%
- Less than 18 years 0.14%



- White 90.7%
- Other 3.39%
- Asian 2.29%
- Black 1.57%
- Mixed 1.38%
- Not stated 0.52%
- Chinese 0.14%

Accident Frequency Rate



— 13 Period Rolling Average



- Male 72.57%
- Female 27.43%



- Male 56.77%
- Female 43.23%



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