

ENJOYING LIFE'S EVERYDAY MOMENTS

Sustainable Business Review 2020



SUSTAINABLE BUSINESS



BRITVIC IS DEDICATED TO DOING THE RIGHT THING BY OUR EMPLOYEES, CONSUMERS, CUSTOMERS AND COMMUNITIES – AS WELL AS OUR BUSINESS OVERALL. OUR HEALTHIER PEOPLE, HEALTHIER PLANET STRATEGY SETS OUT HOW WE PLAN TO DO THIS AND REFLECTS OUR COMMITMENT TO CREATING A BETTER TOMORROW FOR EVERYONE.



JOANNE WILSON, CHIEF FINANCIAL OFFICER AND CHAIR OF THE ESG COMMITTEE

We are operating in a global society facing both health and environmental crises. These challenges cannot be solved by governments and Non-Government Organisations (NGOs) alone. We believe that the business community must work collaboratively with governments, industry, regulators, NGOs, and scientists to solve these challenges, particularly in a post COVID-19 world. We have the innovative and entrepreneurial spirit to make a difference, and we take our responsibility seriously.

At Britvic, we are proud to make, market and sell soft drinks that millions of people around the world drink as they enjoy life's everyday moments. With our energy, culture and ambition to win, we are driven by a vision to be the most dynamic soft drinks company, creating a better tomorrow. This speaks to our broader role in society – as a net positive contributor to the people and the world around us.

Healthier People, Healthier Planet is a key tenet of our 2025 business strategy, fundamental to our resilience and future success, as we create a better tomorrow.

During the year we demonstrated our commitment to embedding sustainability into day-to-day business practices by securing our first sustainability linked credit facility of £400m. The deal links our progress towards meeting our carbon, packaging and calorie targets to the cost of the debt facility, with any consequent changes to the margin being donated to charities. This was also the first year that we included our sustainability strategy within the annual operating planning process for each of our business units. Progress will be tracked via our quarterly business review process.

Our Healthier People, Healthier Planet strategy focuses on eight elements.

1

Give consumers healthier choices to enjoy everyday moments.

2

Making a meaningful contribution to the communities in which we operate.

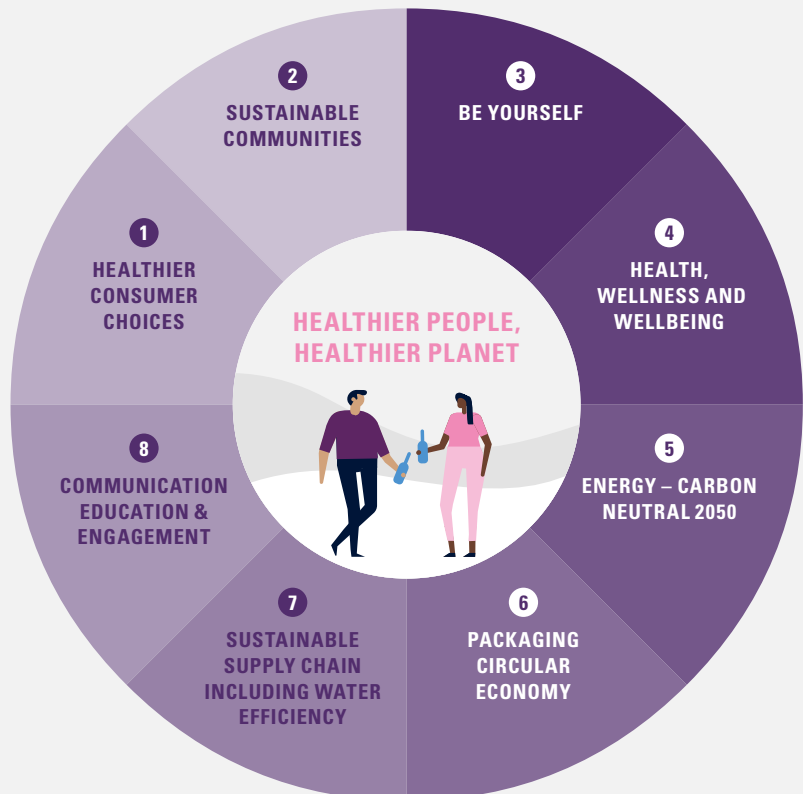
3

Our employees are empowered to be their best selves to deliver great performance.

4

Our employees feel physically and psychologically well.

OUR HEALTHIER PEOPLE, HEALTHIER PLANET STRATEGY



8

Use the unique reach and scale of our brands to educate and inspire change.

7

Understand the environmental and social footprint of our supply chain and drive efficient use of natural resources.

6

Create a world where great packaging never becomes waste.

5

Transition to a low carbon circular economy by maximising energy efficiency and using renewable energy sources.

HEALTHIER PEOPLE, HEALTHIER PLANET: 2025 GOALS

Our Healthier People, Healthier Planet strategy was built upon our progress to date, our commitment to creating a better tomorrow and delivering timely responses to the health and environmental challenges we are currently facing on a global level. In line with our commitments and accountability towards our wider stakeholders and the environment, we have fully integrated the UN's Sustainable Development Goals (SDGs) into our strategy and aligned our objectives and targets with these goals.

While we acknowledge we contribute, both directly and indirectly, to all the 17 goals and that they are all inherently interlinked, we have identified 12 goals that are most material to our business and where we have greatest opportunity to make a positive impact and build a business that is fit for the future.



HEALTHIER PEOPLE, HEALTHIER PLANET ALIGNED WITH SDGS | COMMITMENTS

PILLARS	FOCUS AREAS	SDGs	2025 TARGETS
HEALTHIER PEOPLE	<ul style="list-style-type: none"> • Healthier consumer choices • Sustainable communities • Employee engagement • Health, wellness & wellbeing 		<ul style="list-style-type: none"> • <30 calories per 250ml* serve • Double employee community days (vs 2020 baseline) • >85% Employee engagement (vs 2020 baseline) • >83% Employee wellbeing (vs 2020 baseline)
HEALTHIER PLANET	<ul style="list-style-type: none"> • Energy & carbon reduction (Scope 1, 2 & 3) • Packaging – circular economy <ul style="list-style-type: none"> – Recyclability programme Deposit Return Scheme (DRS) – Light-weighting and beyond the bottle solutions • Sustainable supply chain including water efficiency, responsible sourcing, zero waste to landfill 		<ul style="list-style-type: none"> • Reduce Scope 1 & 2 carbon emissions by 50% by 2025 (vs 2017 baseline)** • Reduce Scope 3 carbon emissions by 35% by 2025 (vs 2017 baseline)** • Reduce packaging per serve by 20% (vs 2020 baseline) • Packaging 100% recyclable & all bottles in GB to be made from 100% rPET by the end of 2022 • Reduce manufacturing water intensity ratio by 20% (vs 2020 baseline)
Indirect contribution			

<https://sdgs.un.org/goals>












* Britvic has led the charge to reduce calories in soft drinks with 75% of drink volumes sold containing low or no calories. Our 2025 target of 30 calories per serve, reflects the growth ambitions of our Brazilian business unit, where calories per serve are on the downward trajectory, however they remain above Britvic's overall average.





** The GHG protocol defines Scope 1 emissions as direct emissions from owned or controlled sources, Scope 2 as are indirect emissions from the generation of purchased energy, and Scope 3 as all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Healthier People, Healthier Planet: progress against our 2020 goals

2020 was the final year of the A Healthier Everyday sustainable business strategy and the table below shows our performance compared with our 2020 goals.

While we made good progress, we still have work to do in some areas such as packaging and waste and these remain a focus as we work towards our 2025 ambitions.

PILLARS	2020 TARGETS	ACHIEVEMENT OF TARGETS	SUSTAINABLE BUSINESS REFERENCE
HEALTHIER PEOPLE	<ul style="list-style-type: none"> 73% of drinks volume sold is in low/no calorie drinks (as consumed) across the group. 	 75% [†] of drinks volume sold in 2020 was low/no calorie drinks as consumed across the group.	↪ FOR MORE INFORMATION SEE PAGES 35 – 39
	<ul style="list-style-type: none"> Women are represented in 40% of senior manager roles (Band D+) across the company. 	 Women represented in 40% [†] of senior manager roles in 2020. An increase of 2% compared with last year.	↪ FOR MORE INFORMATION SEE PAGES 35 – 39
	<ul style="list-style-type: none"> Continue to support our corporate charity Diabetes UK by donating over £300,000. 	 Since the beginning of our partnership in 2019 we have contributed £320,000+ through corporate donations.	↪ FOR MORE INFORMATION SEE PAGES 35 – 39
	<ul style="list-style-type: none"> All employees have access to wellbeing programmes and achieve a wellbeing score of 81% in the Great Place To Work (GPTW) survey across the company. 	 Our priority this year has been the wellbeing of our employees and instead of participating in the GPTW survey we asked employees about the support they were getting from the business. During the COVID-19 pandemic, 78% of employees in GB and Ireland and 81% in Brazil felt they could get the support from the business they needed.	↪ FOR MORE INFORMATION SEE PAGES 35 – 39
HEALTHIER PLANET	<ul style="list-style-type: none"> 7% reduction in location-based Scope 1 and 2 manufacturing emissions intensity. 	 We reduced our location-based Scope 1 and 2 manufacturing emissions intensity by 12.2% to 24.06 tCO ₂ e [†] in 2020.	↪ FOR MORE INFORMATION SEE PAGES 40 – 47
	<ul style="list-style-type: none"> Launch science-based targets and roadmap. 	 We have officially committed to the Science Based Targets initiative (SBTi) in December 2019 and we are developing a roadmap for decarbonisation.	↪ FOR MORE INFORMATION SEE PAGES 40 – 47
	<ul style="list-style-type: none"> Achieve a water intensity ratio of 1.98m³/tonne produced across our global manufacturing sites. 	 We have reduced our water intensity ratio by 12.4% across our global manufacturing sites, to a water intensity ratio of 1.91 m ³ /tonne [†] .	↪ FOR MORE INFORMATION SEE PAGES 40 – 47
	<ul style="list-style-type: none"> Achieve zero waste to landfill across our global manufacturing sites. 	 We sent zero manufacturing waste to landfill across GB, Ireland and France and diverted 99.6% [†] of manufacturing waste generated from landfill overall. In the final quarter of the year we are pleased to report that Brazil achieved zero waste to landfill.	↪ FOR MORE INFORMATION SEE PAGES 40 – 47
	<ul style="list-style-type: none"> Increase rPET in our GB and Ireland portfolio at 15% with 100% recycled content for at least two brands. 	 Although we didn't achieve our rPET target for 2020, we have made progress towards our rPET goals during the year with Ballygowan 500ml and Fruit Shoot Hydro now being made from 100% rPET, and we are well placed to accelerate our rPET implementation over the next two years.	↪ FOR MORE INFORMATION SEE PAGES 40 – 47
	<ul style="list-style-type: none"> By year end 100% of all our trade and consumer advertisements in GB and Ireland carry a recycling message. 	 Both our consumer and trade advertisements in GB and Ireland include recycling messages.	↪ FOR MORE INFORMATION SEE PAGES 40 – 47
	<ul style="list-style-type: none"> Remove over 500 tonnes of primary plastic through light-weighting initiatives. 	 We have removed over 539 [†] tonnes of primary plastic through light-weighting initiatives in 2020.	↪ FOR MORE INFORMATION SEE PAGES 40 – 47

-  Achieved
-  Achieved in the final quarter of 2020
-  Not achieved
-  Changed basis of reporting during the year

HEALTHIER PEOPLE



WE ARE WORKING TOWARDS A HIGHLY DIVERSE BRITVIC, IN WHICH HAPPY AND HEALTHY EMPLOYEES THRIVE IN AN INCLUSIVE AND DYNAMIC WORKPLACE. WE WANT EACH AND EVERY ONE OF OUR EMPLOYEES TO FEEL THEY CAN BRING THEIR TRUE SELVES TO WORK. WE ARE FOSTERING AN ENVIRONMENT WHERE LOOKING AFTER OUR OWN WELLBEING, AND THAT OF ONE ANOTHER, IS SECOND NATURE.



ZAREENA BROWN, CHIEF PEOPLE OFFICER

AN OVERVIEW

Our Healthier People philosophy aims to create a business where work is purposeful and rewarding, as well as fun, and to provide consumers with a choice of great tasting drinks that are better for them.

To grow and thrive in a global and expanding market, against ever stronger competition, we need diverse talent with fresh thinking and bold ideas. It is this talent that sets us up to get ahead and stay ahead – whether it be through growing local favourites and global premium brands, innovating to access new spaces, flavouring billions of water occasions – or a combination of all three. We know that diverse ideas and insights significantly improve how we work, not only to improve our speed, agility and responsiveness, but also to create greater efficiencies to fuel our growth.

As the world around us changes fast, so too does the world of work, especially in these times of COVID-19. Entirely consistent with our fervent wish to create a better tomorrow, we recognise that great talent decides to join and stay with companies that are keen to be a net positive contributor to society – companies that value non-financial performance alongside financial – companies that want to give back and are unafraid to lead with their heart as well as their head. To attract and retain the very best talent therefore, it is critical that we place a premium on creating and sustaining a truly inclusive culture.

CONSUMERS

Healthier consumer choices

Back in the 1930s the genesis of Britvic was to provide consumers an affordable source of vitamins. Today, our consumers face different health challenges, particularly obesity. The impact of the global obesity crisis has been amplified this year with those categorised as obese being more severely impacted by the COVID-19 pandemic.

Providing consumers with healthier choices remains at the heart of our strategy as we continue to reduce calories in our products.

Average calories per 250ml serve

2020	25.5*
2019	27.5
2018	31.3
2017	35.3

In 2013 we set ourselves the goal of reducing the number of calories in our drinks by 20% by 2020 and have been cutting calories from our portfolio every year since. We achieved this goal a year earlier than planned and this year we reduced the calories per serve even further from 27.5 to 25.5* calories per 250ml serve, this is a 27% reduction vs 2013. This achievement was principally driven by strong sales of Pepsi MAX, Tango Sugar Free and Robinsons, supported by the launch of Pepsi MAX Raspberry and three new sugar free Tango flavours. Across the Group 75%* of all volume sold (as consumed) was in low/no calorie drinks.

98% of Britvic owned drinks, made and sold in GB and Ireland are suitable for vegetarians and vegans. Our Aqua Libra, Britvic, J2O, Drench, R. White's and Robinsons ranges have been accredited by The Vegetarian Society. These drinks all meet the Society's strict criteria and are suitable for vegetarians and vegans. This accreditation strengthens our commitment to provide our consumers with more informed choices about our products. It is important that we help our consumers to find the right products by providing them

with the information they need to make the right choices. We use transparent front of pack nutritional profiling to give them both the information and the comfort they need. Furthermore, we adhere to our strict Responsible Marketing Code across all of our markets, which sets out the principles we adopt in all marketing and advertising activity, including not advertising high sugar products to under 16s in GB, and we are proud that we did not advertise any high sugar products in GB during 2020.



ROBINSONS SUPERFRUIT CORDIALS

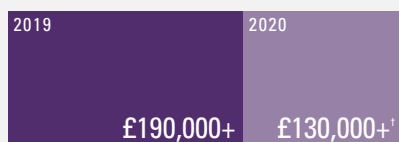
We constantly adapt and develop our portfolio to respond to changing consumer needs and preferences, while maintaining an excellent product with great taste. This year Robinsons, the UK's number one squash brand, launched two new flavours – Superfruit Cordials Orange & Acerola Cherry and Raspberry & Goji Berry. The new Superfruit Cordials boast health credentials and have no artificial colours or flavourings. The range also contains the added benefits of health supporting vitamins and minerals. Robinsons' new range is the latest example of how it has offered refreshment over the decades while continuing to innovate.

COMMUNITIES

Sustainable 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 community days, matched fundraising and drinks donations. Britvic and its people want to make a meaningful contribution to our communities through our myGiving programme. We offer community volunteering days to enable our employees to support the causes that mean most to them. More generally, where we are able to do so, we encourage employees to fundraise on behalf of a registered charity close to their hearts.

Funds raised for Diabetes UK



**Total contribution of
£320,000+**

The principle element of our sustainable communities programme this year was our COVID-19 community response. Each and every one of our business units played a key role in supporting their local communities, including the donation of over one million soft drinks in the UK.

As part of our ongoing commitment to addressing societal health issues that affect both our consumers and employees, this year we began the second year of a three year partnership with Diabetes UK, for which we support their healthier school programmes – encouraging and equipping local schools to properly provide for pupils with Type 1 Diabetes. The Good Diabetes Care in School Awards have been given to 151 schools celebrating their hard work and dedication in supporting their pupils living with Type 1 diabetes. This scheme provides parents and families with much needed support, enabling their children to take part in all school activities and thrive.

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 delivered over £190,000 in the first year and can proudly say we have contributed over £130,000¹ in our second year to a total of £320,000+. Our network of charity champions has played an important role in this achievement, encouraging

colleagues to take part in the One Million Step Challenge this year. The challenge not only encourages participation and engagement in our partnership but also challenges people to move more and create healthy habits. Our team of 50 raised £3,669 and have so far collectively completed over 35 million steps this year.

Community Engagement – Stem

Our Britvic Science, Technology, Engineering, Maths (STEM) group represented Britvic at an inspiration week organised by our local STEM hub. The week was split by STEM areas with Britvic presenting on the science day. This event was for students aged 14 – 15 and our session reached 650 students. We spoke about how drinks are made from the farm through to reaching the consumer, focusing on the science of formulating drinks, sensory science and the process of scaling up. We received great feedback and hope to get involved in similar events in the future to showcase the great work we do at Britvic and inspire the next generation to go into STEM based careers.

In Ireland, the Britvic MiWadi team continued its support of the Temple Street Foundation for the eighth 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 for Temple Street campaign, a total of €1500 was raised.



We also supported the Irish Cancer Society through the 'Marathon in a Month' campaign. Our Ireland team covered 1,883km and raised an impressive €15,200.



COVID-19 RESPONSE

During the COVID-19 crisis we provided much needed refreshment to hospitals, hospices, food banks, emergency services and charities. In the UK alone, we have donated more than a million drinks so far, as well as providing fully stocked chiller units to NHS Nightingale hospitals up and down the country.

This centrally co-ordinated approach to giving back has been echoed by many of our own front-line employees who have donated the free case of drinks given to each employee per shift, to local people and communities.

In France, we have focused on donating PPE to medical professionals and in Brazil we have been donating soft drinks to communities and hospitals.

Each part of our business has played a role. Our GB commercial team repurposed our Out-of-Home Sensational Drinks portal, to support small businesses with practical support such as maintaining equipment while their businesses were closed. Meanwhile, our Robinsons and MiWadi brand teams created Craft O'Clock tutorials on Facebook, supporting those with young families with activities during the height of lockdown.

EMPLOYEES

COVID-19 employee support

This year we chose not to take part in the GPTW survey. We have moved instead to a real-time survey mechanic so that we can listen to understand and act more quickly to improve employee satisfaction. This was especially helpful during the COVID-19 response period, where we focused largely on employee wellbeing. During this time, employees in GB, Ireland and Brazil took part in a questionnaire and we were pleased to learn that 78% of employees in GB and Ireland and 81% of employees in Brazil felt they were getting the support they needed from their manager. We continue to work towards ensuring all our employees have the support they need and feel valued.

We also launched Project Phoenix – a highly visible portal on our intranet where employees can find all the resources they need to support them through the pandemic. The purpose was to make life during the pandemic as easy as possible and emerge on the other side stronger than ever. See page 39.

Percentage of employees who felt supported during the pandemic*

Great Britain and Ireland	78%
Brazil	81%

* Due to business restructuring in France they did not take part in the survey.

Diversity & inclusion

At Britvic, we encourage and celebrate our keen sense of belonging to one family. This sense is fuelled by our business-wide diversity and inclusion agenda, where every individual's unique and varied contributions are valued, and we are able to be our true selves at work, remembering too that we are always stronger together.

We want our employees to mirror the richness of the markets and communities where we operate. As with many consumer industries, the soft drinks category is rapidly changing. Consumers are becoming more discerning, turning to healthier, trusted brands. They are looking for more tailored experiences, and are expecting more from the products they purchase, as well as from the companies who make them. As we see habits change, we see the need for new, innovative solutions. Being diverse and including the views of all, enables Britvic to keep pace with what's changing, and stay relevant for our customers and consumers.

BELONGING AT BRITVIC

Our employee-led Diversity and Inclusion action groups and champions form the foundation of our belonging strategy. Through these groups, and their initiatives, we are working hard to create a culture where every employee feels like they can bring their true selves to work. This means listening to our employees and their ideas about how to create a more diverse and inclusive working environment.

A key aspect of our diversity and inclusion strategy is to ensure that we have the right levels of leadership commitment and accountability to create change for now and decades to come. We are pleased to report that all our senior leaders are strong advocates of our diversity and inclusion agenda, and are actively committed to creating a fully inclusive culture. In line with this commitment, we continuously reinforce our speakUp framework and equip line managers with skills to tackle any bullying, harassment and discrimination, and build confidence in our people to challenge negative behaviours. We have also undertaken a full review of our current benefits package to ensure it is fully inclusive.

We have made strong progress against our Healthier People agenda this year, fuelled by the incredible employee support for our diversity and inclusion, or belonging, programme. The formal part of this agenda is directed by a multi-market and cross-functional steering committee, Executive committee sponsorship and employee volunteers. Self-nominated working groups collaborate to ensure different aspects of diversity and inclusion are enshrined in our policies, procedures, communications and core ways of working.

Since the start of this programme, we have launched four network groups in GB, and also appointed external partners or signed up to a series of public commitments, to frame the good work of each. Our B-Empowered women's network is focused on supporting, developing and retaining great female talent within Britvic. Our B-Proud network represents our

HEALTHIER PEOPLE



B-Diverse promotes increased diversity and inclusion in the business and supports Black, Asian and Minority Ethnic (BAME) employees in bringing their true selves to work.



B-Empowered supports the attraction, development and retention of great female talent. It enables women to reach their full potential and thrive within the company.



B-Proud champions inclusion and celebrates diversity. Supported by diversity charity Stonewall, this network offers advice and support to LGBTQ+ employees and straight allies.



B-Seen is passionate about Britvic attracting, retaining and championing employees with disabilities. B-Seen celebrates diverse ability and Britvic is a proud member of The Valuable 500, a global campaign aiming to eradicate the exclusion of people with disabilities from business.

LGBTQ+ community, and has partnered with Stonewall, the leading LGBTQ+ campaigning charity, to help it drive lasting change. Our B-Seen network represents diverse abilities across our organisation, and our B-Diverse network represents colleagues from all ethnic minorities. See above. Supplementing our more formal people strategy, our employee networks have gone from strength to strength this year, with nearly 500 employees now active members in total. Each has its own dedicated expansion and engagement plan, fully aligned with our overarching business strategy.

All of this work is cemented and enhanced by the grassroots support across our employee base. This in turn enables us to tap into and harness the energy of the myriad of different cultures and communities represented across our workforce, helping us to be stronger together.

Gender and equality

The gender balance across all employees within the business at year end was 29% female and 71% male. This figure is broadly indicative of our industry, with a high proportion of operations-based employees typically (or at least historically) being male. This year, the proportion of women in leadership roles increased to 40%, an increase of 2% from last year. We are delighted to have achieved this goal, and going forward we are also committed to improving ethnic diversity within our leadership population. We will be leaning into our B-Diverse employee network for counsel as to the most appropriate targets in this regard.

More broadly, embracing diversity underpins our commitment to providing equal opportunities to our current and potential employees, and applying fair and equitable employment practices everywhere. We codify this through our Equality and Diversity Policy and in how we live and lead through our Culture – Purpose, Vision and Values.

Women in leadership

40%

2020	40%
2019	38%
2018	33%
2017	33%

GB Gender pay gap

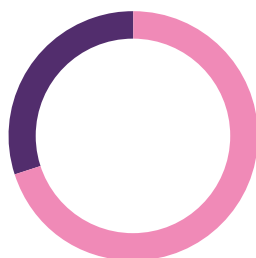
The following results show our GB gender pay gap for the 1,751 people who were employed by Britvic on 5 April 2020. The gender pay gap is the difference between the average earnings of men and women across the business regardless of the nature of their work. It is different from equal pay. Equal pay 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 higher pay and a negative figure indicates that women do.

Our total gender pay gap is skewed towards women which means that the average earnings of women are higher than men. Britvic has a -12% median pay difference against the UK average of 15.5% median. The primary driver of this is the structure of our workforce which, in line with the industry we operate in, is weighted

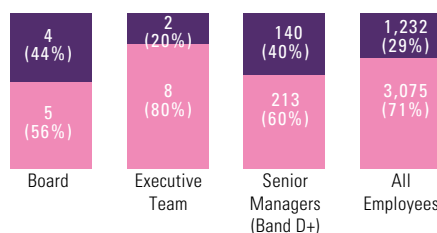
towards manufacturing and distribution operations, where the balance of the workforce is predominantly male (7:1). The roles in our manufacturing and distribution operations have, on average, lower salaries and bonus payments than those in our office functions. We have proportionally fewer women in our leadership roles that, on average, attract higher pay rates, as shown by the upper quartile pay gender split (71.6% men). The mean bonus payment is 6.8% in favour of males primarily because higher bonuses are paid at a senior Executive level.

GB EMPLOYEES BY GENDER



Male	70%
Female	30%

GENDER DIVERSITY



Male Female

PROPORTION OF MEN AND WOMEN RECEIVING A BONUS (%)

Male	88.1%
Female	82.9%

PAY QUARTILE GENDER SPLIT (%)

Upper quartile (%)



Upper middle quartile (%)



Lower middle quartile (%)



Lower quartile (%)



DIFFERENCE IN PAY BETWEEN GENDERS (%)

MEAN	MEDIAN
-4	-12

DIFFERENCE IN BONUS PAYMENTS BETWEEN GENDERS (%)

MEAN	MEDIAN
7.2	-39



Health, wellness and wellbeing

Championing the holistic wellbeing of employees, and respecting their individual work-life blends.

Our people are our lifeforce and we care about their health and wellbeing. We all need to manage and sustain our own energy if we are to emerge stronger from COVID-19 and deliver the enduring performance and growth ambition set out in our business strategy.

In everything we do, we aim to create a working environment that supports our employees' whole lives, while also meeting our business needs. One way we do this is through dynamic working – providing our employees with safe, flexible working practices and technology, enabling them to work highly effectively from anywhere, at any time – which has clearly been tested through the COVID-19 pandemic.

Britvic's wellbeing framework is made up of the following interconnected elements:

MY MOJO

Promoting good health, energy and physical wellbeing. We encourage our people to take care of themselves, and ensure that they have access to the latest advice and expertise in all aspects of health, energy and physical wellbeing. We also offer regular health checks, encourage healthy hydration, regular exercise and a healthy and balanced diet.

MY JOY

Building emotional health, resilience and mindfulness. We support our employees to feel confident and manage the various challenges and pressures life throws at them. We take mental health and wellbeing seriously, actively promoting an open culture where people are encouraged to talk about how they feel. Our leaders attend training sessions to help them identify early signs of mental or emotional health problems – and learn how they can direct employees to the right places for help and support through our Employee Assistance Programme (EAP).

MY MONEY

Encouraging financial security. Whatever our individual circumstances, we all know that financial security and planning for our futures and those of our families can be very significant sources of fret and worry. And unlike the kind of stress felt during a physical challenge or project deadline, it is all too often enduring. Through our new EAP, we are able to offer expert help to staff on issues such as budgeting to help combat stress and building financial confidence.

MY GIVING

The gift that gives. We know that doing good deeds for one another makes us feel good. Connecting with charities or local communities through volunteering or fundraising can be rewarding, both personally and professionally. Full-time employees can take up to two paid days off for voluntary work each year – and we encourage them to support the charities that mean the most to them, including Diabetes UK, our corporate charity partner, and more recently all healthcare professionals in the wake of the COVID-19 crisis. As well as being the right thing to do, this also benefits employee engagement, motivation and morale – in turn helping to create a more collaborative and productive working environment.

During the year, 40 employees from across the business volunteered to be Wellbeing Warriors. The Warriors, who are based across our offices and sites, have been trained in all the support that Britvic offers and they are able to point colleagues in the direction of the right resources. We have also recruited a further 15 employee volunteers as Mental Health First Aiders who can support our employees and direct them to all mental health resources. We are developing a comprehensive programme of activity to educate and upskill our employees on the topic of mental health, helping to ensure our people know how to access the support they need and also recognise when others might need help.

The myLife app was launched in November 2019 and is supported by a suite of resources, including a comprehensive digital resource hub provided by LifeWorks. This provides Britvic people and their families with access to a wide range of training, support, guidance and information, plus direct links to a variety of external, as well as internal, experts. We use this to raise awareness to support and to communicate at all times – and it forms a critical tenant of our COVID-19 employee response programme.

Underpinning both Belonging and Wellbeing pillars sits our digital learning platform, myLearning, where we have created dedicated communities, content and conversations. So far, our learning library in this area is centred around such topics as unconscious bias, mental health and how to effectively work from home. All this is made available to all employees through both company and personal devices, including mobile phones.

Health and safety

Throughout 2020, we have acted with pace to provide a robust and timely response to the COVID-19 pandemic, to implement the right controls to keep our people and our partners safe and to respond to changing government, local Public Health and World Health Organization (WHO) guidance. Our response



PHOENIX PORTAL

The mental health and wellbeing of our people has never been more important to our business considering the global pandemic the world is currently facing. Most of our employees, except for those critical workers in supply chain, have been working from home since March. This brings both advantages and disadvantages – depending as much on the psyche of each individual as it does their personal and family circumstances. With that in mind, we swiftly developed and launched our Phoenix portal, which provided our people with support in dealing with the new working patterns, helped them to stay connected and embrace the new ways of working as a team even when they are apart. Phoenix also provided rich and specific content to enhance the user's experience and led to a series of conversations that helped us all adjust both personally and professionally.

to COVID-19 has been swift in the territories where we operate to provide the right controls, protection and awareness for our employees and partners as the situation continues to evolve and develop. We have also ensured COVID safe workplace for supply chain and more general workplaces when the time for return to work is necessary.

Our efforts have also continued to centre on creating a zero harm culture through behavioural safety observations, near miss and hazard reporting. 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 called Integrity for health, safety and environment. This will support compliance with internal and external standards and help deliver our external certification roadmap. The sophisticated business intelligence offered by Integrity, also enables us to access data and respond to trends faster and with greater agility resulting in a year on year improvement versus last year. We achieved an accident frequency rate of 2.52, a reduction of 7.2%, and a lost time injury frequency rate of 0.66¹, a 17.7% reduction compared to last year.

HEALTHIER PLANET



AS A LEADING CONSUMER GOODS BUSINESS WE ARE PASSIONATE FOR OUR BRANDS TO PLAY THEIR FULL PART IN HELPING TO CREATE A HEALTHIER PLANET, AS WELL AS HEALTHIER PEOPLE. AT THE HEART OF THIS SITS THE CARBON CRISIS. RECOGNISING OUR WORLD IS INTERCONNECTED, WE TAKE AN INTEGRATED APPROACH ACROSS OUR ENTIRE VALUE CHAIN, TO ENSURE WE MINIMISE OUR FOOTPRINT, AS WELL AS ALL FORMS OF WASTE. CREATING A BETTER TOMORROW, STARTS TODAY.



MATT BARWELL, CHIEF MARKETING OFFICER

AN OVERVIEW

As a soft drinks business, our long-term success depends on our ability to source ingredients and raw materials, and a stable, healthy environment. As we emerge from the COVID-19 pandemic we fully support the green recovery required to address the climate challenge and are committed to playing our part, like any responsible business.

The core elements of our Healthier Planet strategy are to build a resilient Britvic through responsible use of the natural resources, significantly reducing the impact of our operations on the environment and transitioning to a low carbon business.

To protect and repair our planet for a better tomorrow we have set targets to significantly reduce our carbon footprint, use more sustainable packaging, adopt stronger water stewardship and eliminate waste to landfill.

Last year we set ambitious targets aligned with the Science Based Targets Initiative (SBTi) and publicly committed to reduce our Scope 1 and 2 carbon emissions by 50% and Scope 3 carbon emissions by 35% by 2025 (vs 2017 baseline) as well as pledging to become carbon neutral by 2050.

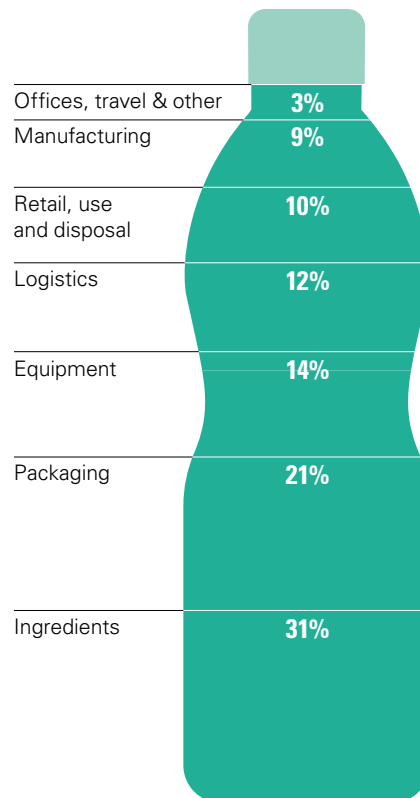
ENERGY – CARBON NEUTRAL BY 2050

We are also committed to achieving net zero carbon emissions by 2050. Through innovation, utilising low carbon technology and energy sources, and having a sustainable supply chain, we will play our part in securing a healthy future for our planet.



2017

We have used our baseline year value chain GHG emissions analysis to identify opportunities for reduction initiatives.



2025

We aim to reduce the emissions from our operations by 50% and our upstream and downstream emissions by 35%, giving a 36% reduction overall.

36%

REDUCTION TARGET



2050

Through innovation, future developments in technology and building on our progress by 2025, we have committed to net zero carbon emissions by 2050 to ensure we play our part in securing a healthy future for our planet.

0%

NET ZERO TARGET

Carbon reduction

During the year we continued to source 100% renewable electricity at all of our sites in the UK, Ireland and Brazil with total energy sourced from renewables for manufacturing this year consistent at 46.6%[†] overall. Our French business unit expects to use 100% renewable electricity from 2021. Additionally, hybrid and electric vehicles in our GB company car fleet increased from 27% to 43% during the year. In 2020, we also benefited from the full-year carbon reduction from the biomass boiler installed at our Araguari plant in Brazil last year.

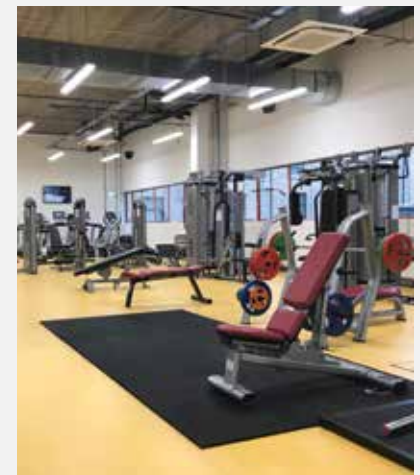
In 2019, we commissioned a combined heat and power plant (CHP) at our Rugby manufacturing site. This significantly improved our energy resilience and has enabled us to generate the power needed to support our business's growth ambitions. While the CHP plant provides an efficient way to generate heat and electricity for our manufacturing operations, it is powered by natural gas. Since we previously sourced renewable electricity from the grid, the switch to generating our own electricity with natural gas has increased our carbon emissions at the site and has offset some of the benefits from the carbon reduction initiatives at our other manufacturing sites.

To improve our CHP plant's performance, our engineers implemented a number of measures. This includes incorporating recovered heat into our Cleaning in Place (CIP) process as well as commissioning the CHP plant's absorption chiller. Additionally, we completed a thorough energy savings audit through the Energy Savings Opportunity Scheme (ESOS) and have created an action plan for each production site to implement additional measures in GB and Ireland, in 2021. Further details of these planned initiatives can be found on page 46. In 2020, we saw an improvement in our location-based emissions and intensity ratio, however our market-based carbon emissions increased, driven by an increase in production volume and our CHP plant. We are fully committed to our science-based targets and we are exploring a range of opportunities to reduce our carbon emissions through three main activities: improving energy efficiency in our operations; utilising low-carbon technology and/or energy sources; and working in partnership with our key suppliers to reduce carbon emissions in our supply chain, see sidebar.

Manufacturing carbon emissions intensity ratio (tCO₂e)*

2020	24.06 [†]
2019	27.41
2018	26.64
2017	30.23

* Tonnes of CO₂e/thousand tonnes of product. Includes manufacturing location based emissions only and therefore differs from our SECR disclosure which covers emissions from all sources.



SUPPLIER ENGAGEMENT

Supplier and customer engagement is key to addressing the climate crisis and reducing carbon emissions throughout the value chain. Encirc one of our glass suppliers and co-packers, has used a simple and innovative energy solution at its plant in Northern Ireland.

The site's air compressors generate high levels of heat in their immediate vicinity. The engineers at Encirc designed and built a heat exchange solution that not only cooled the area by taking the heat away, but in turn created new energy to heat the newly built employee gym and shower block, together with heating the administration building and the cold end of the factory.

The successful scheme has led to an annual saving of almost 110 tonnes of CO₂e, which in turn reduces our Scope 3 emissions.



Packaging – a circular economy

At Britvic we are taking proactive steps to reduce the environmental impact of plastic packaging and future-proofing 'beyond plastic'. Packaging doesn't just keep our products safe, secure and of optimum quality. Packaging has become part of modern life. With the growth in packaging has come an unintended consequence, packaging waste. More needs to be done about it and as an industry leader, we play a crucial role in dealing with this issue.

We are a trusted partner to our customers through our engagement and commitment to finding the packaging solutions as we aim to create a world where great packaging never becomes waste, and work towards creating a circular economy.

We also work in close collaboration with our industry peers, government and the waste management sectors to improve infrastructure and systems to promote better material recovery, and as part of this we advocate for an industry run Deposit Return Scheme (DRS).

A well-designed DRS will address several packaging waste issues and has been found to improve recycling quantity, improve recycling quality, encourage wider behaviour change around waste, and supports the transition to a circular economy – by using recycled materials over and over again.

Primary plastic packaging removed in GB through light-weighting (tonnes)

2020	539 ¹
2019	646
2018	598
2017	308

During the year we removed 539 tonnes of primary plastic packaging¹ from our products and have removed a total of 2,091 tonnes since 2017.

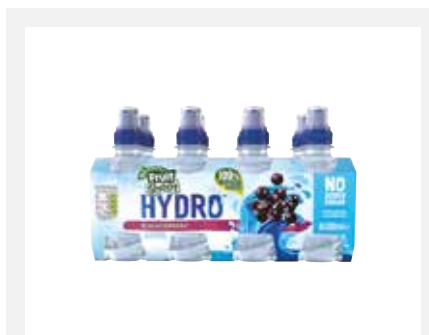
We have completed several light-weighting initiatives across our key brands including a plastic reduction of 13.8% in our 1L Robinsons, a 11.7% reduction of the 500ml bottle used for our key Pepsi, Tango and 7UP products, and a 12.5% reduction in plastic weight in our children's brand Fruit Shoot.

We made progress towards our rPET goals during the year with Ballygowan 500ml and Fruit Shoot Hydro now being made from 100% rPET. While we missed our annual target for rPET in 2020 due to COVID-19 production priorities, we recently made the strategic and responsible decision to accelerate our plans in this area. We intend that all PET bottles in GB will be made from 100% rPET by the end of 2022 – surpassing our previous target of 50% rPET by 2025.

Britvic entered a supply agreement with Esterform Packaging Ltd to provide us with a secure, long term supply of UK sourced rPET. We have provided a £5m investment support package for the construction of Esterform's new rPET manufacturing facility to move towards an improved circular economy in both GB and Ireland.

Building on Britvic's existing work to protect the environment, the company has joined forces with other global businesses to promote a ground-breaking recycling technology that aims to bring about a circular economy for plastics. The new BP Infinia technology means opaque and difficult to recycle PET plastic waste can be made into new plastic again and again, with no loss in quality.

A key tenet of our packaging transformation plan is to provide consumers and customers with solutions beyond the bottle when they are Out-of-Home, at work, in bars and food outlets. A major milestone in this ambition was the 100% acquisition of The Boiling Tap Company (TBTC).



FRUIT SHOOT HYDRO

Our Fruit Shoot brand is all about combining healthier options with great tasting soft drinks for children. We have continued to evolve the brand this year and switched our Fruit Shoot Hydro bottles to 100% rPET – a change that will save another 640 tonnes of virgin plastic a year.



BALLYGOWAN

Ballygowan is a leading Irish natural mineral water brand available in the UK and Ireland, sourced deep underground from the town of Newcastle West.

The Ballygowan range has become a closed loop sustainable bottled water by moving to 100% rPET in its 500ml bottles. This is part of an environmental refresh across the full range in the coming year and will remove around 150 million virgin plastic bottles from Ireland's environment in the next three years. Making Ireland's most trusted water also one of the most sustainable choices for consumers in Ireland.



LONDON ESSENCE FRESH SERVE

Aligned with our 2025 target to reduce our packaging per serve by 20%, we have introduced London Essence Fresh Serve. Freshly infused flavours are mixed on the premises through this beyond the bottle innovation, delivering not only an experience filled with the same wonderful and tasty drinks but also contributing to the health of our planet. Each pack makes up to 1,000 serves reducing packaging per serve by 96% compared with traditional glass bottles.

Water efficiency

Understanding the environmental impact as a result of our collective business and value chain operations is of paramount importance. It enables transformational change through collaboration and drives the efficient use of natural resources.

Water is our most important ingredient and a precious shared resource which is coming under increasing pressure across the markets in which we operate. It is vital to the ecosystems, local economies, communities in which we live and work, and especially to grow many of our ingredients.

Constraints on the quality and quantity of the water available limit our ability to operate effectively, meet the needs of our consumers and for our consumers to enjoy our brands in life's everyday moments. Managing our impact on water, and being good water stewards, is one of our highest environmental priorities.

At Britvic we take our responsibility for strong water management seriously and we are looking at ways to improve our water stewardship

In 2020, our engineering team took steps to improve our water efficiency across our manufacturing sites. This led to optimising the running time of our CIP process, a key step in cleaning our lines between products. The outcome of this project at our largest manufacturing site in Rugby, resulted in cutting on average 30,000 tonnes of water per day, contributing to our improved water intensity ratio this year of 1.91 m³ of water per tonne of product[†], which also benefited from the closure of our factory in Norwich. Overall, we have decreased this manufacturing intensity ratio by 12.4% versus last year.

Manufacturing water intensity ratio (m³)^{*}

2020	1.91 [†]
2019	2.18
2018	2.14
2017	2.07

* m³ of water used per tonne of production

WATER RECOVERY AND REUSE PROJECT – BRAZIL

Minimising our water consumption is a key priority for Britvic, especially within our manufacturing operations.

Our Astolfo Dutra site in Brazil developed water recovery and reuse projects between 2018 and 2020. These included water recovery from filtering and pulping processing which generated cumulative water savings of 4,000m³ in the first eight months of 2020. Other positive impacts seen included the increase of water availability for use in the public water supply and a decrease in electricity consumption related to water treatment. Beyond the environmental benefits, it was also possible to identify economic and social benefits such as a decrease of production costs which subsequently created direct and indirect jobs.

Sustainable supply chain

Building strong relationships with our supply chain partners, where both parties promote socially and environmentally responsible business practices, is not just good for safeguarding business continuity but also for a healthier planet and healthier people.

In 2020, we developed and launched our supply chain engagement programme, including a discovery questionnaire which was shared with a number of our most material suppliers and covered the key sustainable business aspects. The outcome was a clear picture of our combined environmental impacts which is now being used to support our planning for a low carbon economy journey. We intend to roll out the engagement programme to the majority of our suppliers over the next two years.

Sedex

% of direct suppliers linked to us on Sedex

2020	88% [†]
2019	92%
2018	57%

% of high-risk suppliers with SMETA audits in place

2020	17% [†]
2019	40%
2018	25%

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. We are committed to sourcing the materials we need and the ingredients of 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. Since fully integrating all Britvic business units into our responsible sourcing programme in 2018, we are proud to confirm the percentage of direct suppliers linked to us on Sedex, the ethical supply chain data platform we use, is 88%[†] across the Group over the course of 2020. In addition, 17% of high-risk suppliers[†] have had Sedex Member Ethical Trade Audits (SMETA) carried out in 2020. The decrease compared to 2019 for these metrics is linked to the introduction of a new Sedex risk assessment tool, in March 2020, which inherently increased the number of high risk suppliers. Furthermore, the impact of the COVID-19 pandemic significantly reduced the number of on-site audits that took place in manufacturing sites this year. In response to the COVID-19 pandemic, Sedex launched the Sedex Virtual Assessment in October 2020, to enable remote workplace and site audits through the use of video conferencing. This is something that Britvic will be promoting among our higher risk suppliers in 2021.

Further 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.



Materiality and reporting

We regularly engage with internal and external stakeholders to ensure that our sustainability strategy is addressing the material issues. Insight gathered confirmed that plastic packaging and calorie reduction remain priorities. This year we also witnessed an increase in interest in carbon reduction and the impact of our supply chain on our environment and our communities.

Further information on our full sustainability programme, including performance datasheets, can be found on our corporate website www.britvic.com/sustainable-business. Britvic's 2020 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. To further improve quality this year we launched a global compliance software platform to monitor and track the progress of our key environmental performance indicators. We have also implemented cloud-based reporting solutions for several of our other non-financial Key Performance Indicators (KPIs).

Governance

Our Executive committee is accountable for the delivery of our Healthier People, Healthier Planet strategy.

On behalf of the Executive committee the Environmental, Social and Governance (ESG) committee oversees the development of Britvic's Healthier People, Healthier Planet strategy and roadmap, ensuring performance and activity align with our ambitions in this area. Meeting quarterly, the ESG Committee reviews the risks and opportunities relating to the sustainable business agenda and non-financial reporting requirements and making recommendations to the Executive team and business units on how to address these.

The committee also provides assurance to the Executive team that statutory non-financial reporting requirements are fulfilled and makes recommendations and/or decisions on voluntary company disclosures.

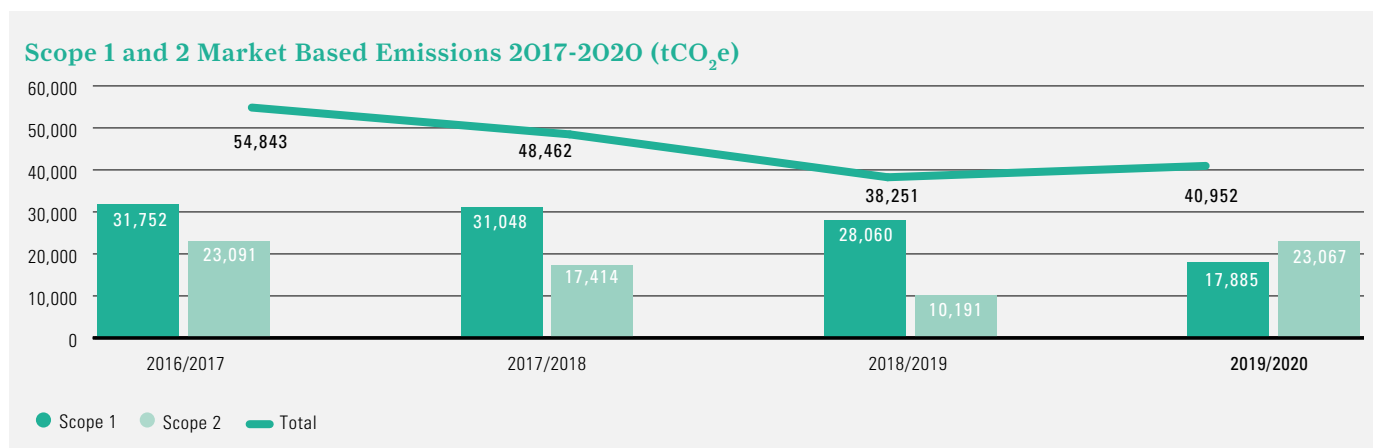
An overview of our corporate governance framework, including an introduction to our Board, Executive team and the key practices and policies that are in place, is set out in the Corporate Governance section of this report, starting on page 61.

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 30 September 2020. 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.



STREAMLINED ENERGY AND CARBON REPORTING (SECR)



		Location-Based Emissions				Market-Based Emissions			
Britvic plc – Global Emissions	Unit	2016/2017	2017/2018	2018/2019	2019/2020	2016/2017	2017/2018	2018/2019	2019/2020
Scope 1	tCO ₂ e	31,752	31,048	28,060	17,885 [†]	31,752	31,048	28,060	17,885 [†]
Scope 2	tCO ₂ e	35,578	31,067	34,765	36,916 [†]	23,091	17,414	10,191	23,067 [†]
Total	tCO₂e	67,330	62,115	62,825	54,801[†]	54,843	48,462	38,251	40,952[†]
Intensity Metrics									
Scope 1 & 2 Emissions Intensity	per thousand tonnes of production	31.7	29.03	28.86	24.98 [†]	25.82	22.65	17.57	18.67 [†]
Production	Tonnes	2,124,268	2,140,036	2,177,113	2,194,043	2,124,268	2,140,036	2,177,113	2,194,043

Britvic Scope 1, 2 and 3 Emissions 2017 – 2020

Category	2016/2017 Emissions (tCO ₂ e)	2017/2018 Emissions (tCO ₂ e)	2018/2019 Emissions (tCO ₂ e)	2019/2020 Emissions (tCO ₂ e)
Scope 1	31,752	31,048	28,060	17,885 [†]
Scope 2 – Market Based	23,091	17,414	10,191	23,067 [†]
Scope 3				
Upstream emissions of purchased fuels	NR	NR	NR	2,561
Upstream emissions of purchased electricity and heat	NR	NR	NR	5,247
Transmission and distribution losses	3,142	3,236	2,340	1,589 [†]
Waste	446	594	534	604 [†]
Water supply	1,515	1,576	1,633	1,441 [†]
Effluent	NR	NR	NR	1,203
Business travel	3,947	4,700	4,136	1,959 [†]
Logistics	47,804	53,711	52,050	50,744 [†]
Electricity from refrigeration on customer sites	42,095	53,114	46,541	45,379 [†]
Total Scope 1, 2, & 3	152,277	165,393	145,486	151,679

For our SECR disclosure we have applied the methodology per the GHG protocol. Scope 1 and 2 figures include all manufacturing and non-manufacturing related emissions. In 2020, our GB operations accounted for 47% of total energy consumption and 71% of total GHG emissions. For the full breakdown showing split by country, refer to the sustainability datasheet on our corporate website at www.britvic.com/sustainable.

The Scope 3 categories included in the SECR disclosure, reflect the areas that we have robust and current data for. We continue to expand the categories of Scope 3 GHG emissions that we measure and disclose, and this will be reflected in future reporting.

2020 figures refer to the 52 weeks ended 30 September 2020. Please refer to Britvic's 2020 Basis of Reporting available at www.britvic.com/sustainable for full scope, boundary, and methodology disclosure for our GHG reporting. This data is independently assured by Ernst & Young LLP.

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'.

Global energy consumption – Britvic Soft Drinks

Energy Consumption (kWh)	2016/2017	2017/2018	2018/2019	2019/2020
Natural Gas	97,528,211	90,316,710	94,283,035	70,023,173
LPG	8,935,010	8,876,310	8,217,703	5,954,637
Diesel	675,548	948,547	709,809	1,021,505
Medium/Heavy Fuel Oil	32,526,095	28,044,459	22,168,771	1,165,125
Solid fuel e.g. coal (gross CV) – Specify	–	–	–	–
Biogas	–	130,000	–	–
Biomass – cashew shells	21,929,776	–	–	–
Biomass – firewood	2,296,576	–	–	–
Biomass – wood chip	126,789	33,088,775	48,751,783	77,380,317
Electricity	127,583,347	134,095,829	123,259,862	98,862,129
Electricity CHP	–	–	13,912,779	40,386,699
Steam CHP	–	–	27,074,613	59,696,681
Company cars	6,745,475	9,595,880	5,935,590	2,442,030
Total	298,346,826	305,096,509	344,313,945	356,932,295

Energy efficiency actions

This year Britvic initiated a number of energy efficiency projects that will reduce cost as well as lower our GHG emissions. Some examples include:

- At our Rugby factory we used recovered heat from the CHP plant to incorporate into our CIP process, improving overall efficiency.
- At Rugby we also brought online the CHP's absorption chiller which allowed us to create chilled water from waste heat for use in other processes.
- At Rugby we have started to investigate the use of recovered heat further to be used for CO₂ vaporisation in 2021. This will help reduce our demand for steam which lowers our overall natural gas usage and improves energy efficiency.
- We have also implemented energy saving projects at our other sites. For example, at our Beckton factory we installed an economiser to a main boiler. This coupled with our new blowdown heat recovery system, has reduced energy demand and lowered GHG emissions.

In summary, we completed 15 different projects in 2020 that are expected to reduce annual energy consumption by 10,806,504 kWh.

Looking ahead to 2021, our engineering team has 46 projects in the pipeline, 18 of these are agreed and are ready to be implemented for 2021, and 28 are being investigated further for possible implementation. The combined energy savings of these projects is estimated to reduce energy consumption by an additional 2,469,200 kWh.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate-related disclosures

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. We recognise that future climate change represents physical risk which includes impacts resulting from acute weather events, or chronic risk stemming from longer-term shifts in climate like higher temperatures, prolonged heat waves, and drought. We also acknowledge that the transition risk (regulatory, technology, market, reputation) to move our business to a low carbon one will become greater as the world economy moves to a more sustainable future.

We are committed to working towards incorporating the recommendations laid out by the Task Force on Climate-Related Financial Disclosures (TCFD) in full and are aiming to be fully aligned by 2022. In the subsequent paragraphs entitled Governance, Strategy, Risk Management & Metric and Targets we will summarise our progress to date.

Governance

Our Executive committee has overall responsibility for climate-related risks and opportunities. The Board is given updates on our sustainability and climate-related KPIs a minimum of twice a year by our Chief Finance Officer who is Chair of the ESG committee. Our ESG committee is accountable for managing the progress of our key sustainability and climate change targets as well as understanding and responding to climate-related risks and opportunities identified through our on-going climate risk assessment. The ESG committee is also responsible for reviewing our Greenhouse Gas (GHG) emissions disclosures and understanding what intervention is required to ensure we accomplish our science-based GHG reduction targets. Major plans of action, investment, risk management policies, as well as setting key objectives are also taken up by the ESG committee and presented as needed to the Executive committee, and the Board for decision making. This includes reviewing and approving investment required for energy efficiency and low-carbon investments, as well as climate change adaptation.

Our focus on addressing climate change and climate-related risks is backed by our commitment to achieving our science-based carbon reduction targets. As a result of this target, we have begun making progress in embedding climate-related decision making right across our business.

Strategy: identifying risks and opportunities

As a soft drinks manufacturer, our business's direct operations and supply chain is exposed to the physical and transition risks and opportunities stemming from climate change. In 2020, we began the initial stages of understanding our climate-related risks more thoroughly through qualitative scenario analysis. For our analysis we used the 2.6 and 8.5 Representative Concentration Pathways (RCP) adopted by the Intergovernmental Panel on Climate Change (IPCC). These scenarios represent the best-case scenario of less than 2°C of warming and the worst-case scenario of 4°C of warming by the end of the century.

To establish how our direct operations could be impacted by physical risks, we conducted preliminary sessions with our risk team and site engineers to understand what present day exposures currently exist. This 'risk baseline' was then considered with the projections in both climate scenarios to formulate assumptions on future risk. It was recognised that acute and chronic physical risks such as extreme weather events, flooding, prolonged high temperatures, drought, and rising mean temperatures could have an impact on our business in the future. Further assessments to financially quantify all the material impacts of climate change to our business under these scenarios over different time horizons will progress further in 2021.

We have also taken initial steps to begin determining how our business will be impacted by a transition to a low-carbon economy. We started by using the TCFD recommendations as a guide under the same two scenarios and considered the risk and opportunities in the policy and legal, technology, market and reputation categories. GHG pricing, investing in the right low-carbon technologies and changes to the market conditions are key areas we will explore further.

The output of the scenario analysis will inform us in planning and prioritising future business strategies, investments and establishing policies to improve our business's resilience and continuity long term.

Risk management

We have an established risk management framework to identify, assess, mitigate and monitor the climate-related risks and opportunities we face as a business. The risk management framework incorporates both a top down approach to identify the company's principal risks and a bottom up approach to identify specific operational risks. The ESG committee is responsible for identifying, managing and monitoring the principal risks, which includes climate change. The Board, (where our CFO represents the ESG committee), is accountable for the overall risk management process and determining the effectiveness of the Executive team's risk management strategy. Similarly, all business units and functions are responsible for identifying and assessing their risks. This includes both current and emerging risks, and then measuring them against the defined criteria, considering the likelihood of occurrence and the potential impact on the company. This process applies to climate-related risk and our risk team work closely with our sustainable business team to update our principal risks as it relates to climate change.

Metrics and targets

A full view of our global energy consumption and GHG emissions data for the last four years can be found on pages 45 – 46 within our Streamlined Energy and Carbon Reporting (SECR) disclosure. In addition, we have set approved science based carbon reduction targets in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement and limit global warming to well below 2°C. This entails reducing our Scope 1 and 2 emissions by 50%, and our Scope 3 emissions by 35% by 2025. We have also pledged to be a carbon-neutral business by 2050. Further details can be found in the sustainable business section. In addition to these targets, we will also look to include key climate change related risk indicators into our risk management strategy to monitor our risk and progress in building resilience and mitigation controls.



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