

BRITVIČ

Enjoying Life's Everyday Moments

Annual Report and Accounts 2023



An international business rich in history, heritage and innovation



Founded in England in the 1930s, we have grown into a global organisation with 39 much-loved brands sold in over 100 countries. Built on innovation and entrepreneurial flair, our dynamism comes from our people. Their unparalleled energy, spirit and creativity keep us constantly in motion, seizing opportunities to innovate sustainably, and driving us forward to create a better tomorrow.

 To find out more visit our website: [britvic.com](https://www.britvic.com)

Our purpose, vision and values

We are a purpose-driven organisation with a clear vision and a distinct set of values. Our purpose is rooted in everyday life: it is our mission to bring joy to people, everywhere, from all backgrounds, through our brands. Equally, we believe how we do business is fundamental to our success. This means ensuring that our values drive our behaviour and decision making, and that we value people and the planet equally alongside financial performance.

Our purpose

Enjoying life's
everyday
moments



Our vision

To be the most
dynamic soft
drinks company,
creating a better
tomorrow



Our values

We care

We're courageous

Own it

Stronger together

Act with pace



In this report

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Measuring success



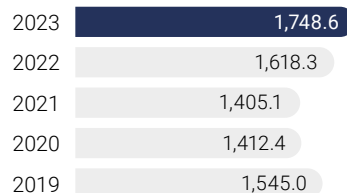
Our strategy is working, and we have well-established drivers to continue our consistent track record of growth.”

Simon Litherland
Chief Executive Officer

Performance

Revenue

£1,748.6m



Why do we measure this?

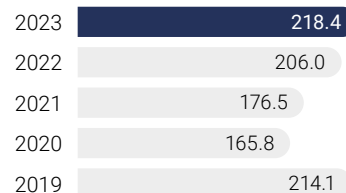
Revenue growth measures our ability to increase price and/or increase volumes sold.

Performance

Underlying revenue increased by 6.6%, adjusted for constant currency and excluding Counterpoint agency brands. Reported revenue increased by 8.1%.

Adjusted earnings before interest and taxes (EBIT)

£218.4m



Why do we measure this?

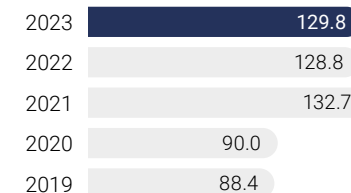
Adjusted EBIT measures our underlying profitability excluding any one-off costs.

Performance

Adjusted EBIT increased by 5.9%, adjusted for constant currency and excluding Counterpoint agency brands. Adjusted EBIT at actual exchange rates increased by 6.0%.

Free cash flow

£129.8m



Why do we measure this?

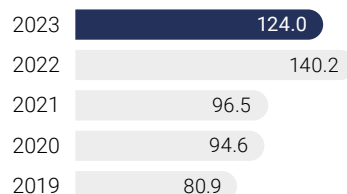
Free cash flow measures the cash we generate to fund payments to our shareholders and acquisitions.

Performance

Free cash flow was £129.8 million, with the increase from 2022 primarily driven by the increase in EBITDA.

Profit after tax

£124.0m



Why do we measure this?

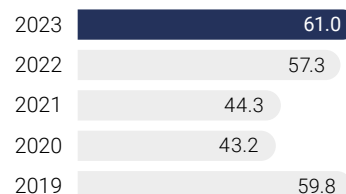
Profit after tax is a statutory measure of financial performance which considers adjusted EBIT, interest, taxation and adjusting items.

Performance

Profit after tax decreased by 11.6%, mainly driven by the impact of adjusting items.

Adjusted earnings per share (EPS)

61.0p



Why do we measure this?

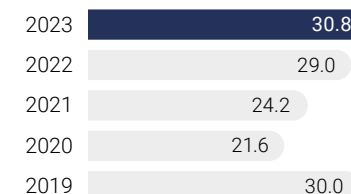
Adjusted earnings per share measures the profit per share of the company and is used by investors to compare our performance against our peers.

Performance

Adjusted EPS increased by 6.5%, due to higher adjusted EBIT. Basic EPS was 48.3p, a decrease of 8.2% mainly driven by the impact of adjusting items.

Dividend per share

30.8p



Why do we measure this?

The dividend per share measure enables shareholders to calculate the amount of profit that we return to them in cash.

Performance

Dividend per share increased 6.2% due to the adjusted EPS increase and maintaining the 50% payout ratio on underlying earnings.



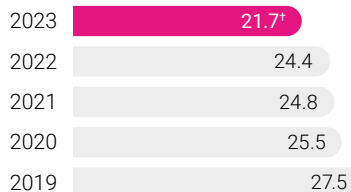


Measuring success continued

People

Healthier consumer choices
(average calories per 250ml serve)

21.7



Alignment to strategy 1 2 3 4

Why do we measure this?

Providing healthier consumer choices is at the heart of our strategy. Measuring calories per serve is a lead indicator of success in this area.

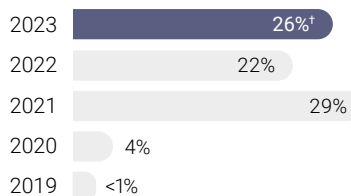
Performance

Calories per serve decreased by 11%.

Planet

Recycled plastic (rPET) content (exit rate)

26% Great Britain 22% Ireland



Alignment to strategy 1 2 3 4

Why do we measure this?

Measuring rPET enables us to track our progress on our journey to a circular economy to ensure packaging never becomes waste.

Performance

rPET % in Great Britain and Ireland has increased by four percentage points but availability of high-quality food grade recycled PET that meets our required ethical and environmental standards remains a market challenge.

Employee engagement

78/100



Alignment to strategy 1

Why do we measure this?

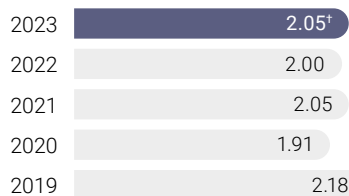
Ensuring our employees feel energised and happy is not only the right thing to do, but research shows companies with engaged employees perform better.

Performance

Our Employee Heartbeat* score for engagement increased by one point, predominantly driven by Great Britain.

Water intensity ratio

2.05 m³/tonne production



Alignment to strategy 1 2 3 4

Why do we measure this?

Measuring water intensity enables us to track the improvement in water efficiency in our operations**.

Performance

Water ratio increased 2.5%. This was predominantly driven by increased cleaning due to increased manufacturing complexity and product mix.

Employee wellbeing

73/100



Alignment to strategy 1

Why do we measure this?

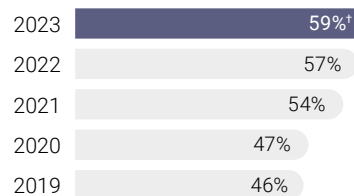
Measuring employee wellbeing helps us to ensure that our employees feel physically and psychologically well.

Performance

Our Employee Heartbeat* score for wellbeing increased by one point, predominantly driven by Great Britain and Brazil.

Manufacturing energy from renewable sources

59%



Alignment to strategy 1 2 3 4

Why do we measure this?

Measuring energy from renewable sources enables us to track progress towards creating a zero carbon economy.

Performance

Manufacturing energy from renewable sources increased by 2% reflecting a full year's use of the new biomass boiler at the Aracati factory in Brazil.

Link to strategy

- 1 Healthier People, Healthier Planet
- 2 Build local favourites and global premium brands
- 3 Flavour billions of water occasions
- 4 Access new growth spaces

Non-financial and sustainability information statement

Amounts presented at constant currency and as adjusted metrics throughout this section are an alternative performance measure and are not determined in accordance with International Financial Reporting Standards but provide relevant and comparative reporting for readers of these financial statements. See non-GAAP reconciliation section of the financial statements for alternative performance measures reconciliations.

The information on this page, along with the information incorporated by cross-reference, complies with the relevant non-financial reporting regulations. The People and Planet information fulfils the requirements under Section 414CB of the Companies Act for content on environmental matters, our employees and social matters.

Further information about targets, outcomes and impact in these areas can be found in the Sustainable business section on pages 34–52.

Information on human rights can be found on page 52.

Read our Task Force on Climate-related Financial Disclosures on page 53.

Content on anti-bribery and corruption and a description of our approach to policy compliance can be found on page 122.

Our business model can be found on pages 24–25

* Employee Heartbeat is a twice yearly employee survey, providing us with valuable insights on employee engagement, what works well in the organisation, and what we can improve. Employees respond to statements on a five point scale ranging from strongly disagree to strongly agree.

Their individual responses are then converted to a number on a rating scale going from 0 (strongly disagree) through 25, 50 and 75 to 100 (strongly agree). The overall score shown is the average of all these ratings.

** Water ratio includes our fruit processing business, Be Ingredient, in Brazil.

† Deloitte LLP were engaged to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Emissions ("ISAE 3410") on selected metrics which have been indicated with a † in this Annual Report. Deloitte's full assurance report can be found at britvic.com/sustainability-reports.

At a glance

Our global dynamic presence

Our brands bring joy to life's everyday moments. We combine our own leading portfolio with PepsiCo brands which we produce and sell in Great Britain and Ireland under exclusive agreements. Britvic is the largest supplier of branded still soft drinks in Great Britain and its number two supplier of branded carbonated soft drinks. We are an industry leader in Ireland with brands such as MiWadi and Ballygowan, in France with brands including Teisseire and Pressade, and in Brazil with Maguary, Dafruta and Bela Ischia.

People

[+ Read more on page 36](#)



788 days

spent volunteering by employees

[+ Read more on page 37](#)

6.6%

Underlying revenue growth

Planet

[+ Read more on page 46](#)

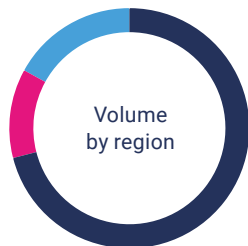
32.6%

Reduction in Scope 1 and 2 market-based carbon emissions since 2017



Performance

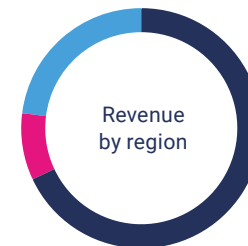
[+ Read more on page 10](#)



	% share by region	Million litres
● Great Britain	71	1,750.2
● Brazil	12	296.5
● Other international	17	416.5



	% share by region	£m
● Great Britain	78	479.6
● Brazil	6	36.2
● Other international	16	99.6



	% share by region	£m
● Great Britain	68	1,187.7
● Brazil	9	156.2
● Other international	23	404.7



At a glance continued

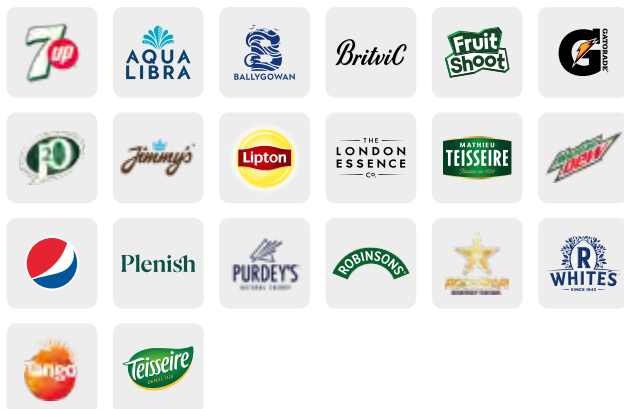
Our brands



Great Britain

Great Britain is the birthplace of Britvic plc and home to some of our most iconic brands. Founded in the 1930s as The British Vitamin Products Company, we used soft drinks to bring an affordable source of vitamins to the nation. Today, our purpose is to make life's everyday moments more enjoyable by helping consumers make healthier choices with drinks that taste great.

We are dedicated to creating and building brands that people can trust. Firm favourites include Fruit Shoot, J20, Purdey's, Robinsons and Tango. And we have exclusive agreements to make, market and sell global brands on behalf of PepsiCo, including 7UP, Lipton Ice Tea, Pepsi MAX and Rockstar Energy. As we continue to grow, we are expanding into new categories through exciting acquisitions including plant-powered drinks brand Plenish and Jimmy's Iced Coffee.

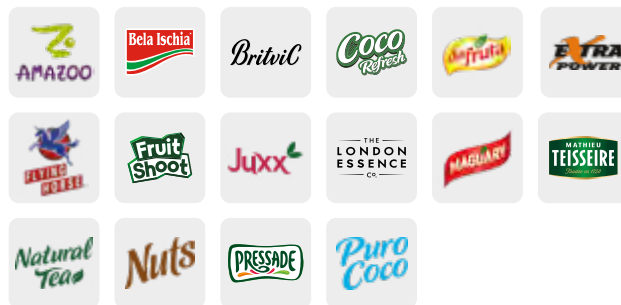


Brazil

Our Brazilian business has grown significantly over the years, through a series of company and brand acquisitions – as we continue to expand our footprint in the market. Since developing the portfolio with exclusive Britvic Mixers flavours, Brazil is now playing in the energy drink category with recently acquired Extra Power and Flying Horse. As part of the acquisition, we expanded our juice and smoothie offering further with Juxx and Amazoo.

We've continued to drive the national presence of our concentrate and fruit juice brands including Maguary, Dafruta and Bela Ischia, through dynamic innovation. Category launches include Puro Coco, Seleção grape juice and Natural Tea.

To support our growth ambitions in Brazil we operate a fruit processing company, Be Ingredient, which provides natural ingredients for both Britvic plc and the export market.



Other international markets

Beyond Great Britain and Brazil, we're established in Ireland, France and other international markets with offices in the US, Benelux, Asia and the Middle East. Distributing and exporting to more than 100 countries worldwide, we are the global leader in branded flavoured concentrates. As well as manufacturing local, iconic brands steeped in heritage dating back hundreds of years, we continue to identify select opportunities internationally to promote and deliver Britvic's brands to new markets.

In France, we acquired Teisseire in 2010, a brand with a rich history dating back to 1720 when Mathieu Teisseire created a distillery in Grenoble in the French Alps. In Ireland, we have a proud brand history that spans more than 250 years. Further afield in the Middle East and Asia, we continue to expand our footprint, launching London Essence in Dubai and establishing the local production of Mathieu Teisseire in China.



To find out more visit our website: britvic.com/our-brands



Healthier People

Our Healthier People strategy is focused on our **consumers, employees and communities**. We're building a business where work is inclusive, purposeful and rewarding, and we're providing consumers with a choice of great tasting drinks that are better for them.



Healthier People continued

Consumers

Offering healthier consumer choices



Caring about consumer health is at the heart of who we are. We're proud to lead the industry when it comes to calorie reduction – with an average of just 22 calories per 250ml serve globally. And, through continuous innovation, we're always looking for new ways to offer additional health benefits through our drinks.

For example, following the successful launch of Robinsons Benefit Drops in 2022, this year we launched a wellness-focused range of premium squash, called Robinsons with Benefits. Each flavour is fortified with vitamins and minerals – allowing consumers to choose from different functional benefits, while enjoying the great Robinsons taste with no added sugar.

In our factories, we operate one aseptic and three ultra-clean process lines – allowing us to bottle brands with no preservatives including Fruit Shoot, Robinsons ready to drink and Lipton Ice Tea. The use of the line is determined by our brand requirements and our focus on providing a broad range of choice for our consumers – ensuring we're not adding preservatives where they're not needed.

In France, we're tapping into the consumer trend for wellness with our new Pressade Vitalité range. Two flavours, Orange Carrot Lemon and Orange Pineapple Mango, contain high fruit content, are rich in vitamin C and are organic certified.

[+ Find out more on page 36](#)

Employees

Creating an inclusive environment



We're dedicated to creating a diverse and inclusive workplace where all our employees can thrive and bring their true selves to work every day.

As well as our employee network groups and inclusive work practices, this year we have improved a number of our family friendly policies in Great Britain. Changes include:

- Increasing paternity leave with full pay
- Increasing carers' leave up to 26 weeks with a week's full pay
- Extending our bereavement policy to include parents experiencing a miscarriage or failed fertility treatment

- Allowing employees to exchange bank holidays for alternative religious days
- Offering time off at full pay for all medical appointments with no restriction on the number of appointments
- Providing more menstrual and menopause support

These changes were made as a direct result of employee feedback and have been introduced alongside more inclusive and accessible language.

[+ To find out more about our approach to equity, diversity and inclusion visit page 40](#)

Communities

Meaningful support through partnerships



At Britvic, we believe in supporting the communities we work in – through charitable partnerships, work placements and a whole load of activities including fundraising events.

This year, to support the mental wellbeing and resilience of children across Great Britain, we launched our corporate partnership with Bounce Forward – a charity that aims to integrate expert training into the core school curriculum. Since launching the initiative, our funding means more than 5,600 students will benefit from the training in the 2023–2024 school year. Find out more on page 37.

Through our partnership with Solihull College in Great Britain and the charities upReach and KARE Ireland, we are offering a

variety of workplace opportunities to people with disabilities and diverse abilities and from disadvantaged backgrounds. This year, we welcomed seven upReach students to shadow our employees in supply chain, marketing, technical roles and our Plenish team. With each placement fully supported by a donation from Britvic, to cover expenses such as travel, we're removing barriers to work. Find out more on page 43.

This summer in Ireland, we organised a team hike, bake sale and abseil from the Hogan Stand of Dublin's Croke Park, raising money for Special Olympics Ireland to help send an athlete to the World Summer Games in Berlin.

[+ Find out more on page 38](#)



Healthier Planet

Our Healthier Planet strategy is helping us to build a resilient Britvic and use natural resources responsibly. We're focusing on four key areas of our business where we believe we can have the greatest impact: **packaging, carbon, water, and biodiversity.**



Healthier Planet continued

Carbon

Investing in carbon reduction



As we work towards reducing our Scope 1 and 2 market-based carbon emissions, we've invested in a series of initiatives across our Great Britain and Ireland sites.

In Great Britain, we partnered with leading solar energy provider Atrato Onsite Energy to generate and deliver clean energy exclusively for our sites via an innovative 10-year power purchase agreement. It will mean 75% of our current operations in Britain are powered by solar.

This year, with the help of the Department for Energy Security and Net Zero's Industrial Energy Transformation Fund, we jointly invested £8 million in a heat recovery system at our Beckton site. The project will improve efficiency and cut factory emissions by an

estimated 1,200 tonnes annually – about the same as the energy used by around 500 UK homes each year.

In Ireland, we announced a power purchase agreement with Flogas Enterprise to source 100% renewable electricity from a neighbouring wind farm – covering 75% of Britvic Ireland's total electricity requirements.

This is the first power purchase agreement of its kind with a drinks brand in Ireland and will allow us to produce enough electricity each year to power our production facility in Newcastle West – the home of Ballygowan Mineral Water.

[+ Read more on page 50](#)

Reimagining packaging

Moving Beyond the Bottle



Through exciting innovation and collaboration with our partners, we're working hard to make our packaging more sustainable, remove it from the environment – and ultimately make sure none of it becomes waste.

For decades, we've been experts at serving delicious drinks on dispense in hospitality venues. As we expand this offering, our research and development team continues to progress state-of-the-art technology and products that offer high quality drinks, without the need for packaging. Read more on page 48.

With a mission to become the most sustainable water brand, Aqua Libra's Flavour Tap continues to reinvent hydration – serving an estimated 493,500 packaging-free drinks annually.

In March 2023, Aqua Libra launched London's first WasteShark in Canary Wharf to collect and remove plastic waste from the waterways. Every day the robotic litter collector travels up to 5km and can collect up to 500kg of plastic waste (equivalent to 22,700 plastic bottles), microplastics and other pollutants.

In partnership with Ocean Co., Aqua Libra is funding the collection of ocean-bound plastic. For every serve dispensed by creative agency The&Partnership's Flavour Tap, 10 bottles worth of plastic is collected. To date the equivalent of more than 53,000 bottles have been collected through this partnership.

Water and biodiversity

Volunteering in nature



We're dedicated to supporting the communities we work in – not only the people in them but improving the local environment too.

We do this through a series of initiatives – from teaming up with The Rivers Trust to fund wetland restoration projects to using our volunteer days to support litter picks, clearing rivers and tree planting.

This year, our employees across Great Britain and Ireland have contributed more than 6,300 hours to community causes – putting our volunteer day benefits to good use. These hours have been spent supporting a variety of projects either individually or as a team.

In Ireland we've signed up to the All Ireland Pollinator Plan, which provides a clear roadmap for managing landscapes to support pollinating insects which are in dramatic decline. As part of this initiative, we've also welcomed four native Irish black honeybee hives to our Newcastle West site. Read more on page 52.

As we work to improve our water use in Brazil, we're putting in place a series of water reuse and recovery projects at our sites in Aracati and Astolfo Dutra. This work resulted in our Astolfo Dutra site receiving the Alliance for Water Stewardship certification.

[+ Read more on page 49](#)

Strong Performance

With a strong portfolio of trusted brands and continued investment in innovation, capacity and capability, our highly talented team is delivering excellent returns to all our stakeholders.





Strong Performance continued

Investing in capacity

A resilient supply chain



This year, we've made significant investments in our supply chain to increase efficiency and capacity and make sure we're fit for the future.

At the start of 2023, we announced a £13 million investment to create a fifth canning line at our Rugby factory. The investment increases production capacity by 14% and takes the site into the top five largest soft drinks manufacturing sites in Europe.

Over the summer, we installed our sixth bottling line at Beckton – investing £22.5 million and increasing production capacity by nearly 30%. The new line created 18 new jobs in engineering and manufacturing and will produce some of the UK's favourite brands including Tango and Pepsi MAX.

As we look to improve how we operate, we're exploring how and where we can use Artificial Intelligence (AI).

Processing customer orders manually is complex, so we partnered with software experts, Esker, to use AI to automate this process in Great Britain – approximately 3,000 orders a month in 2023. Following its successful implementation, we'll be rolling out the system to Ireland and other international markets.

We're also using AI to forecast the effects of climate change on our business. We've partnered with climate risk consultancy, Resilience, to take advantage of digital twin technology.

[Find out more on page 55](#)

Expanding our portfolio

Acquisitions in Great Britain and Brazil



Our portfolio boasts 39 iconic brands globally – catering to different consumers, markets and occasions. As our business continues to grow, in 2023 we welcomed five exciting new brands to our line-up – Jimmy's Iced Coffee in Great Britain and Extra Power, Flying Horse, Juxx and Amazoo in Brazil.

Joining the portfolio over the summer, Jimmy's Iced Coffee is one of the UK's fastest growing ready to drink iced coffee brands. It brings an uplifting personality, a refreshing range of products, differentiated packaging and a multi-channel presence and expands us into the popular iced coffee category.

In Brazil, we completed an acquisition deal with Globalbev in October, post year end. Extra Power and Flying Horse add new energy drinks to our stable, while Juxx and Amazoo add juices and smoothies. The deal marked an important extension of our Brazilian operations, as we deliver on our strategy to accelerate and expand our presence across this important market.

The acquisition also includes a modern, efficient warehouse in Brasilia that will enhance supply chain efficiency across our wider portfolio and route to market into Brazil's Centre-West region.

[Find out more on page 16](#)

Building successful brands

Investing in innovation



2023 was a dynamic year for many of our key brands – with a series of rebrands, new product launches and powerful campaigns hitting the market.

Our plant-powered drinks brand Plenish launched a UK first, with its trio of organic Barista M*lks – free from oils and additives. The launch followed several years of perfecting the recipe to deliver perfect functionality without compromise. Read more on page 37.

We also revitalised Robinsons with a significant rebrand for the first time in nearly 10 years. With a radical new identity across the packaging and communications of its core range, the new

look champions the real fruit joy found in every bottle that will appeal to modern families.

Tango launched a new multi-million pound marketing campaign – introducing the next generation to dangerously potent flavour with its high profile television advert and social media content. The campaign set out to attract a new core audience, Generation Z. It's the most recent large-scale campaign from Tango, following the award winning Tanguru campaign which helped increase the brand's popularity.

Chair's statement



A winning growth strategy

“

We have delivered robust results, made progress in our strategic priorities, and continued to invest to ensure long-term success.”

This is my first statement as Chair, having joined the Board in February 2023 and appointed Chair in June. I have undertaken a comprehensive induction programme, enabling me to spend time visiting many areas of the business across our operations in Great Britain, Ireland and France, with plans to see our business in Brazil in early 2024. I have also met a number of shareholders.

Overview

Over the last year, the external environment has remained challenging for both businesses and consumers. Against this backdrop, we have delivered robust results, made progress in our strategic priorities, and continued to invest to ensure long-term success. We continued to recover from the impact of the pandemic, with revenue significantly ahead of last year in response to the inflationary cost pressure and adjusted EBIT ahead of pre-pandemic levels.

Chair's statement continued

Overview continued

Key highlights from the last 12 months include:

- Entering a new sub-category with the acquisition of Jimmy's Iced Coffee in Great Britain
- Expanding our presence in Brazil with the acquisition of the energy brand, Extra Power (completed on 2 October)
- Manufacturing investment with new production lines at our sites in Rugby and Beckton
- Investment in brands including the relaunch of Robinsons and Tango, with a range of sugar-free innovations and engaging marketing

At Britvic we take our Environmental, Social and Governance (ESG) responsibilities seriously and have a clear framework in our Healthier People, Healthier Planet plan. This year has seen further progress against our Healthier People, Healthier Planet agenda, exceeding our calories per serve target. More broadly in the ESG space, some significant investment highlights include:

- Investing £8 million in a heat recovery system to improve energy efficiency at our London factory
- A partnership with a leading solar energy provider to deliver clean energy to Britvic's Great Britain operations via an innovative 10-year power purchase agreement
- In Ireland, a new customer corporate power purchase agreement that will ensure Ballygowan is produced using 100% renewable electricity harnessed from wind energy

Further detail on the progress and challenges we face can be found in the sustainability report on pages 34 to 52.

People and culture

Since joining the Board, I have received a warm welcome and have been impressed by the team's pride in and passion for the brands, as well as their enthusiasm, energy and ambition. I want to thank everyone for the hard work and dedication that have underpinned the Group's progress.

Board

Having joined the Board in February, I succeeded John Daly as Non-Executive Chair on 1 June. Under his leadership, Britvic successfully navigated many challenges, including Brexit and the COVID-19 pandemic. On behalf of the Board, I thank John for his invaluable contribution to the business over the last eight years.

This year, we appointed Rebecca Napier as Chief Financial Officer, and she came on board in September 2023 to replace Joanne Wilson, who left earlier to join WPP. Rebecca is an experienced

finance leader, joining from British Airways, where she was CFO and an Executive Director from 2019. In addition to her financial acumen, she has a wealth of commercial, regulatory and international experience. She has also driven successful business transformation programmes and was instrumental in leading British Airways through the global pandemic.

While I only knew Joanne briefly, I would like to thank her, on behalf of the Board, for her contribution to Britvic over the last three and a half years and for her role in navigating the business through the pandemic. We wish her every success for the future.

Capital allocation

Britvic has a clear capital allocation policy, including a long-standing commitment to a progressive dividend policy of a 50% payout of earnings. With another robust set of results, confidence in future earnings and continued cash generation, the Board has announced a final dividend of 22.6p. Combined with the interim dividend of 8.2p, the full year dividend of 30.8p represents an 6.2% increase on 2022. In addition to the dividend, we have also returned capital through a share buyback mechanism. £74.8 million was returned in 2023, with a further £37.6 million due in the first half of 2024.

A disciplined approach to mergers and acquisitions remains a key element of the capital allocation policy. This was demonstrated by the two announced acquisitions in Great Britain and Brazil this year, and a transaction that was not concluded because it did not meet our financial returns criteria.

Looking ahead the Board will continue to evaluate the best use of capital to ensure optimal returns to shareholders and the appropriate level of investment to deliver long-term, sustainable growth.

Remuneration

Our approach is to link remuneration with the Group's key strategic objectives, both financial and non-financial. We believe in offering fair compensation to ensure we retain and recruit the best talent. More information on ensuring that our approach to remuneration supports our strategy is available in the Directors' remuneration report on pages 106 to 108.



Since joining the Board, I have received a warm welcome and have been impressed by the team's pride in and passion for the brands, as well as their enthusiasm, energy and ambition."

Conclusion

I am delighted to have joined the Britvic Board this year and I am committed to contributing to the business, working with the other Non-Executive Directors to support the Executive team to deliver the strategy and create value for all our stakeholders. Undoubtedly, the year ahead will bring its own set of challenges. However, I am confident that we will continue to navigate through them successfully.

Ian Durant
Non-Executive Chair
21 November 2023

Biography

As an introduction, my background is in international financial and commercial management, with experience in the retail, property, hotels and transport sectors. My executive career included leadership roles with the retail division of Hanson and Jardine Matheson, Hongkong Land, Dairy Farm International, Thistle Hotels and Sea Containers, and being Finance Director of Liberty International. More recently, I served on the boards of several UK-listed companies, including high street names Greggs and DFS.



Chief Executive Officer's statement



A stronger, more agile Britvic

“

Our strategy is working, and we have well-established drivers to continue our consistent track record of growth.”

Performance highlights

Today we report our results for the year ended 30 September 2023. The Britvic team have continued to show resilience, agility, and dedication to deliver a fantastic set of outcomes. I want to thank them and their families for their unwavering commitment to Britvic.

Revenue is ahead of last year, at +6.6% (+8.1% on a statutory basis). Through a combination of revenue growth management actions and cost discipline we have been able to mitigate the substantial cost inflation pressures, with adjusted EBIT margin only 10 basis points down on last year. Consequently, adjusted EBIT increased 5.9% (actual exchange rate +6.0%). We have demonstrated that our portfolio of trusted brands has been able to take and hold significant price, with very limited volume impact. Strong customer relationships are vital to our success, and we have successfully executed our joint business plans, delivering engaging in-store execution, price and promotional activity, innovation and high service levels to ensure availability.

Heading into the key summer trading period we faced a tough comparable due to the exceptional weather in Europe in 2022 and while the conditions in June were very good, the weather in July and August was wet and windy this year. Despite this, demand for our brands has remained solid, with only a modest volume decline in the full year.

Chief Executive Officer's statement continued

Performance highlights continued

We have continued to invest in our business to unlock growth and deliver a great customer, shopper, and consumer experience. The Advertising and Promotional (A&P) investment we have made behind our compelling physical and digital marketing increased by nearly 9%, keeping our brands relevant and in front of consumers. Across our markets, innovation continued to be a driver of growth, the detail of which is covered in the market highlights below.

Our focus and discipline on cash enabled us to generate a free cash flow of £129.8 million, with our leverage ratio remaining flat at 1.9x, while continuing to invest in the business, complete an acquisition and return cash to shareholders through both the dividend and the share buyback programme. Our strategy has driven consistent revenue growth over the past five years, with a like for like Compound Annual Growth Rate (CAGR) of 5.2%.

Our Healthier People, Healthier Planet programme is embedded in our business and decision making and we have continued to make progress on our sustainability journey. More detail is shared in the review of the year below.

A clear strategy underpinning superior returns for shareholders

We refreshed our strategy in 2019, to ensure the business was well-placed to access growth opportunities in the changing consumer and retail landscape across our markets. Throughout the external turbulence of the pandemic and the subsequent high levels of inflation, the strategy has continued to drive our performance. With a portfolio of market-leading brands, a multi-channel route to market, well-invested supply chain and strong customer relationships, we believe we are well-positioned to continue to deliver superior returns to shareholders.

Our future focus remains on four key strategic priorities:

- Build local favourites and global premium brands
- Flavour billions of water occasions
- Healthier People, Healthier Planet
- Access new growth spaces

Each of our markets has a defined role to play delivering the strategy:

- Great Britain – to lead market growth
- Brazil – to accelerate growth and expand our presence
- Other International – to globalise premium brands and improve profitability in Western Europe

Underpinning this strategy are three critical enablers:

- Generate fuel for growth through efficiency
- Transform organisational capability and culture
- Selective Mergers and Acquisitions (M&A) to accelerate growth

Market highlights

Great Britain

We have delivered a strong performance, growing revenue across both our own brands and the PepsiCo portfolio. We took price earlier in 2023 than in 2022, in quarter one, to offset double digit cost inflation and to minimise the lag we experienced last year, when cost inflation impacted us from the start of the financial year, but we were only able to respond in Q2. Importantly, we have carefully managed promotional activity, pack architecture and mix, ensuring that our brands continue to provide consumers with great quality and value at affordable price points. Volumes have been resilient despite price increases, growing in both quarter two and quarter three. Volumes declined in quarter four, as the disappointing weather across July and August compounded the tough comparable we faced from last summer; the soft drinks category, as measured by Nielsen, experienced an 8.9% volume decline year on year over the final quarter.

We continued to win with consumers in carbonates, with our focus on great tasting low and no sugar brands. Pepsi MAX is the fastest growing cola brand, has continued to gain value share and is the number one brand variant by volume within soft drinks in GB retail. Flavour innovation has been a key part of the Pepsi MAX success story, now accounting for over 30% of the brand's retail sales value, and this year we added Mango to the range. Tango has also been a huge success over recent years, and that has accelerated further in 2023, with revenue up 20.7%. We extended the brand flavour range, with the launch of Paradise Punch, to build on the success of the Berry Peachy and Dark Berry innovations. Tango is the fastest growing fruit flavoured carbonates brand, tripling in size since 2018.

During the year, we installed a new, small bottle PET line at our London factory, to support our growth ambitions in immediate consumption. This line will be fully operational in 2024. We also commissioned another can line at our Rugby factory to meet demand for our carbonates brands. Not only will this support increasing consumer demand for our multi-pack cans, but it has also enabled us to bring Rockstar production in-house. Since taking on the Rockstar brand in 2021 under a co-pack model, we have suffered several issues that have impacted our ability to supply customers and effectively activate marketing campaigns.



The energy category is a significant opportunity for us, and with PepsiCo, we will continue building brand equity. This year we have increased investment, resourcing a new regional field sales team to deliver outstanding execution in outlet. We also announced a new global music platform 'Press Play', with Stormzy leading an international roster of stars in an electrifying digital concert series.

In 2020 we acquired The Boiling Tap Company. One of our long-standing core areas of strength is dispense in pubs and dining, and this acquisition, renamed as Aqua Libra Co, strengthens Britvic's offer Beyond the Bottle. We have developed the Aqua Libra proposition in four distinct product areas – packaged infused water, commercial taps, hospitality table water and the flavour tap. Aqua Libra is unique in this combination, offering healthy hydration and a solution that enables a 99% reduction in packaging materials.

In 2021, we acquired Plenish, to access the plant-based drinks category. This offers a scale growth opportunity for the future and added to our brand portfolio in an area where we had little in-house expertise. Since acquisition, we have been leveraging our brand building capability to realise the brand's full potential. We have step changed distribution points in retail, with M*lks growing +72% and Shots +463% year on year. Our M*lks range is now number four in the category, with significant further headroom to grow.

Chief Executive Officer's statement continued

“

Everywhere in Britvic, our brand and business investment is underpinned by our ESG agenda: Healthier People, Healthier Planet.”

Market highlights continued

Great Britain continued

Our Shots range is growing at four times the rate of the number one brand and has nearly doubled share year on year. In September, we launched our latest innovation, a Barista M*lk range, giving us access to the hot drink category, which is the largest driver of growth in plant-based milks. It has been extremely technically challenging to create a Barista product which maintains Plenish's unique positioning as the only brand on the market containing no oils and no gums, so I am particularly proud that our technical teams have achieved another industry first.

In July, we announced the acquisition of Jimmy's Iced Coffee, giving us immediate access to the fast-growing UK ready-to-drink iced coffee category. Jimmy's is the fastest growing brand in the segment, with a strong brand positioning, lower calories per serve than category average, distinctive recyclable packaging and fully compliant with legislation in relation to products that are high in fat, salt, and sugar (HFSS). As with our other recent acquisitions, we will leverage our strong customer relationships, distribution network, procurement, and innovation capability to continue its strong growth trajectory.



Everywhere at Britvic, our brand and business investment is underpinned by our ESG agenda: Healthier People, Healthier Planet. This programme ranges from employee and community wellbeing and healthier consumer choices to minimising our environmental impact across packaging, water and carbon emissions.

Our corporate charity is Bounce Forward, whose aim is to support parents and teachers in schools across the UK to develop young people's psychological fitness, helping them lead happier, healthier lives. Our support is enabling children and young people to be taught the mental resilience and emotional wellbeing skills they need to flourish as adults in the future. Our brands also support communities. For example, Tango has successfully partnered with The Prince's Trust, pledging a further £120,000 as we enter the second year of this association. The partnership enables the Trust to support young people who face disadvantage with the skills and confidence they need to thrive.

We announced during the year that we are investing £8 million in an industry-leading heat recovery system at our Beckton site in east London, which will save 1,200 tonnes of carbon annually and decarbonise 50% of the site's heat demand. We have also partnered with Atrato Onsite Energy, a leading solar energy provider, to deliver clean energy to Britvic via an innovative 10-year Power Purchase Agreement at a new solar installation in Northamptonshire. This will generate energy exclusively for Britvic and will be capable of producing clean energy, the equivalent of powering 11,500 homes or planting 260,000 trees. The electricity generated will be enough to power 75% of Britvic's current operations in Great Britain.

Brazil

While Brazil is an identified growth market within our strategy and has delivered double digit revenue growth over several years, the extreme inflation experienced last year required a correction in margin. Brazil is particularly reliant on juice pricing, especially our fruit processing business Be Ingredient, which has been impacted by the extreme volatility in agricultural commodities, driven primarily by poor crop yields.

Achieving the margin improvement required several levers to be pulled at the same time, including several increases to headline price and flexing of our recipe agility to manage cost of goods. We have also been proactively managing our mix by building our higher margin categories such as flavour concentrates, premium grape juice and Fruit Shoot. At the same time, we have maintained our commercial and operational discipline, sharpening our focus on superior in-store execution, and increasing production capacity on growth brands such as Fruit Shoot. We have invested in sponsoring selected Carnival events, a vast celebration that brings people out onto the streets. In addition, we have activated our brands around sport, sponsoring events such as Circuito das Estações (The Circuit of the Stations), which is synonymous with street running across the major cities of Brazil.



Chief Executive Officer's statement continued

Market highlights continued

Brazil continued

In July we announced a further bolt-on acquisition, which completed on 2 October, and gives us access to the high growth and higher margin energy category. The main brand we acquired was Extra Power, which has 42% market share in its core region of Goiás (in the Centre-West, near Brasília), as well as three additional brands: Flying Horse (a small but long-standing energy drinks brand primarily in the Sao Paulo region), Juxx (a premium juice brand) and Amazoo (an acai smoothie brand). The transaction also includes a modern, efficient warehouse near Brasília, which will enhance the efficiency of our supply and the effectiveness of our route to market in the Centre-West region for both the new brands and our existing portfolio, which has a smaller presence in this region. The acquisition also offers substantial back-office synergies as we bring the businesses together, and we anticipate it will be accretive to growth, margin, and earnings.

Other International Markets

We had a strong year in Ireland, with growth across the portfolio and successful revenue management activity. I am particularly pleased with the success of Ballygowan's Hint of Fruit. Leveraging the strong brand equity of Ireland's leading water brand, we innovated into the growing flavoured water category. Sugar-free, and with fewer than three calories per serve, Ballygowan Hint of Fruit is sourced locally and available in three great tasting flavours. Just one year after launch, it has achieved a 24% share of the flavoured water category.

As part of our healthier planet strategy, we have recently entered into an agreement for Ballygowan production to be 100% wind powered, helping to reduce our direct carbon emissions by 90%. This has been achieved through a new Customer Corporate Power Purchase Agreement (CPPA) – the first of its kind with a drinks brand in Ireland. It will allow us to fund electricity generation and produce enough electricity annually to power our production facility in Newcastle West. Every Ballygowan bottle is made from 100% recycled plastic, as well as being fully recyclable. We also announced an investment of €6 million in our Ballygowan facility in Newcastle West, to grow the site's production capacity by over 20% to meet growing consumer demand, creating 28 new jobs.

France trading has been more challenging, given the competitive retail market. Pricing discussions have been difficult and concluded much later than in our other markets, driven by the mandatory timetable. While we have executed price increases, these have not been sufficient to cover the significant levels of inflation and we have therefore experienced margin compression, which has been exacerbated by a softening in demand for our brands, as the pricing differential versus private label has increased.

“

As part of our healthier planet strategy, we have recently entered into an agreement for Ballygowan production to be 100% wind powered.”



Strategically we continue to build resilience, simplifying and harmonising the Teisseire range globally. This will improve supply chain efficiency and flexibility, as well as support customer negotiations. In addition, we continue to focus on innovation, with lower sugar and natural ingredient ranges to better meet consumer needs.

Chief Executive Officer's statement continued

Market highlights continued

Other International Markets continued

Our global premium brands, London Essence and Mathieu Teisseire, have continued to make great progress, with the combined portfolio growing double-digit this year. Amongst many new account wins, London Essence secured an exclusive pouring agreement with Ennismore Hotels, a premium global hospitality brand majority-owned by Accor. The crafted soda range has expanded with two new flavours – Aromatic Orange & Fig, and Raspberry & Rose. Mathieu Teisseire won gold at the prestigious Monde selection awards 2023 for four of our new flavours and new listings have been secured in Asia, Germany and Oman. Recently, we announced that local production of Mathieu Teisseire had started in China to support local growth. New pack formats have also been launched to access new retail and hospitality channel opportunities.

“

We will also continue to invest, not only in our brands, but also in our people, sustainability, and infrastructure.”



Looking ahead

Our company's success is founded upon the breadth of our portfolio of strong, family favourite brands, the depth of our customer relationships, our well-invested infrastructure, our long-term partnership with Pepsi and the agility and dedication of our workforce. Sustainability is embedded in our business and our culture, informing our choices daily. Our strategy is working, and we have well-established drivers to continue our consistent track record of growth.

Soft drinks is a strong, resilient and growing category, which continues to outperform broader consumer goods. Consumption of non-alcoholic beverages continues to grow and, even before the significant inflation of the past couple of years, soft drinks have consistently increased their retail sales value ahead of volume. The category is a regular staple and an affordable treat, with demand once again proving resilient, as it has in previous periods of economic downturn and geopolitical volatility, with limited trading down to own label.

Britvic's forward-looking growth drivers are clear and compelling:

- Continued growth forecast for the category, in both volume and value
- Leading market growth through our family favourite brands, especially in targeted channels where we under-index
- Accelerated growth in Brazil
- Accessing new, fast-growing spaces

Near term, we have clear priorities to deliver in 2024. Despite continuing macro uncertainty, we will continue to engage consumers with compelling marketing, exciting innovation and strong in-store feature and display, and to mitigate the impact of inflation across our markets. We will also continue to invest, not only in our brands, but also in our people, planet, technology and infrastructure. All this, combined with our ongoing performance momentum, gives us confidence that we will once again navigate the external challenges to deliver further strategic progress in 2024 and continue to offer superior shareholder returns.

Simon Litherland
Chief Executive Officer
21 November 2023





Investment case

Why invest...

1

A portfolio of market leading brands

In Great Britain and Ireland, we have a full portfolio of family favourites, both owned and as the bottler for PepsiCo. In France and Brazil, the portfolios are all owned brands in a smaller number of categories. In each market we are the leading supplier of flavour concentrates, underpinning our strategic pillar of flavouring billions of water occasions.

[+ Read more on page 5](#)

2

A well-invested infrastructure

Continued investment, including £13 million in a new canning line at our Rugby factory, means we have a fantastic supply chain platform to enable us to lead market growth. In our other markets we continue to invest to support growth, efficiency and our sustainability targets. Beyond the supply chain we are investing in both our digital capability and IT infrastructure to ensure future growth.

[+ Read more on page 11](#)

3

A long-term agreement with PepsiCo

In October 2020, we signed a new and exclusive 20-year franchise bottling agreement for the production, distribution, marketing and sales of PepsiCo's soft drink brands in Great Britain. Our PepsiCo relationship provides access to a portfolio of global brands, including Pepsi MAX, 7UP, Lipton Ice Tea and Rockstar Energy. This follows a similar 10-year agreement signed in 2016 with PepsiCo in Ireland.

[+ Read more on page 15](#)

4

A sustainable business

Britvic's Healthier People, Healthier Planet sustainability ethos underpins every element of our business strategy to ensure that we deliver sustainable value for all our stakeholders, and create a better tomorrow. An £8 million project to install a heat recovery system at our London factory will cut the site's carbon emissions by 50% while increasing Britvic's energy efficiency.

[+ Read more on page 34](#)

5

A well-financed and cash generative business

Britvic has a strong financing platform, with a £400 million sustainability linked multi-bank revolving credit facility and a series of private placement notes in place. The business is cash generative and has a clear capital allocation policy, including a commitment to a dividend policy that pays out 50% of profits.

[+ Read more on page 68](#)

6

A track record of growth

Since the appointment of Simon Litherland in 2013, we have consistently delivered excellent returns for shareholders. Our strategy has driven consistent revenue growth over the past five years, with a like for like Compound Annual Growth Rate (CAGR) of 5.2%.

[+ Read more on page 15](#)

7

A resilient and growing category

Soft drinks are a consumer staple, meaning category performance is consistent, stable and projected to grow. Growth is achievable through increasing consumption by innovating to meet emerging consumer needs, accessing new spaces and premiumisation.

[+ Read more on page 20](#)

8

An engaged and agile workforce set up for success

We're building a working environment where everyone belongs. We've completed the upgrade of facilities and the look and feel of our estates in Beckton, Leeds, Rugby and Solihull. The improved on-site technology, facilities (including prayer and reflection rooms) and smart branding make them places where Britvic employees enjoy coming together to collaborate and connect.

[+ Read more on page 38](#)



Market trends and opportunities

Britvic's insight team tracks the consumer and market trends impacting the soft drinks category. Here we highlight the key trends and how Britvic is capitalising on the opportunity they create.



Link to strategy

- 1 Healthier People, Healthier Planet
- 2 Build local favourites and global premium brands
- 3 Flavour billions of water occasions
- 4 Access new growth spaces

Link to risk

- 1 Consumer preference: innovation
- 2 Health concerns
- 3 Retailer landscape and customer relationships
- 4 Supply chain
- 5 Sustainability and environment
- 6 Market
- 7 Quality of our products and the health and safety of our people
- 8 Legal and regulatory
- 9 Technology and information security
- 10 Talent
- 11 Treasury, tax, and pension



Market trends and opportunities continued

Rising costs and search for value

What's happening?

Continued inflation and rising costs have been the backdrop to 2023, impacting both consumers and businesses.

67% of UK consumers claim to be "terrified by the UK economy"¹ and are grappling to keep on top of their finances.

Businesses have also been hard hit, prompting the unfortunate closure of hospitality outlets and some big high street retailers.

In hospitality, high costs come at a time when many are still trying to get back on their feet in the aftermath of the pandemic – with many hit by staff shortages, decreasing frequency of customer visits and fierce competition.

The impact

- Consumers are employing a range of savvy shopping behaviours, focused on value for money as opposed to always wanting the cheapest option. We've seen more shopping around with 73% of shoppers saying they have visited multiple stores to find the best deals²
- Equally, consumers are moving to a wider range of pack sizes – including smaller entry options and value packs
- There is still a key role for affordable treats, with 77% of consumers saying that "premium soft drinks are a good way to treat myself."³ This is clear in hospitality where we've seen a trend towards less frequent visits but consumers retaining their spend once there

Britvic's approach

- We're investing in our brands to clearly signal the quality and value they offer
- We have an active programme of promotions as well as ensuring we offer a broad range of pack sizes to suit all needs and budgets
- We're working with customers to help them provide more added value for their consumers. For example, J20's Festival of Flavour saw J20 mixologists and DJs take over London's Somerset House terrace and numerous other hospitality venues across the summer. Bringing a festival feel with bright J20 deck chairs, bunting and live music, pop-up bars served delicious J20 Cocktails including a twisted Passion Margarita and Pineapple Rum Punch

[Link to strategy](#) [1](#) [2](#) [3](#) [4](#) [Link to risk](#) [1](#) [2](#) [6](#)

1 Kokoro, The score consumer survey, August 2023.
 2 IGD.
 3 Mintel, Attitudes to premium soft drinks, April 2020.

Sustainable purchasing

What's happening?

Consumers and businesses continue to show commitment to tackling climate change and promoting a better, fairer society.

In the corporate sphere, 80% of leaders say they are prioritising sustainability in their business initiatives.⁴

Meanwhile consumers are looking for brands that take action to improve the world we live in both from an environmental and social perspective – with over half of global consumers saying that they "want brands to actively address global social issues such as racism, sexism, etc."⁵

The impact

- From a consumer perspective, the 'say/do' gap around choosing more sustainable options has grown in the wake of cost of living pressures. Data shows that although 78% of people say that recyclable packaging is important, less than half are making purchasing decisions based on it. Equally, while 74% of people say packaging should be made from recycled materials, only 33% actively buy products in recycled packaging⁶
- 30% of global consumers say that sustainable/environmentally friendly benefits are essential to their purchasing decisions.⁷ However, 57% of people place food packaging being easy to open, store or use on the go or helping with portion control among their top three factors for packaging⁶
- Consumers still struggle to always understand how to make better choices with 64% of people saying it's difficult to know which type of packaging is the most sustainable⁶

Britvic's approach

- We want to make a net positive contribution to society
- Our sustainability strategy – Healthier People, Healthier Planet – is embedded in the way we do business. Under each pillar, we have established clear principles, targets and actions in how we develop, make, market and sell soft drinks
- You can read more about our progress in the Sustainable business section from page 34

[Link to strategy](#) [1](#) [2](#) [3](#) [4](#) [Link to risk](#) [4](#) [5](#)

4 Lumina Intelligence, Top of mind reporting, July 2022.
 5 GlobalData, Global consumer survey, Q3 2022.
 6 Mintel, Attitudes towards food packaging UK, 2023.
 7 GlobalData, Global consumer survey, Q3 2022.



Market trends and opportunities continued

Health and wellbeing

What's happening?

The health and wellness trend continues with 66% of global consumers saying that they are always or often influenced by the way "a product or service impacts my health/wellbeing".⁸

Many are moving beyond just physical health maintenance to focus on achieving holistic wellbeing with a notable shift towards wanting better mental and emotional health.

The impact

- The reduction of sugar and fat remains a priority for consumers. We also see growing interest in more natural ingredients and an avoidance of artificial additives – with 86% of people finding 'natural' an appealing claim in food and drink products⁹
- Products with functional benefits are continuing to grow – specifically those with claims around immunity, energy, focus, relaxation and mood boosting qualities
- The moderation trend also continues with one in two people in the UK claiming to be moderating their alcohol intake¹⁰

Britvic's approach

- We're providing great tasting drinks that are better for everyone by reducing calories, adding vitamins and minerals, and providing more brands with no artificial ingredients
- In 2023, our global portfolio contained an average of 22 calories per 250ml serve, significantly ahead of our 2025 target
- We continue to actively drive brands like Aqua Libra, which is both light in calories and contains no artificial ingredients, and Plenish, which offers a natural plant-powered alternative to dairy, as well as functional juice shots with added vitamins and minerals.
- Equally, MiWadi, Robinsons Benefit Drops and Purdey's are great examples of brands that offer added functional benefits to consumers
- We continue to invest in our premium brands to offer elevated non-alcoholic solutions to those wanting alcohol alternatives

Link to strategy [1](#) [2](#) [3](#) [4](#) Link to risk [1](#) [2](#) [7](#)

8 GlobalData Global Consumer Survey, Q3 2022.

9 GlobalData Global Consumer Survey, Q3 2021.

10 KAM, Low+No 2023.

Elevated experiences

What's happening?

Consumers' desire for new, better experiences and more differentiated, quality products continues to grow. In hospitality, although frequency of visits is down, we still see high spend and healthy premiumisation with 71% of consumers in Great Britain and Ireland saying that "eating and drinking out is the treat they most look forward to".¹¹

Post-pandemic there is still a strong feeling of wanting to make the most of life, to spend time with people and to enjoy memorable experiences together.

The impact

- New 'competitive socialising outlets' are starting to gain traction offering bespoke experiences and greater interaction. 39% of the UK population have visited this kind of outlet this year and this is growing year on year¹²
- Within drinks we see greater experimentation – more exciting serves such as cocktails and mocktails have grown (cocktails +132% year on year in the UK on trade¹³ and mocktails globally forecast to see +14% Compound Annual Growth Rate (CAGR) between 2021 and 2025¹⁴)
- We're also seeing greater consumer demand for more exciting soft drink alternatives with 43% agreeing that premium soft drinks would be more interesting than no or low alcohol ones¹⁵

Britvic's approach

- We're delivering strong activations with our hospitality customers to help deliver new, elevated experiences for consumers
- We've introduced some exciting innovation to tap into cocktail trends with our new range of Britvic cocktail mixers
- We've also just launched our biggest innovation for many years on J20 with J20 Mocktails ready to elevate the Christmas season

Link to strategy [1](#) [2](#) [4](#) Link to risk [1](#) [2](#) [3](#) [10](#)

11 CGA, Cost of living consumer pulse (1,000 UK&I Consumers), March 2023.

12 KAM, Competitive socialising 2023.

13 CGA, Mixed drink report 2023.

14 IWSR, 10 focus markets CAGR, 2021-2025.

15 Mintel, Attitudes towards no and low alcohol, 2022.



Market trends and opportunities continued

On-demand living

What's happening?

Hybrid and flexible working continues to be a priority with 88% of people saying that hybrid working is the leading employee benefit they'd expect in a new role.¹⁶

As a result, the way we socialise has become more fluid with more possible social occasions during the day, opening up new opportunities for food and drink.

Equally, technology and digital developments continue to influence consumer behaviour with 49% of global consumers spending more time online¹⁷ and home delivery continuing to be an important route to market for consumers.

The impact

- The number of people eating out across the day is up, with the number of lunchtime occasions up 2%¹⁸ breakfast and snack occasions up 1% on last year, and food to go up 3.3% in the UK¹⁹
- The UK foodservice delivery market is expected to grow to 12.3% market share and reach a total value of £12 billion in 2023¹⁹
- We continue to see the rise in omnichannel and more seamless integration of on and offline worlds – the global eRetailers market for consumer goods grew from \$222bn in 2019 to \$457bn in 2022²⁰

Britvic's approach

- To broaden our breakfast appeal, Plenish fruit shots can now be found in over 730 Tesco stores, as well as Co-op and Morrisons' Brew Bars and 'Food to Go' chillers. Plenish has also just launched the UK's only Barista M*lk range free from additives – providing delicious serves throughout the day
- We're boosting our presence online. Through partnerships with leading delivery aggregators, Britvic brands have grown distribution by 10.2% in all foodservice and convenience digital store fronts in 2023²¹
- We're supporting our customers with dedicated digital support platforms – At Your Convenience and Sensational Drinks, for convenience and hospitality outlets. The platforms are designed to offer support for outlets whatever their size, location or sales volume, offering advice, samples, and tips on how to boost soft drink sales, information on the Britvic range, as well as latest trends and insights.

Link to strategy [1](#) [2](#) [4](#) Link to risk [1](#) [4](#) [5](#) [7](#) [9](#) [10](#)

16 IWG research.

17 GlobalData, Q2 Consumer Survey.

18 Lumina, EDOP Download Q2 2023 (WE 02/04/23 - 25/06/23).

19 Lumina Intelligence, UK Eating Out Market Report 2022.

20 CGA BrandTrack.

21 Dashmote, Guiding you through a data-driven world, July 2023.



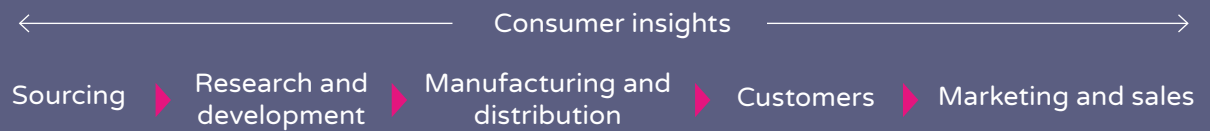


Business model

Our competitive edge

The way we do business is fundamental to our success. It's why our sustainable approach, which we call Healthier People, Healthier Planet, is embedded in every part of our business model and growth strategy. We see this as integral to our resilience, to growing the business, to being a force for good and ultimately to delivering value for all our stakeholders.

Our business drivers



[+ Read more about how we mitigate risks associated with our supply chain on page 76](#)

People

Planet

Performance

Our enablers help turn our strategy into action

Efficiency

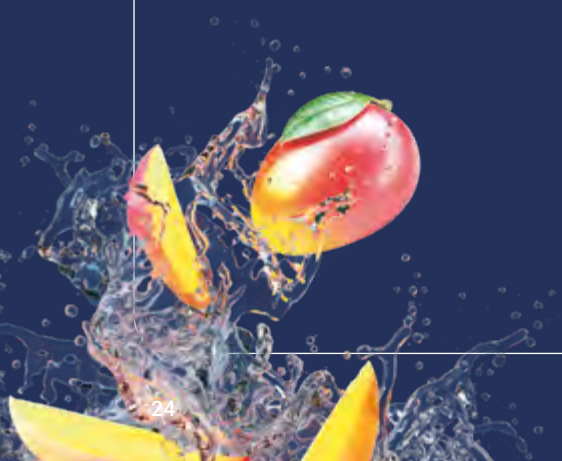
Fuel growth with the right focus on efficiencies across the business.

Culture and capabilities

Transform our culture and capabilities to be fit for the future.

Mergers and acquisitions

Selective deals to speed up progress towards our goals.





Business model continued



Our business drivers

Consumer insight

Our starting point is understanding how we can best meet the diverse needs of our consumers and customers. We aim to build a longer-term view, understanding emerging trends and the wider context of the categories in which we operate. By putting the consumer and customer at the heart of what we do, we can innovate and develop brands that consumers love and deliver scalable products and services that maximise the growth opportunity for our customers. Our insight is underpinned by our Healthier People, Healthier Planet ambitions to help consumers make informed and healthier choices.

[+ Read more on page 34](#)

Manufacturing and distribution

We have invested in state-of-the-art technology across our manufacturing sites. This is to make sure we are making the most of our capabilities – volumes, resilience and agility – and operating to the highest standards. We work with distribution companies to transport our products, rather than operate our own fleet of vehicles. Our employees' safety, health and wellbeing are paramount, as is our commitment to manufacturing our drinks in the most sustainable way. We are committed to reducing the impact of our operations on the environment through the thoughtful and responsible use of natural resources and by transitioning to a low carbon business. We have clear targets for water usage, waste and carbon emissions annually, through our Healthier People, Healthier Planet sustainability strategy.

Sourcing

We are committed to producing high quality soft drinks that are sourced and manufactured in a fair, ethical and environmentally responsible way. Our sustainable procurement strategy, which aligns with the UN Sustainable Development Goals, focuses on four core overarching priorities:

1. Low carbon supply chain
2. Sustainable packaging
3. Regenerative agriculture
4. Ethical sourcing

We work closely with our suppliers to understand the environmental and social footprint of our collective activities and find solutions to drive efficient use of natural resources, reducing carbon emissions throughout the value chain.

Customers

Our customers are essential to us as our main route to market, and as partners on joint business plans where we can create shared value. We engage with them regularly and share our expertise to drive category growth. Additionally, we host specific websites for customers which offer ideas and advice on everything from perfect serves to interpreting and implementing government policy. We share a commitment with them to establish and drive a sustainable approach to business. This includes sharing knowledge and best practices across packaging innovation trends and solutions to minimise the impact of our collective carbon footprint.

Research and development

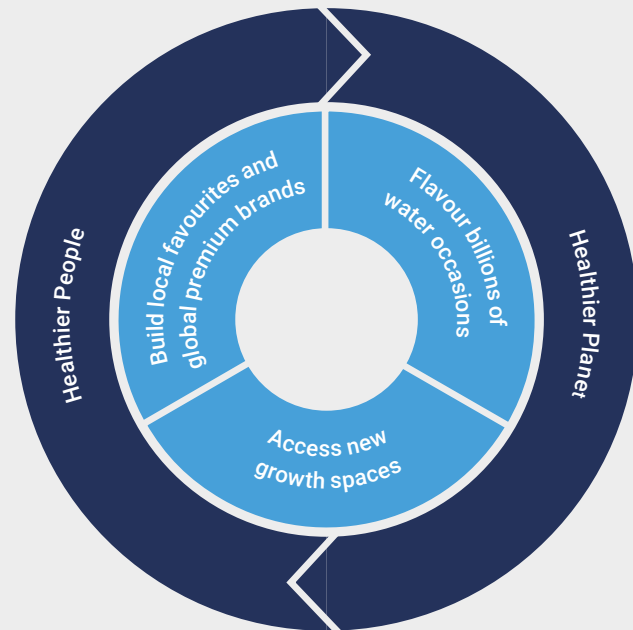
Our experts ensure that our drinks evolve so we have a competitive brand portfolio which stays relevant to consumers' needs. We want to guarantee that people continue to enjoy our drinks for many years to come. Our team is at the forefront of science, technology and innovation. Made up of scientists, engineers, consumer and sensory specialists, they have deep technical expertise and understanding of consumer preferences and behaviours. We bring fresh thinking, curiosity and a problem-solving mindset to support everything we do. This covers everything from new products and consumer experiences, through adaptation and innovation in our current portfolio, to exploring future opportunities and trends. Innovation depends on collaboration and we are proud to work in partnership with suppliers, industry bodies and academia to share and explore cutting edge science and technology.

Marketing and sales

We invest in and deliver advertising and marketing campaigns to build brand awareness and drive sales growth. Each of our much-loved household brands has a clear identity and purpose and many, such as Teisseire, R. White's and Ballygowan, have a deep-rooted history going back hundreds of years. It is our privilege, as custodians of these brands, to innovate and grow our proposition while remaining true to their heritage. Equally, we use our flavour and marketing expertise to create, establish and grow new brands such as Aqua Libra Co and London Essence. Our Healthier People, Healthier Planet ethos is embedded in our marketing strategies. Through clear and consistent campaigns and consumer labelling, we aim to increase consumer understanding of the need to create a circular economy for packaging. And we always promote and market healthier options in line with our marketing code to encourage people to make choices that are better for them.

Strategy

Our strategic pillars



Our purpose, vision and values

Our purpose is dedicated to enjoying life's everyday moments and is rooted in everyday life. There are so many tiny moments every day, and they can all be made more enjoyable with one of our delicious drinks.

Simon Litherland, CEO of Britvic plc, explains why our purpose is more important than ever: "Uniting behind a common purpose is a powerful driver of performance, innovation and culture. At Britvic, it's our reason to exist, a reason to get up in the morning and get excited about what we're trying to achieve as individuals and as a collective. The thought of people all over the world enjoying our drinks as part of their own special and totally unique everyday moments makes me smile."

Our purpose is supported by our vision to be the most dynamic soft drinks company, creating a better tomorrow. Our dynamism comes from our people who seize opportunities to innovate and drive us forward. In turn, this dynamism enables us to act with pace and agility, fuelling the entrepreneurial spirit that is rooted in our heritage. To push boundaries and make things happen. At the same time, our scale, our market credibility and our dedication to sustainability mean we can turn our ideas into commercially successful product propositions and so deliver sustainable value to all our stakeholders. Creating value today also helps us create a better tomorrow.

Our culture

Our talented and dedicated workforce is central to our ability to succeed. As we embed our culture and grow our capabilities to deliver our business strategy, our employees' health and happiness are paramount. We will continue to build employee engagement to maintain a culture of which we are proud, where all our employees feel valued and empowered to thrive.

Our markets

Each of our markets has a role to play in delivering the strategy:

- We continue to see Great Britain as a growth market and plan to build on our existing momentum to lead market growth
- In Brazil, our ambition is to accelerate growth and expand our presence
- Our international agenda continues with a drive to globalise our premium brands, notably The London Essence Company and Mathieu Teisseire. Across our Western European markets, including Ireland and France, the priority is to increase margins and profitability

Critical enablers

We have identified three key enablers to underpin and help us turn our strategy into action:

1. Efficiency: fuel growth with the right focus on efficiencies across the business
2. Culture and capabilities: transform our culture and capabilities to be fit for the future
3. Mergers and acquisitions: selective deals to speed up progress towards our goals



Healthier People, Healthier Planet

A key part of our Britvic vision is to create a better tomorrow for all our stakeholders. We want to make a positive contribution to the people and the world around us and provide consumers with the trusted and authentic purpose-driven brands they increasingly want and deserve. Equally, we believe sustainable supply chains and manufacturing processes are critical drivers of commercial growth. This means ensuring that sustainable practices are embedded in every element of our business strategy. Doing good while doing well has been at the heart of Britvic's ethos since the creation of our ancestral business – The British Vitamin Products Company – back in the 19th century. Today, we continue to build on our heritage, by embedding Healthier People, Healthier Planet – a key tenet of our commercial strategy – into every part of our business, from manufacturing to marketing. We see this drive as fundamental to Britvic's resilience, to delivering the value our stakeholders deserve and to building a company of which we can all be proud. For this reason, when we set our commercial strategies and plans across the business, we are working towards our Healthier People, Healthier Planet goals being given the same priority as financial performance.

Strategy continued



Build local favourites and global premium brands

We are focused on growing our local, family favourite brands, which are predominantly number one or number two in their categories. We have a proven track record of growing, expanding and revitalising our brands, such as Robinsons, Tango, Club, Fruit Shoot and Teisseire, and we have consistently done a fantastic job growing PepsiCo brands, focusing on low or no calorie variants, such as Pepsi MAX and 7UP Zero Sugar.

At the same time, our consumers are looking for a wider choice of premium drinks and elevated experiences when they relax and socialise.

This prompted us to set out a bold vision in 2020, as a key tenet of our growth strategy, to build a portfolio of high margin global premium brands. As a business, we have a proven track record of creating, launching, and expanding brands and we believed we could harness our flavour expertise to establish a global premium adult socialising business that would challenge the status quo and cement Britvic's reputation as a brand owner.

Three years later, our global premium brands, London Essence and Mathieu Teisseire, have continued to make great progress, with the combined portfolio growing 11.6% this year.



Flavour billions of water occasions

In each market Britvic offers the leading flavour concentrates, including Robinsons, MiWadi, Teisseire and Maguary. We plan to leverage this leadership and expertise in concentrating flavour, along with the strength of our local favourite brands, in each of our markets to collectively flavour billions of new water occasions. The increased consumer focus on health and wellbeing and greater consumption of water provides us with additional large-scale opportunities.

We're continually innovating in this space – following the successful launch of Robinsons Benefit Drops last year, we've launched Robinsons with Benefits: a range of wellness-focused premium squash in 750ml bottles. Each of the three flavours contains a different functional benefit through added vitamins and no added sugar, while still retaining that great Robinsons taste.

We also launched the Robinsons Ecopack – a super-strength squash in a plant-based carton that gives you the same real-fruit Robinsons taste, but with less packaging.



Access new growth spaces

Innovation is central to our commercial growth strategy. Traditionally, this means experimenting with new flavours and categories, and exploring new markets.

We've continued to do this in 2023, with the successful launch of Pepsi MAX Mango and Tango Paradise Punch. Equally, we've expanded into new growth categories and geographies through the acquisition of Jimmy's Iced Coffee in Great Britain and Extra Power energy drink in Brazil.

We're also continuing to build our Beyond the Bottle portfolio, offering consumers great tasting drinks without the need for packaging. This offer includes our Aqua Libra commercial and Flavour Taps, our London Essence Founts, and our traditional dispense.

Finally, we're exploring new sales platforms. For example, as shoppers' move to new purchasing platforms, Tango, Aqua Libra and Rockstar have launched a trial with TikTok shop to connect with new consumers.





Stakeholder engagement

Delivering value to our stakeholders

We're on a mission to build great relationships with all our stakeholders. Find out how we engage with them, how our Board considers Section 172 issues when making key decisions, and how decision-making works in action.



Delivering value to our consumers

We give consumers healthier choices to enjoy life's everyday moments.

What matters to them

Consumers want to know that they can trust our business and the products we sell. We achieve this by having a clear and direct way to contact us, enabling consumers to ask questions, share concerns, offer feedback – knowing that they will be heard.

Why they are important to us

Building a loyal consumer audience is crucial to growing and developing our business. They help provide invaluable resources, insights and inspiration that allow us to improve, innovate and thrive in a competitive market.

How we engage at Board level

The Board learns about consumer needs via detailed brand and category reviews and presentations from Executive team members about trends in their areas. The Board also receives market and consumer insight data on a regular basis.

How we engage across the company

Through our consumer engagement team, we're ensuring we engage with our consumer via whatever platform they use – whether it's telephone, email, post or social media.

How we delivered on feedback this year

This year, the team engaged with more than 26,000 consumers globally. The learnings from this are tracked, analysed and shared with our research and development, marketing and quality teams to make sure the consumer remains at the heart of everything we do.

Stakeholder engagement continued



Delivering value to our suppliers

We strive for the highest ethical standards and hold our suppliers to the same criteria.

What matters to them

They want to know we are doing business with respect, integrity and equality across all of our supply relationships and that we stick to our ethical business policy.

Why they are important to us

Working with reliable, efficient and trustworthy suppliers allows us to ensure our entire value chain operates as smoothly as possible and deliver on our goals.

How we engage at Board level

Members of the Executive team, including the CEO, regularly meet with our suppliers in their local geographies. Details of these meetings are reported to the CEO, who tells the Board about key issues, both in reviews at Board meetings and informally in individual conversations. The Board agenda includes sessions on procurement strategy including ethical standards, and the discussions are balanced across people, planet and performance.

How we engage across the company

We regularly engage with suppliers to address challenges and drive positive change through our procurement and supplier quality assurance teams and processes. Through conferences and training sessions, we also ensure we're maintaining a collaborative relationship.

How we delivered on feedback this year

We've been working closely with our suppliers to update contracts to include climate targets and emissions reporting. This includes signing up to sustainability platforms Sedex and EcoVadis, and setting science-based targets – with Britvic providing the ability to access financial support to suppliers making these changes, through a sustainable supply chain finance programme.



Delivering value to our customers

Delivering a great service make us a trusted partner for our customers.

What matters to them

Developing strong, collaborative partnerships built on a shared passion for success.

Why they are important to us

Customers play a pivotal role in the success of our business and how we show up in market to our consumers – so building collaborative and trusting relationship allows everyone to achieve their goals.

How we engage at Board level

Key dynamics of customer relationships are regularly reviewed in the context of performance, brand and channel discussions. This includes a focused session on customers in Great Britain, our biggest market.

Our CEO meets with key customers to help maintain important relationships, connect with the broader supply chain community, discuss customer strategy and brand portfolio, and share expertise and knowledge. He reports back to the Board on the results of those discussions.

How we engage across the company

We are well known for sharing our expertise with customers and helping them navigate fresh challenges and legislative changes. For example, we offer support to businesses via our digital platform, Sensational Drinks and invaluable industry insights through the Britvic Soft Drinks Review.

How we delivered on feedback this year

This year, we developed our support for customers with the launch of our customer collaboration centre at our head office and At Your Convenience – a new portal offering convenience retailers sales tips, Britvic range information and the latest trends and insights.



Delivering value to our communities

We want the communities we operate in to thrive.

What matters to them

We want our people want to make a meaningful contribution to society because it's the right thing to do.

Why they are important to us

Building strong relationships with our communities allows us to work together to be make a positive difference to people's lives, the economy and their environments.

How we engage at Board level

The Board engages with communities and considers wider environmental issues that affect them through reports from the Environmental, Social and Governance (ESG) Committee, reviewing and approving objectives and monitoring progress against them. The CFO reports on non-financial measures at every Board meeting, and the Board spends time considering the ESG strategy, which informs investment decisions.

How we engage across the company

Through our range of support programmes, including volunteer days, brand and corporate partnerships and matched fundraising and drinks donations – we offer a variety of ways our teams can support their communities.

How we delivered on feedback this year

We delivered 788 volunteer days across Great Britain and Ireland in 2023 to enable our employees to support the causes that mean most to them. We also announced our new corporate partnership with Bounce Forward, helping build mental resilience in children across Great Britain.

Stakeholder engagement continued



Delivering value to our employees

We want our people to thrive in a dynamic and highly inclusive workplace.

What matters to them

Building a truly inclusive culture and safe working environment where employees can bring their true selves to work every day.

Why are they important to us

Our people are our life force and their happiness, wellbeing and dedication shapes how we perform as business. With happy, healthy employees working across the business, we will continue to accelerate our success.

How we engage at Board level

The Directors use a variety of channels to engage with employees and give them a voice in the boardroom. Information about the activities undertaken by the Board this year can be found on pages 89–90.

How we engage across the company

We receive regular employee feedback through our annual Employee Heartbeat alongside more regular informal feedback sessions.

How we delivered on feedback this year

Following employee feedback, we revamped our family friendly policies to offer a more inclusive working environment for all. We also developed our talent programmes to address feedback and support future business leaders.



Delivering value to our shareholders

We want to deliver strong, sustainable returns for our investors.

What matters to them

Confidence in our ability navigate a challenging external environment and continue to deliver strong performance in a sustainable way.

Why are they important to us

Investors play a pivotal role in the success and growth of businesses – providing the necessary capital, expertise, and networks needed for our business to thrive.

How we engage at Board level

The Chair regularly engages with investors to understand their views on governance and the performance of the company against its strategy. Information about the activities undertaken by the Board this year can be found on pages 89–90.

How we engage across the company

Our Director of Investor Relations is responsible for all primary contact with shareholders, potential investors and equities research professionals. The CEO, CFO and Chief Strategy Officer provide regular engagement support with other Executive team members and functional specialists.

How we delivered on feedback this year

We have regular meetings with major institutional shareholders to consider our performance and prospects. We report our financial performance to shareholders four times a year: half year and full year announcements and Q1 and Q3 trading updates.

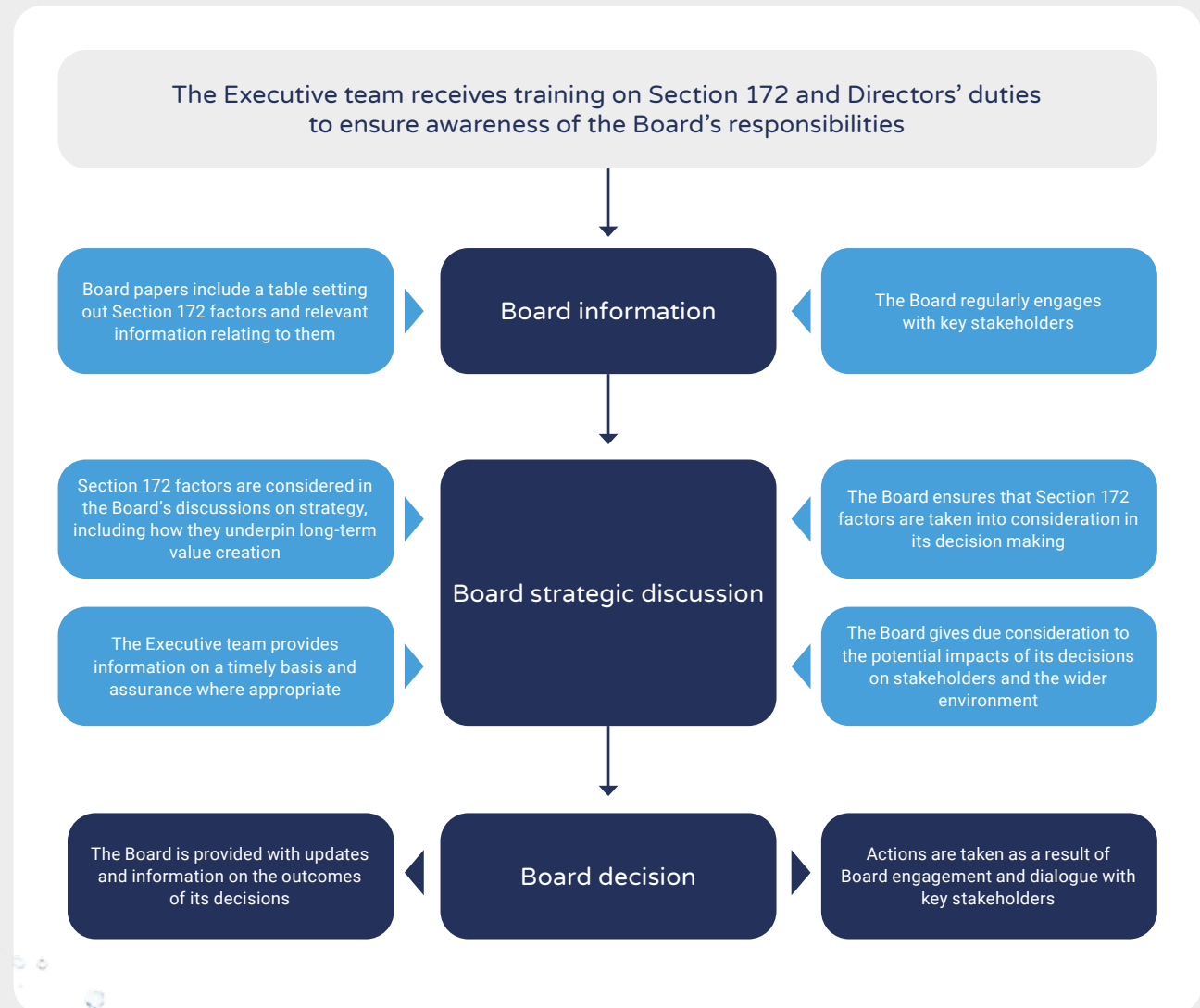


Section 172 statement

Under Section 172 of the Companies Act 2006, our Board has a duty to promote the success of the company, and in doing so it must consider a number of matters when making decisions.

The process for decision making at Britvic is shown on the right. All matters needing approval from the Board require a Section 172 statement to be included within an approval paper, outlining how each matter has been considered. This process is now well established across the business. In accordance with our Statement of Authorities policy, the Board delegates some decision making powers to the Executive team and individual business units, and decisions at this level are subject to the same process.

On pages 32–33 you will find two examples of significant business decisions taken this year by the Board and the Executive team, and how each of the Section 172 matters was considered. While noting that all matters are taken into account, for some decisions one matter may require greater consideration than another.





Section 172 statement continued

Section 172 matters considered

Long-term consequences of the decision

This acquisition complements Britvic's soft drink portfolio and goals for healthier beverages. It allows us to enter a new high growth category in Great Britain and aligns with other brands to offer cost synergies and revenue growth opportunities.

Impact on the community and environment

Social and environmental sustainability is a key focus for Jimmy's, evidenced by its B Corporation certification. This aligns well with our Healthier People, Healthier Planet goals. Jimmy's packaging is fully recyclable, and it also has lower calories per serve than the category average. Further, the brand is active in local communities, particularly around its home in Dorset.

Interests of the company's employees

There is a strong cultural fit and shared values between Britvic and Jimmy's and the teams are integrating well. The Jimmy's employees will benefit in the longer term from career development opportunities in the wider Britvic business, and Britvic employees will benefit from the opportunity to work with an exciting new brand in a new category.

Acquisition of Jimmy's Iced Coffee
In July 2023, we expanded our soft drink portfolio with the exciting addition of Jimmy's Iced Coffee in Great Britain.

Stakeholder groups most impacted:



Customers



Consumers



Shareholders

Maintaining a reputation for high standards of business conduct

As part of the acquisition both parties engaged professional advisors and conducted the transaction in a manner which was in accordance with our values. This involved substantial due diligence and financial analysis to ensure the acquisition was suitable for Britvic and its stakeholders.

Fostering relationships with suppliers, customers and others

Over time, supply chain synergies may be available with our existing network to increase opportunities for Britvic suppliers to also support the growth of Jimmy's. The acquisition creates the opportunity to build on our strong customer relationships in Great Britain and gives customers access to the iced coffee category as part of our expanded portfolio.

Acting fairly between members (i.e. shareholders) of the company

The acquisition is strategically attractive due to iced coffee previously being a category gap in our portfolio. Having undertaken the appropriate due diligence and reviewed the relevant financial information, we concluded this is expected to generate long-term value for the company and its shareholders.



Section 172 statement continued

Section 172 matters considered continued

Long-term consequences of the decision

This project will deliver both financial stability and environmental benefits over the course of the 10-year term. As a result of the agreement we will have a fixed long-term price for an expected 75% of our current operations in Great Britain.

Impact on the community and environment

The Northamptonshire land on which the solar panels are intended to be built is poor quality and unsuitable for farming or other use. The project has been received positively by the local community during the planning application phase. The solar farm, once commissioned in 2024, will be capable of generating 33.3 GWh p.a. of clean energy, the equivalent of powering 11,500 homes or planting 260,000 trees.

Corporate power purchase agreements

In July 2023, we announced a 10-year partnership with Atrato Onsite Energy to deliver clean energy exclusively to Britvic from a new solar development. This is in addition to a wind farm power purchase agreement signed by the Irish business in 2022.

Stakeholder groups most impacted:



Communities



Shareholders

Interests of the company's employees

Our employees won't be directly impacted by this project. However, the project aligns with our Healthier People, Healthier Planet goals which are a key driver of positive employee engagement.

Maintaining a reputation for high standards of business conduct

Sourcing our energy sustainably, and contributing additional renewable power to the UK grid, demonstrates our credentials in being a responsible business which operates to high standards. The contracting parties within the agreement are well respected in the industry and also operate to high standards.

Fostering relationships with suppliers, customers and others

We are requesting our key suppliers to make commitments to use renewable energy, and similar sustainability demands are being made by our customers and partners. This is a great opportunity for us to demonstrate our leadership in this area by reducing our carbon footprint, and therefore helping our customers reduce carbon emissions through their supply chains.

Acting fairly between members (i.e. shareholders) of the company

This is a project with our sustainability commitments at its heart, which are in the interests of all members. It is in line with our Healthier People, Healthier Planet goals and drives commercial benefits too, giving certainty over energy pricing for 10 years.



Sustainable business

Healthier People, Healthier Planet

At Britvic, we want to make a net positive contribution to society.

To us, this means really caring about people and planet, as well as delivering a strong company performance. We believe that by balancing all three, we will create a truly sustainable business. A business that stands up for what is right, makes tough decisions, delivers for all our stakeholders, and ultimately drives positive change in the communities where we operate.

We are working towards making sure every commercial decision we make considers which option is best for people and planet, informed by insight and evidence. We believe this is how we will fulfil our ambition to create a better tomorrow and ensure the health of our business for decades to come.

While we may not be the biggest soft drinks player, we consistently score big on ambition, integrity and heart. We test and learn as we go, to make sure we're on the right path, and we work in partnership with others, extending our reach and our impact by making the most of a broader network of experience and expertise.

We have framed our sustainability strategy under twin, complementary pillars: Healthier People, Healthier Planet. Under each, we have established clear principles, targets, and actions to guide how we develop, make and market soft drinks. We've been ambitious and pragmatic in our approach, recognising that as our capability develops and technology evolves so will our roadmaps for achieving our goals.

Since we launched our current strategy in 2020, we have made great strides – from driving down calories to cutting Scope 1 and Scope 2 market-based carbon emissions by about a third compared to 2017, from pioneering dispense technology that delivers soft drinks Beyond the Bottle, to investing in our employees' wellness and wellbeing. Overall, we're very proud of the progress we've made, while also recognising there's always headroom to improve. As we evolve our sustainability programme going forward, we want to make sure we are still having the most meaningful, positive impact on people and planet. This means making sure we are focusing on the issues that matter most at every step in our complete value chain.

With this in mind, we will be checking in with key stakeholders in 2024 and look forward to sharing what we've learnt in our annual report and accounts next year. In the meantime, we will continue to pursue our current Healthier People, Healthier Planet initiatives across our entire business, as part of the holistic approach we take to managing business at Britvic.



1st

Britvic factory awarded
Alliance for Water
Stewardship certification

788

community days
More than double our
2025 target

21.7

Calories per serve[†]
Average calories per
serve per 250ml

[†] Deloitte LLP were engaged to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Emissions ("ISAE 3410") on selected metrics which have been indicated with a † in this Annual Report. Deloitte's full assurance report can be found at britvic.com/sustainability/sustainability-reports.



Sustainable business continued

Summary of performance

Healthier People

Focus area	Sustainable Development Goals	2025 targets	Progress to 2025 goals	Read more
Give consumers healthier choices to enjoy everyday moments		<30 calories per 250ml serve* * We continue to reduce the calories per serve across our portfolio. While our current average is well below our 2025 goal of <30 calories per serve, the stated goal reflects an expectation that we will see faster volume growth in markets where products tend to have higher average calories per serve.		Page 36
Make a meaningful contribution to the communities in which we operate	 	Double employee community days (vs 2020 baseline)		Page 37
Our employees are empowered to be their best selves to deliver great performance	 	Upper quartile employee engagement score		Page 39
Our employees feel physically and psychologically well		Upper quartile employee wellbeing score		Page 39

Healthier Planet

Create a world where great packaging never becomes waste	 	Packaging 100% recyclable in Great Britain All bottles in Great Britain and Ireland to be made from 50% rPET and/or sustainably sourced PET** ** 2025 rPET target reduced from 100% to 50% to ensure we only use high quality food grade rPET sourced from geographies that meet our high ethical standards while balancing carbon impact.		Page 46
Understand the environmental (water and biodiversity) and social footprint of our supply chain and drive efficient use of natural resources	 	Reduce manufacturing water intensity ratio (m ³ /tonne production) by 20% (vs. 2020 baseline)		Page 49
Transition to a net zero economy by maximising energy efficiency and using renewable energy sources	 	Reduce Scope 1 and 2 carbon emissions by 50% by 2025 (vs 2017 baseline) Reduce Scope 3 carbon emissions by 35% by 2025 (vs 2017 baseline)		Page 50

To find out more visit: sdgs.un.org/goals



Sustainable business continued

Healthier People

Our Healthier People strategy is focused on our **consumers**, our **employees** and our **communities**. We're providing great tasting drinks that are better for everyone by reducing calories and adding vitamins and minerals, and in a time of rising costs, are good value for money. We're building a diverse and inclusive culture that embraces all, prioritises wellbeing and rewards dynamism, and we're working hard to make a positive contribution in the communities we serve.



Consumer health and wellness

Calories per serve

We're proud to lead the industry in calorie reduction with an average of just 21.7 calories per 250ml serve globally in 2023 and 12.5 calories in Great Britain. This is an 11.1% reduction on last year, a 14.9% reduction since our 2020 baseline and significantly ahead of our 2025 target.

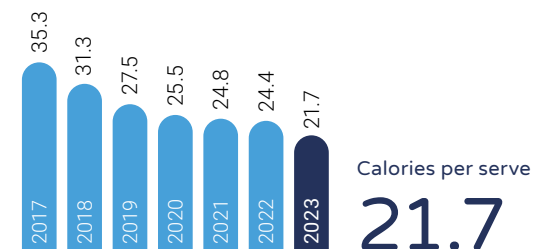
Globally, 84.8%[†] of our portfolio is low or no calorie. In 2023, our low calorie per serve average was largely due to reducing sugar in products such as Pepsi Regular, Lipton Ice Tea and Club Orange in Great Britain and Ireland. We also benefited from market trends e.g. in Brazil, which saw a move from high sugar juice, such as Guava and Mango, to lower calorie products such as Dafruta Tropical.

During the year we introduced new Tango Sugar Free flavours with the launch of Paradise Punch, launched two zero sugar Rockstar Energy flavours, and added a new Mango flavour to the Pepsi MAX range. With these additions 84.8% of our products globally are low or no sugar, compared to 80.3% last year.

Reducing calories is just one part of how we offer healthier consumer choices. We offer consumers drinks with added health benefits such as vitamins and minerals. MiWadi, Robinsons Benefit Drops and Purdey's are great examples of brands that do this well.

This year, we've launched the full benefits-led range in 750ml bottles. It has three flavours – Boost, Vitality and Immunity – each offering a different functional benefit thanks to added vitamins and minerals, with no added sugar.

In France, our new Pressade Vitalité range similarly taps into the consumer trend for wellness. Two flavours, Orange Carrot Lemon and Orange Pineapple Mango, contain high fruit content (more than 80%), are rich in vitamin C and also certified organic.



Sustainable business continued

Healthier People continued



Q Case study

Plant-powered barista milks

We're also responding to the growing demand for dairy alternatives, by offering a choice of plant-powered drinks through Plenish – one of the UK's fastest growing plant-based drinks brands. This year, we were excited to expand our range with the launch of three organic Barista M*lks – Oat, Almond and Soya.

The Plenish Barista M*lks are the UK's only barista m*lk range free from added oils and additives, with Plenish known for its 100% naturally sourced ingredients and absolutely nothing artificial.

Specially formulated to deliver a silky, frothy milk alternative for a professional cup of coffee at home, Plenish has spent the last few years perfecting its Barista M*lks recipe to deliver perfect functionality without compromise. The barista segment is continuing to drive the plant-based category forward, having grown 26% in the last year alone and making up 24% of dairy alternatives (vs. 19% a year ago).



We are now able to offer consumers a barista version of Plenish with organic ingredients and low sugar profiles that stays true to the core brand values and our clean label approach."

Beth Highfield,
Senior Product Innovation Technologist



Community partnerships

Overview

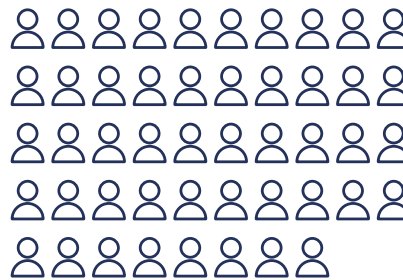
We want to make a meaningful contribution to our communities. We do this through volunteering, corporate partnerships, fundraising and brand partnerships.

We offer community volunteering days to employees, and the range of charities they support is as diverse as the workforce itself. We aim for employees to collectively spend 326 days a year volunteering across our British and Irish businesses. This year we recorded 788 days versus 482 last year – an increase of 64%, meaning we continue to achieve our 2025 goal.

As a business, we support a range of charities including: Bounce Forward, the children's mental resilience charity, Only A Pavement Away, a charity supporting those at risk of homelessness, the Children's Health Foundation, Mesa Brasil, the largest food bank network in Latin America, and Restos du Cœur de l'Isère in France, which tackles hunger and reduces food waste.

Volunteer days

788



Bounce Forward

This year, we announced a multi-year funding partnership with, Bounce Forward, a charity with a big goal to support parents and teachers in every school across Great Britain to develop young people's psychological fitness.

Our employees have nominated almost 150 schools in their communities to receive fully funded support from Bounce Forward to help children build their mental resilience and emotional wellbeing as part of the core curriculum.

Britvic has long supported opportunities for young people. We're passionate about the importance of building healthy young minds – we recognise there is a need to nurture the next generation. Bounce Forward's scientific approach applies evidence-based concepts and theories – creating psychologically fit adults of tomorrow.

The charity has now contacted all schools nominated by our employees, and to date 32 primary and 27 secondary schools have taken up the offer of free training for their students.

As a result of employee fundraising and corporate funding, 5,640 children and young people in our employees' local areas and beyond are being taught the mental resilience and emotional wellbeing skills they need to flourish as adults in the future.



Sustainable business continued

Healthier People continued



Q Case study

Fundraising for Special Olympics Ireland

Britvic Ireland and the B-Seen network, which champions diverse ability and disability, supported Special Olympics Ireland by raising money to send athletes, Fiona Brady and Ayoub Deboub, to the World Summer Games in Berlin.

Several fundraising events took place, including a team hike, a bake sale in Kylemore canteen and an abseil from the Hogan Stand of Croke Park, raising more than €18,000.

Danielle Maher, Commercial Administrator, chose to do the Croke Park abseil as her uncle, Bobby, had previously competed in the Special Olympics for bowling. She said:

“

On the day of the abseil, I couldn't help but feel emotional. Helping a charity like Special Olympics and its athletes fills me with pride and I know it's something Bobby would be extremely proud of. One thing I love about Britvic is having opportunities like this and being able to give back to what's most important.”

Community partnerships continued

At the same time, we recognise brands have the power to positively impact communities. Tango has entered the second year of its partnership with The Prince's Trust and pledged to donate a further £120,000. This funding will help youngsters unlock their potential and give them access to one-to-one support including counselling, education and careers advice.

For the tenth year in a row, MiWadi and Trick or Treat for Sick Children are joining forces for Halloween – having raised over €3.5 million of vital funds for Children's Health Ireland to date.

Supporting young people is important to us. It's why our lab technicians are working with the Science Museum to create a free, interactive gallery that aims to inspire consideration of technical careers. It's why we have 48 apprentices working at Britvic across our business from engineering to marketing.

Product donations

On the North Coast of São Paulo our Araguari factory provided support after heavy rains and flooding. Juice was donated and we participated in the Drinks do Bem action, where drinks made with our products, was offered in exchange for a donation item.

Further product donations were made by our French business, which partners with Les Restos du Coeur to put unsold and surplus products to good use.



Employees took part in the charity's national collection, donating food and personal hygiene products to those who need them most.

In Great Britain, more than 3,000 drinks have been donated to Only A Pavement Away since March 2022 – supporting the charity as it works to offer training and employment opportunities to veterans, prison leavers and people facing homelessness.

Volunteering

Volunteering is at the heart of us making a positive contribution to our communities. Throughout the year Britvic employees have given up their time to help out.

In Great Britain, our IT team redecorated facilities at Sunnyside Rural Trust, a charity and social enterprise offering training and work experience to adults with learning disabilities. Others have spent time cleaning rivers with The Rivers Trust, raising money for industry charity GroceryAid and working in kitchens to provide meals for homeless people.



Employee health and wellbeing

Overview

Having happy and healthy employees is critical to Britvic's success. We recognise that each employee has an important role to play in creating and sustaining an inclusive and thriving working environment.

We know that when employees feel healthy, well and safe, they can reach their maximum potential.

We see health in the workplace as a complex blend of physical, psychological and social factors. We offer a variety of programmes that support employee wellbeing and encourage healthier lifestyle choices for all.

Employee wellbeing*



* Employees responded to the statement 'I feel Britvic genuinely cares about my wellbeing' on a five point scale ranging from strongly disagree to strongly agree. Their individual responses were then converted to a number on a rating scale going from 0 (strongly disagree) through 25, 50 and 75 to 100 (strongly agree). The overall score shown is the average of all these ratings.



Sustainable business continued

Healthier People continued

Employee health and wellbeing continued

Emotional wellbeing

Wellbeing is a fundamental part of the overall health and happiness of people at work, as well as at home. This year we organised voluntary wellbeing roadshows for our employees in Great Britain, which were attended by over 600 people. We targeted all working shift patterns to help our employees better understand their own mental health needs and highlight the tools available to them. Roadshows included sessions hosted by our Wellbeing Warriors, Mental Health First Aiders, the Britvic Reward team (to learn more about the health and lifestyle benefits available), our new charity partner Bounce Forward, our diversity network groups, and the Employee Involvement Forum (EIF), and our wellbeing score increased by three points in our employee engagement survey, following these roadshows.

Our 55 Mental Health First Aiders in Great Britain completed refresher courses, and we are now training additional Mental Health First Aiders to cover all shift patterns in our factories.

At the same time, we have strengthened and promoted our partnership with GroceryAid, the industry charity providing free and confidential emotional, practical, and financial support to anyone working in the industry, including Britvic employees.

Physical wellness

At Britvic we offer practical support to empower all our employees to make healthier choices.

Britvic employees who elected to take part in the healthcare plan in Great Britain now have access to a 24-hour doctor service, to see a GP whenever they want, wherever they are, 24 hours a day, 365 days a year.

In the last 12 months, we have actively addressed the topic of menopause in the workplace, highlighting its impact on countless employees and emphasising its significance as a natural life stage. Britvic has signed the employee menopause pledge, introduced a menopause support group and increased awareness and understanding through a series of workshops. These sessions were open to everyone to help foster an environment of openness, understanding and support, thereby reducing the stigma and misconceptions historically associated with menopause.

In June, we celebrated the British Nutrition Foundation's healthy eating week. We shared recipes, tips on nutrition and advice on how to reduce food waste.

We also encouraged as many people as possible to take part in a 100-day step challenge either individually or as teams.

Health, safety and product quality

Alongside health, the safety of our employees is our utmost priority. We have a relentless focus on risk reduction, adhering to safe and regulated practices, and the promotion of safe behaviours at all times.

Our lost time injury frequency rate (total lost time injuries per 100,000 hours) has reduced by 30% in 2023 in comparison to 2022 and now stands at a rate of 0.34[†]. The improvement follows employees engaging with health and safety programmes and cultural change initiatives such as the quality, safety and environment day at our Leeds factory, which focused on manual handling techniques, food safety and quality awareness.

We hosted awareness and education sessions on health, safety and environment for all French employees. These days were an opportunity for all employees to engage in fun, practical and interactive workshops on topics such as waste management, first aid, risk awareness within the factory environment and safe ergonomics.

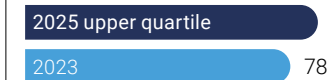
Food safety and quality culture within our organisation is critical to our success. This year we conducted a full employee survey to understand how we're doing and what more we can do. This is linked to our external certification standards, such as Food Safety System Certification 22000 and International Featured Standards certification which we proudly maintained in 2023. We have action plans in place to ensure continuous improvement in quality in the coming year, including updating our quality and health and safety standards.

Engagement and belonging

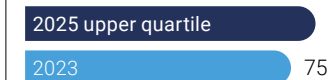
Britvic is a people business, where relationships matter, and where we want everyone to feel they can truly belong. Our shared purpose, vision and values are what drive us every day and everywhere. Whether it's length of service, attracting many generations of the same family, or people rejoining the company after they've moved on, there is something very special about working for Britvic.

We seek to be refreshingly dynamic, constantly evolving our business and keeping it future fit by attracting diverse talent and fostering a sense of inclusion every day. This is one way that helps us stay true to our vision be the most dynamic soft drinks company, creating a better tomorrow. We are very close to achieving our 2025 goals of being in the upper quartile of Engagement and Belonging.

Engagement



Belonging



We regularly seek feedback from our employees across the business through our engagement survey, Employee Heartbeat, to understand how they feel about the company, and why. The anonymous feedback is used by people managers, team leaders and senior executives to influence positive change across our business. Examples this year have included policy changes, adapting our ways of working and the way we look after our wellbeing and safety.





Sustainable business continued Healthier People continued

Employee health and wellbeing continued

Engagement and belonging continued

We are proud to consistently see our engagement scores above the global benchmarks, and in our May 2023 survey our scores continued to be stable and strong.

This year our engagement score is 78. This is based on employee answers to two questions: the extent to which they are happy working at Britvic and how willing they would be to recommend Britvic as a great place to work. Employees provide answers on a five point scale ranging from strongly disagree to strongly agree. Their individual responses were then converted to a number on a rating scale going from 0 (strongly disagree) through 25, 50 and 75 to 100 (strongly agree). The overall score shown is the average of all these ratings.

We currently have a score of 75 in belonging, based on responses to the statement: 'I feel a sense of belonging at Britvic'.



Equity, diversity and inclusion

Overview

We are a dynamic, creative and trusted company that respects and strives to represent the diverse values, voices and needs of everyone who works for or with us. We have set an ambition to be a truly inclusive organisation, mirroring the richness of the markets we operate in, and the communities we serve.

We recognise not all Britvic employees will have the same ability or access to resources, privilege and opportunities. Accordingly, we are working towards providing the right support, resources and opportunities for our employees to have a happy, healthy and successful career at Britvic. Similarly, we acknowledge, respect and value peoples' differences, visible or not. A workforce with diversity of age, disability, gender identity, ethnicity, religion, nationality, marital status, parental/carer status or socio-economic background, expands our collective conscience and creativity. As well as standing against discrimination in all its forms, we embrace and celebrate diversity.

For the first time this year, we invited employees to share some of their protected characteristics in our Employee Heartbeat survey – including sexuality, gender, ethnicity, disability and diverse ability. This was managed confidentially, and 87% of people chose to select their characteristics. We learnt that gender or ethnicity generally doesn't impact the way employees feel about working at Britvic. Britvic employees who identify as LGBTQIA+ are generally more positive and engaged, have stronger wellbeing and belonging scores, relative to the company average. This exercise also showed we need to better understand the needs of disabled employees and we have plans in place to do this.

Alongside the quantitative data, our Employee Heartbeat survey also gives us a qualitative view of employees' opinions through the thoughts they share verbatim.

Overall, we're proud our scores are comfortably above the global benchmark for both consumer companies and manufacturing organisations. However, we want to continually improve our ways of working and make Britvic an even more refreshingly dynamic employer.

In response to this latest survey, we have focused our efforts on growth and development. We have deployed a comprehensive suite of learning opportunities, including specialised training to develop the skills of our commercial and supply chain teams, and our people managers. Face to face training is supported by a suite of nearly 100 online learning resources – so far over 31,000 courses have been completed by our employees.

Family friendly policies

We have been listening closely to employee feedback and ideas, both through our Employee Heartbeat surveys and regular engagement with our employee network groups. Both provided invaluable insight into how our policies could be more inclusive, flexible and focused on the times in peoples' lives that really matter.

As a result, we have made a number of positive changes to the specific application and language of our people policies in Great Britain to ensure we remain competitive and that our offerings support an equitable and inclusive environment, truly led by our values.

Along with more inclusive and accessible language, we have made very practical changes to key policies. All Britvic people in Great Britain are eligible to these benefits from their first day of joining the business:

- Paternity leave has been increased from two weeks to four weeks at full pay
- Carers' leave, which includes up to 26 weeks unpaid, now offers one week at full pay
- Our bereavement leave policy now covers parents who have experienced miscarriage or a failed fertility treatment
- The ability to exchange bank holidays for religious days
- Time off at full pay for all medical appointments with no restriction on the number of appointments
- Offer more menstrual and menopause support

Diversity network groups



B-Diverse promotes increased racial, ethnic and cultural diversity in the business and supports Black, Asian and ethnically diverse employees in bringing their true selves to work.



B-Empowered champions gender equity and gender parity. It supports the attraction, development and retention of great female talent.



B-Proud connects and supports LGBTQIA+ employees and straight allies.



B-Seen is passionate about Britvic attracting, retaining and championing employees with disabilities and diverse abilities.

Sustainable business continued

Healthier People continued



Equity, diversity and inclusion continued

LGBTQIA+ inclusion

Our B-Proud network group exists for the LGBTQIA+ community and straight allies, demonstrating inclusion and inspiring others to be their authentic selves at Britvic.

In June, we marked Britvic Allies Day to celebrate, spotlight and thank our amazing allies. Our B-proud network hosted a live Spill The Tea panel session to talk about being proud, visible, and how to champion equity, diversity and inclusion. This was followed by workshops and celebrations across our sites in Great Britain, kicking off a host of Pride Month activities including a Pride themed episode of our employee podcast and a suite of information packs and listen and learn sessions that were made available on our learning platform.

Some of our key brands continued to take an active role in supporting the LGBTQIA+ community. Robinsons partnered with Sainsbury's in support of LGBTQIA+ charities Sparkle and akt during Pride month, donating 15p per promotional Robinsons Creations pack.

Sparkle is the national transgender charity and the money raised helped support The Sparkle Weekend. This is the world's largest free-to-attend celebration of gender diversity, and a safe space for anyone who identifies as gender non-conforming, their families, friends, and allies.

It also went to akt, formerly the Albert Kennedy Trust, which supports LGBTQIA+ young people aged 16-25 in the UK who are facing or experiencing homelessness or living in a hostile environment.

In Ireland, Ballygowan was the official water sponsor for the Limerick Pride festival for the second year running with employees handing out water to festival goers and participating in the Pride parade.

All of the fantastic work carried out by our B-Proud network to promote and support Pride month was recognised by trade publication The Grocer. Our B-Proud co-chair, Cyril Leopoldo was named as one of the top 10 activists making the grocery industry better for the LGBTQIA+ community, using his own experience to help others and speak out against discrimination – helping us create a truly inclusive environment for everyone at Britvic.

Disability

Over the past two years, Britvic Ireland has partnered with the charity KARE to support people with disabilities and help them fulfil their potential. Britvic Ireland provided a 12-week internship to two individuals on the KARE programme, that proved to be so successful that both individuals now work in our Kylemore and Rathcoole sites on a permanent basis.

The partnership between Britvic Ireland and KARE continues to grow, with employees from across Britvic Ireland using community days over several weeks to help renovate three KARE supported living properties. Two of our senior sales managers held a one-day training session with the volunteering partnership team at KARE to offer training on sales techniques and building partnerships with organisations. We also worked with marketing agency Oliver to revamp KARE's website and create a contemporary logo to modernise their brand.

We are a member of the Business Disability Forum which helps us design support programmes and frame our policies. Having access to their knowledge, as well as a chance to learn and share best practice with like-minded organisations, enables us to increase the support we provide to disabled employees.

In Great Britain, we marked Neurodiversity Celebration Week in March in order to help challenge stereotypes and misconceptions about neurological differences. Paul Graham, Managing Director of Great Britain, spoke at the Diversity & Inclusion in Grocery event about what we have learnt and of our journey to support, recruit and retain neurodiverse talent, and how Britvic is creating an inclusive culture by prioritising awareness, education and listening.

Gender balance

Britvic is committed to achieving gender balance in leadership by 2025 and this year achieved 39.5% women in leadership globally. While this number is lower than we would like, we are continuing to pursue our goal. As part of this continued effort, in 2022 we ran a female mentorship programme called Fizz to accelerate female talent. Based on participant feedback we've taken the best of the content and integrated it into our broader leadership programmes so participants can benefit from an inclusive culture.

In March, our employee network, B-Empowered, led a global celebration for International Women's Day – showing the importance of recognising the difference between equality and equity, and how to fight unconscious biases. This allowed us to celebrate globally and shine a spotlight on some of our great female talent.

Race, ethnicity and culture

Representing the communities that we serve matters to us a great deal. It's why we participate in the cross-industry Black Representation in Marketing initiative and are looking to increase the ethnic diversity in our marketing campaigns in Great Britain, from researchers to influencers and the casting of commercials. Our latest Robinsons and Tango marketing campaigns are the result. In addition to this, our network group B-Diverse has created an advisory panel that brand teams can consult to check for cultural sensitivity and ensure that we authentically represent the communities that are featured.

Britvic employees based in Great Britain now have the ability to exchange bank holidays for religious days. We proudly marked Black History Month, and on Windrush Day welcomed actor Rudolph Walker CBE who shared his experiences as part of the Windrush generation. We also celebrated Channukah, Christmas, Chinese New Year, Diwali, Eid and Vaisakhi.

Sustainable business continued

Healthier People continued



“

At Britvic, we hold the principles of equity, diversity, and inclusion as key to our sustained growth. We are actively monitoring our advancements in addressing both the gender and ethnicity pay gaps. Through these efforts, we aim to foster discussions about workplace equality and motivate actions that lead to a more inclusive future.”

Elly Tomlins
Chief People Officer

50.0%

women on the Britvic Board

12.5%

ethnic diversity on the Britvic Board

39.5%

women in senior leadership roles

6.4%[†]

of senior leadership roles held by Black, Asian and ethnically diverse employees

Inclusion pay gap report

The following pages cover our gender and ethnicity pay gap for the 1,960 employees based in Great Britain who were employed by Britvic on 5 April 2023. We use this specific date to ensure the data is comparable with the same date in 2022. This tracking enables us to measure our progress and identify actions to support the increased representation of diverse employees at Britvic.

It is important for us to understand our pay gaps for both gender and ethnicity so we are open and transparent with our employees and to help us take action. These reports give us the information we need to inform our strategy to become more inclusive and diverse and to take the necessary steps to address the pay gaps.

For the second year running, we have voluntarily expanded this section to include the ethnicity pay gap for our workforce in Great Britain. With 99% of employees in Great Britain declaring their ethnicity, this gives us a strong foundation for our reporting. We continue to be a signatory of the Change the Race Ratio pledge to formalise our intentions.

Understanding the difference between mean and median

We look at both the mean (average) and the median (middle) for pay gap reporting. The mean gap is the difference in average hourly pay (adding all pay rates together and dividing by the total number of people).

The median pay gap for gender is the difference in hourly pay between the middle paid (the person at the mid-point if you were to line all employees up from low to high) female employee and middle paid male employee.

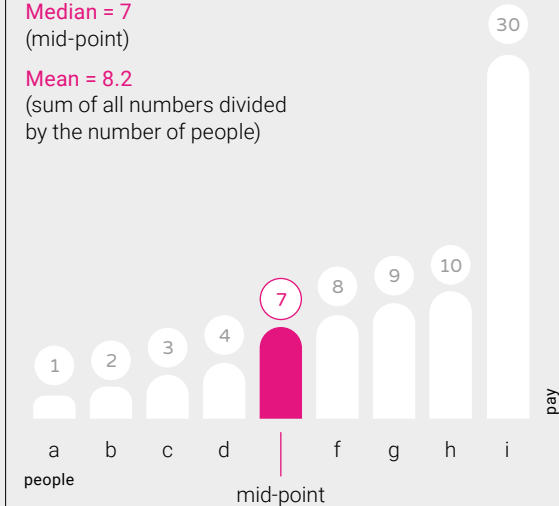
The median pay gap for ethnicity is the difference in hourly pay between the middle paid white employee and middle paid ethnically diverse employee.

While both figures are valid measures, the median is a better measure to consider when the data being examined is not evenly distributed. Unlike the mean it is not influenced by the outliers at the top and bottom of the distribution.

An example of how it works

Median = 7
(mid-point)

Mean = 8.2
(sum of all numbers divided by the number of people)



The pay gaps show the difference between the average and median earnings of men and women and between white and ethnically diverse employees across the business, regardless of the nature of their work.

The gender pay gap and the ethnicity pay gap are 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 and white and ethnically diverse people performing these jobs varies, a pay gap exists.

2020 baseline

40% women in leadership

Black, Asian and ethnically diverse leadership in Great Britain and Ireland at 3%

2025 goals

Gender balanced leadership

Increase our Black, Asian and ethnically diverse leadership in Great Britain and Ireland to 10%



Sustainable business continued

Healthier People continued

Inclusion pay gap report continued

Actions we have taken

Increasing awareness and education

- We've been running education and awareness programmes on topics related to ethnically diverse groups. This includes Black History Month or celebrating festivals like Diwali and many more. Read more on page 41
- We've arranged panel discussions on the topic of ethnic diversity and how our employees can create a culture of inclusion
- We're creating and publishing videos documenting the experiences of diverse Britvic employees and how they feel working at Britvic
- We've provided access to prayer rooms across our sites in Great Britain to enable employees to have the space to practise their religious beliefs while at work
- We've conducted an engagement survey with employees with protected characteristics to understand their needs and raise awareness of the lived experiences of the diverse groups working for Britvic. Read more on page 40

Diversifying recruitment

- We track gender through all of our recruitment stages
- We're working alongside diverse partners such as DIAL Global and Diversity in Grocery to attract more diverse talent to the business

Supporting early careers

- We're developing our graduate and apprenticeship programmes to ensure new hires come from more diverse backgrounds. This year's graduate scheme cohorts are 80% female and 30% ethnically diverse. Our engineering apprentices are 12% female and 18% ethnically diverse
- We partnered with social mobility charity UpReach this year to enable students from less-advantaged backgrounds to take part in work experience at Britvic. Of the students who took part, 52% were female and 72% were ethnically diverse

Change the Race Ratio

Commitments to change

Ethnically diverse representation in leadership roles is a priority for Britvic, just as it is for regulators, investors, consumers and employees. We need to pick up the pace of progress and turn intent into action and change, which is why we were one of the first 100 companies in the UK to sign up to the Change the Race Ratio pledge.

Increasing representation

We believe in challenging targets that create focus and measure progress. Our commitments as signatories of the pledge are to:

- Increase racial and ethnic diversity among Board members, with at least one racially diverse Board member by 2024
- Increase racial and ethnic diversity in senior leadership, with 10% of senior leadership roles held by Black, Asian and ethnically diverse employees in Great Britain and Ireland by 2025
- Improve transparency through ethnicity pay gap reporting
- Create an inclusive culture in which diverse talent can thrive

Transparency

We will be transparent about our progress against these targets, providing updates to our employee network groups, in this report and on our website.

Culture

We want everyone to feel that they belong and that the company is inclusive of all its employees. This means allowing ideas to be shared, celebrating our similarities and differences and empowering talent from all diversities to thrive and succeed.

- We value having a better representation of racial and ethnic diversity in senior leadership and our focused efforts resulted in having 6.4% of senior leadership roles held by Black, Asian and ethnically diverse employees

Ethnicity pay

2023 is the second year we have reported our ethnicity pay gap. We have 99% ethnicity declaration by employees in Great Britain which allows us to provide an accurate gap analysis. Our median ethnicity pay gap is 12.2%, down from 14.5% in 2022 and our mean ethnicity pay gap is 13.3%, down from 13.8% in 2022. We're moving in the right direction, having increased the number of ethnically diverse people in the business by 7.8% since 2022. However, as the overall Britvic population has grown, we recognise that the ratios have remained the same and more work remains to be done.

Equally, our analysis of representation versus local census data shows that in the central corporate functions, which are based in Hemel Hempstead and Solihull, we have very strong and above average representation of ethnic diversity. There are further actions required to create an opportunity to drive this progress at our manufacturing sites, including Beckton in East London and Leeds. We track the pay gaps and trends for each of our core ethnicities, in line with the UK census categorisation, however as these populations are small, they are subject to significant fluctuations year on year.

There is something special about working for Britvic which is evidenced in multigenerations of employees working for the company or the long tenure of many of our staff – with an average of 7.85 years (8.63 in our supply chain) in Great Britain and a global voluntary turnover of 10.6%. When we do recruit, it's important to us to attract diverse talent and foster a sense of inclusion. Through this recruitment process, we aim to improve diversity and represent the communities we serve. We know this will take time, but our entire business is focused on closing this gap fairly and equitably.

16.8%

Ethnically diverse*

83.2%

White

12.2%

Median ethnicity pay gap

13.3%

Mean ethnicity pay gap

* We define an employee who does not identify as white as ethnically diverse. This does not include employees who haven't declared their ethnicity or prefer not to say.



Sustainable business continued

Healthier People continued

Inclusion pay gap report continued

Our progress

Gender pay

Our gender pay gap continues to be skewed towards women which means that the average earnings of women are higher than men. Britvic has a -14.2% median pay difference against the UK average of 14.3%¹. The mean gap continues to favour women and stands at -5.4% in 2023.

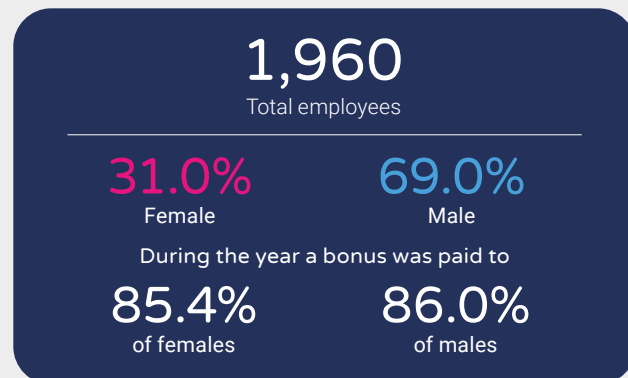
The primary driver of this is the structure of our workforce which, in line with the industry we operate in, is weighted towards manufacturing and distribution operations – the lower end of the pay scale – where the balance of the workforce is predominantly male (70:30).

Simultaneously, the mean gap is increasing due to a widening absolute value hourly rate difference. The male mean hourly rate has increased by 3.8% while the female mean hourly rate has increased by 4.9%, reflecting the increasing number of women promoted to higher levels in the organisation.

We have a higher number of males at a senior level. This increases the average pay relative to women (even though overall it's lower). By comparison the median male is less affected because of the high number of males at a more junior level.

Our female representation across the business has remained static overall but it is encouraging to see an increase in our representation for our middle to senior roles. Our Executive team now has a 36.4% female representation (up from 27% in FY22).

¹ Gender pay gap in the UK, ONS.



Explaining the gap

Representation

We know that like many companies we need to build greater representation at more senior levels, from managers and beyond. Right now about three quarters of our ethnically diverse employees are in junior roles. This is a multi-year journey for Britvic and core to our equity, diversity and inclusion journey.

Promotions

When promoting employees within the business it is common for them to come in at the entry salary level for that particular role. We have made progress in promoting more ethnically diverse talent, however the tenure of our ethnically diverse talent is below the average. Therefore, when they are compared against employees who have been in the role for a significant amount of time, there is a gap to address.

We are promoting women at a faster rate than men. Our Accelerate (Britvic's future leaders programme) and Fizz (Britvic's female mentorship programme to accelerate female talent) alumni have been key contributors to this as 60% of the promotions come from these cohorts.

What's next?

- We are constantly evolving our attraction and retention strategy, particularly for senior managers where representation is lowest. Our existing career site has been updated to make it more attractive and inclusive to all facets of diversity. We are monitoring and measuring the lifecycle of our recruitment process as well as our internal promotions process to understand the barriers so we can take positive actions to remove them
- Our B-Empowered network group, which represents the attraction, retention and development of great female talent, are running awareness and educational sessions to promote role models within the business

-14.2%

Median gender pay gap

-5.4%

Mean gender pay gap

-9.9%

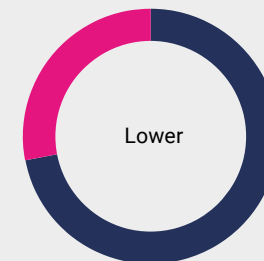
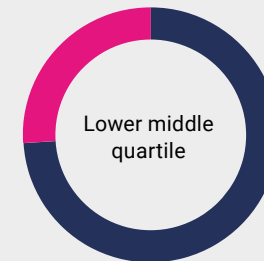
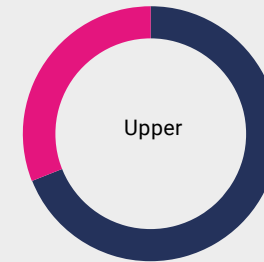
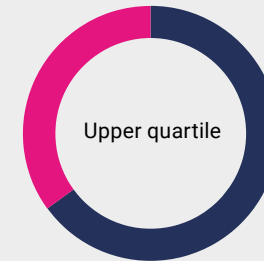
Median bonus pay gap

6.3%

Mean bonus pay gap

Gender diversity as at 5 April 2023

Pay quarter gender split in Great Britain



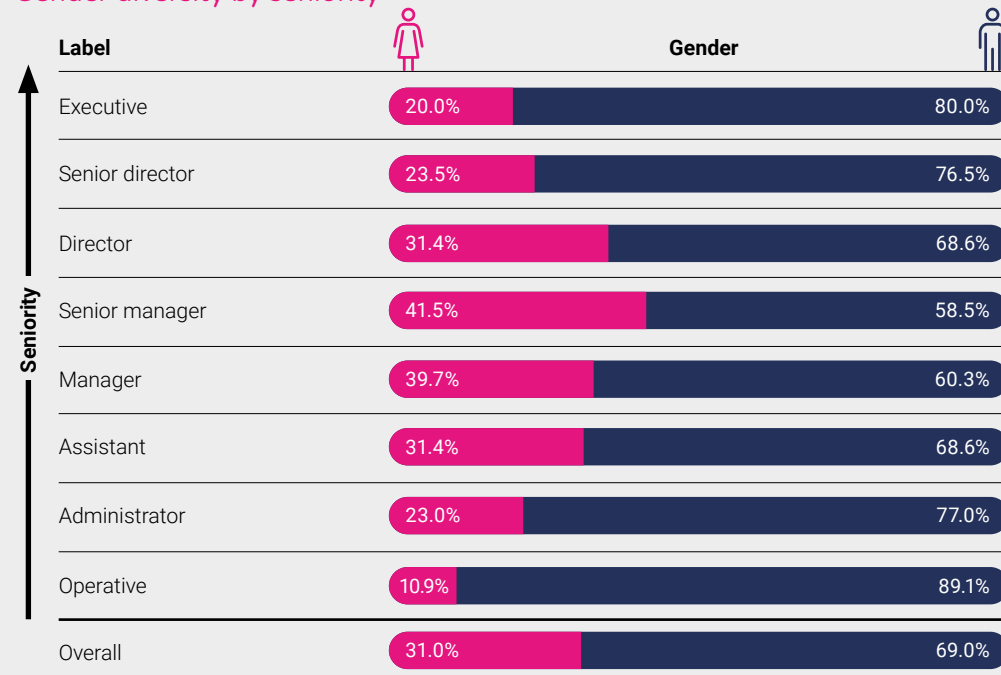


Sustainable business continued

Healthier People continued

Inclusion pay gap report continued

Gender diversity by seniority



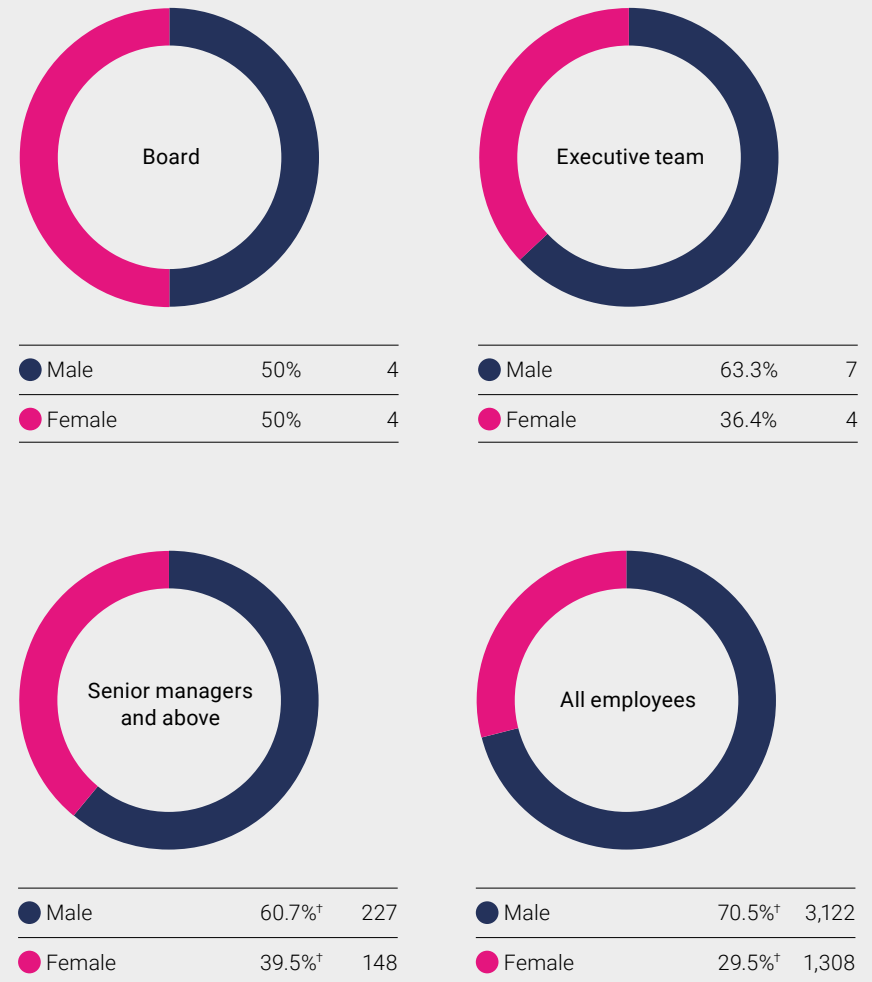
Gender pay gap

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.

Our gender pay gap is skewed towards women which means that the average earnings of women are higher than men. Britvic has a -14.2% median pay difference against the UK average of 14.3% 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 (70:30).

Gender diversity as 30 September 2023

Key roles globally





Sustainable business continued

Healthier Planet

We recognise we have an important part to play in tackling climate change, and are keen to act today to protect our planet for future generations. We also know there's only so much we can do alone. We need to partner with others to help minimise environmental impact. We also need to take a long-term view, and make sure sustainability is part of our everyday decision making.

Our Healthier Planet strategy focuses on the four key areas where we believe we can have the greatest impact: **packaging**, **carbon**, **water**, and **biodiversity**.



Reimagining packaging

Overview

We believe in providing packaging choices that reduce environmental impact, and always make sure our packaging doesn't become waste. This means innovating to give shoppers and consumers a wide range of options – from sustainable plastic or aluminium packaged drinks in multiple formats, to flavouring billions of water occasions from small bottles or cartons with concentrated squashes and syrups, to products with no packaging at all.

Regardless of the choice they make, we want them to feel good about their decision, confident that the drink they've chosen has the smallest possible effect on the planet across its total lifecycle.

There is no single, obvious answer to the packaging challenge – and we're learning fast how interlinked the different aspects of environmental sustainability are. So, a decision that supports one goal may negatively affect another. For example, the use of an aseptic production line will eliminate the need for preservatives in a drink, but it will also use more energy and therefore more carbon. Similarly, moving from one type of packaging to another may appear to be more environmentally friendly. But when we look at the total impact, including weight per serve for logistics and distribution purposes, it may well not be.

We've made steady progress against our integrated, three-part packaging strategy that offers a range of solutions to a complex, vast and fast changing aspect of our business.



Sustainable business continued

Healthier Planet continued

Reimagining packaging continued

Overview continued

Recyclable packaged drinks

Where packaging is necessary, we aim to establish a fully closed loop system where all bottles and cans are repeatedly used and recycled. As part of this ambition, we have made sure all bottles and cans in Great Britain and Ireland are fully recyclable and where possible, we reduce our packaging through design. In Brazil this year, all 500ml PET bottles have been lightweighted while further lightweighting has been made to the secondary packing boxes of our 180ml and 200ml juice cartons.

Our aim is to increase recyclability across our packaging. This year, 99.6% is recyclable in Great Britain and Ireland – with only our bag in box connectors and drops dispensers currently outstanding.

We actively support the roll out of well-designed Deposit Return Schemes (DRS) to increase recycling rates and establish a functioning circular economy for plastic. This needs to happen so we have sufficient supplies of recycled food-grade quality PET to re-use in our bottles.



In Great Britain, we welcomed the Department for the Environment, Food & Rural Affairs (Defra) to our Beckton site in January, to bring to life the impacts of DRS, complexities and the importance of industry-government collaboration. In Ireland, a DRS is due to go live in February 2024. We are highly supportive and are championing the integration of soft drinks containers into the circular economy, with Kevin Donnelly, Britvic Ireland's Managing Director, serving as a Non-Executive Director on the Re-turn board.

A well-designed Deposit Return Scheme would help us increase the level of recycled plastic (rPET) in our plastic bottles in Great Britain and Ireland. Currently, Ballygowan Mineral Water and Plenish bottles are made from 100% rPET.

Through working with suppliers and technical teams the total percentage of rPET in our bottles across Great Britain and Ireland has increased from 22% to 26%. Our biggest challenge to reaching our longer-term target is the availability of high quality food-grade rPET sourced from places that meet our required technical and ethical standards and balance carbon impact.

Meanwhile in Brazil, we partner with eureciclo to meet our legal requirement to recover at least the equivalent of 22% of packaging that we place on the market. We are going beyond this and are recovering all packaging we sell to our customers.

Maximising serves per bottle

We're making the most of our flavour concentration expertise to create more choice across our much-loved Robinsons and Teisseire ranges. Each bottle of these family favourites is enough to flavour 20–40 drinks, depending on the bottle size and that doubles with our double concentrated range. This expertise means we're leading the way when it comes to maximising the number of serves per packaged item.



Case study

The Robinsons Ecopack

Household favourite, Robinsons, trials super strength squash in a new packaging concept, made with 89% plant-based materials.

To help achieve our ambition to flavour billions of water occasions and reduce unnecessary packaging, we launched a new packaging concept, Robinsons Ecopack – a highly concentrated squash in a plant-based carton.

Launched exclusively in selected Tesco stores across the nation with the slogan 'more serves, less plastic', the Ecopack provides 60 serves per 500ml, with 85% less plastic per serve than a Robinsons one litre double concentrate bottle. This means one carton is equivalent to three single concentrate bottles and results in significantly less packaging per serve. Equally, it also takes up less space, meaning more serves can be transported per truck and therefore reducing road miles.



All packaging types have their own unique benefits and challenges, and we know there is currently no one silver bullet. That said, we believe that continuing to innovate with products such as Robinsons Ecopack will bring us one step closer to a solution and provide consumers with a range of options."

Fiona Graham

Innovation lead for Robinsons



Sustainable business continued

Healthier Planet continued

Reimagining packaging continued

Overview continued

Beyond the Bottle

Our R&D team is developing innovative ways to serve high quality drinks without the need for unnecessary single-use packaging – an initiative we call Beyond the Bottle.

For decades, we've been experts at serving delicious drinks on dispense in hospitality settings and we've been increasing the number of outlets using this model – for example our recent contract with the O2 Arena in London. More recently, our experts have been pioneering new forms of technology to create additional premium serve options. We have created our London Essence Freshly Infused fountains – the first premium tonic on tap. It uses patented micro-dosing technology to freshly infuse tonic water with distilled botanicals at the point of serve, so there is no need for packaging.

This year, installations of our London Essence Freshly Infused fountains in hospitality venues across Great Britain have continued to grow with over 1,450 taps now in place, up 49% on last year. The brand has also collaborated with spirit brand Avallen Calvados and spirits distribution system EcoSpirits to create the ultra-low waste Sustainable Spritz, which eliminates the need for single-use glass. Soda from our freshly infused dispense system is blended with EcoSpirits' drinks from a reusable 'EcoTote', eliminating the need for packaging.



We have also established The Aqua Libra Co, which uses Amazon Web Services technology, to provide consumers with still, sparkling and flavoured drinks from state-of-the-art taps, without the need for any packaging.

Over the year, we've continued to increase installations of our Aqua Libra Flavour Tap across Great Britain, serving an estimated 493,500 packaging-free drinks annually.

Aqua Libra Co's vision is to be the most sustainable water brand and this year, it partnered with the Canary Wharf Group to launch London's first WasteShark in Middle Dock at Canary Wharf. The WasteShark is a marine robot designed to clear plastic waste from waterways while collecting data to improve the surroundings. It can travel up to 5km through water and collect up to 500kg of waste per day as it guides itself. All collected waste is recycled where possible, while the unit collects data about the quality of water. It produces no carbon, noise, or light pollution as it travels, and poses no threat to wildlife.

As we continue to increase the number of dispense solutions we have in the market, one of the challenges is how to sustainably manage the disposal of equipment at the end of its life. Python lines are groups of insulated tubes that transport a soft drink from a storage location, for example a pub cellar, to its point of dispense on the bar, while ensuring it is kept cold. Having a life expectancy of 7–10 years, we replace approximately 80km of python lines every year and historically these have been difficult to recycle, ending up in landfill.

Working with our waste management partners we are collecting, washing and recycling the python lines – reducing environmental impact and giving the material a second use. Old and broken pumps are following the same process and being stripped into their constituent parts for recycling.



“We are so pleased to be launching the WasteShark in partnership with Aqua Libra. This innovative marine technology will help us to tackle waste and maintain the environment.”

Sophie Goddard
Director of Sustainability, Canary Wharf Group

Sustainable business continued

Healthier Planet continued



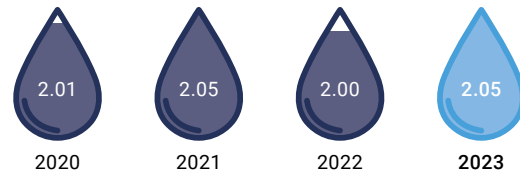
Water stewardship

Overview

Water is our most precious ingredient and is coming under increasing pressure across our markets. It is essential to our production process and used widely throughout our value chain. Managing our impact on water, and protecting this precious resource, is a critical priority for us.

Water efficiency

Water ratio



In 2023, our water ratio increased by 2.5% compared to last year, meaning we are using more water to produce a litre of product. We are cleaning our lines more frequently because we're producing an increased number of products on each line. For example, we've moved more products into can formats alongside bottles, such as Lipton Ice Tea. We're also manufacturing more products on our clean-fill and aseptic lines, which means we can produce more drinks with no need for preservatives but the lines require more water. One-off events such as new line commissions, insourcing previously outsourced production, and, unfortunately, on-site leaks have also contributed to the increase.



As a company we are far from satisfied with this result. To address all this we are investing in improved telemetry which will allow us to understand water use at a more detailed level, specifically where we use it and where we lose it.

Across our sites, cleaning between production runs remains one of the biggest uses of water. We have focused on optimisation projects to shorten rinse times and reduce water used per clean. Where possible, we are capturing water we have already used for cleaning and using it a second time – for example, to flush our on site toilets.

In Great Britain we continue our partnership with The Rivers Trust. This year employees have continued to volunteer to improve local waterways. At the River Roding, close to our Beckton site, teams have managed vegetation along the banks and built barriers to drive natural water flow.

We have also part-funded two wetland restoration projects, close to our Beckton and Leeds factories, which are now in the design phases. We're seeking planning permission from local councils to enable construction early next year.



Case study

Water stewardship in Brazil

In Brazil, water stress is greater than in other markets. To protect future supplies, we are working hard to implement new processes and solutions. Water reuse projects such as a reverse osmosis system at our Aracati site and water recovery process on our PET line rinser and pasteuriser at our Astolfo Dutra site have been rolled out with the 71,962m³ of water recovered and reused.

True water stewardship means that we need to look beyond our own operations into the catchments we operate. Following a successful audit our Astolfo Dutra site has become our first factory to receive the Alliance for Water Stewardship standard certification. This standard allows us to understand our water use and impacts, and work collaboratively and transparently towards sustainable water management.

The process included working with the local community on shared water challenges through a site open day and the development of a detailed roadmap to drive long-term improvements in water stewardship.

Sustainable business continued

Healthier Planet continued



Decarbonisation roadmap

Overview

As part of our mission to make a net positive contribution to society, we're tackling our carbon footprint head on. Through innovation, using low carbon technology and energy sources, and establishing a sustainable supply chain, we want to play our part in securing a healthier future for our planet.

We've committed to achieving net zero carbon emissions by 2050 and we led the industry as the first UK soft drinks company to have a 1.5°C target approved by the Science Based Targets initiative.

This year, we've undertaken numerous projects which will support carbon reduction. At the same time, we've increased the number of products across our portfolio, developed new innovative products and brought previously outsourced production in-house. This has led to an increase in energy and heat intensive processes such as cleaning and heating at our Rugby site, where we currently use natural gas as part of our combined heat and power plant. As a result, our Scope 1 and 2 market-based emissions have seen a 1.6% increase compared to last year. The increase has largely come from our Rugby site, which has absorbed increased production requirements.

Scope 1 and Scope 2 carbon intensity ratio (market-based, tCO₂e/thousand tonnes production)



Scope 1 and Scope 2 market-based emissions (tCO₂e)*



* For full information see page 65

Our overall Scope 1 and 2 emissions remain 32.6% lower than our 2017 baseline and we remain committed to driving this down further by transforming how we operate and introducing energy efficient production processes across our sites. As part of our TCFD programme, and to ensure an ongoing focus on decarbonisation, we've established a dedicated steering group. It aims to drive best practice, track progress towards our target and build collaborative solutions to reduce carbon.

At our Beckton site in Great Britain, the installation of the two industrial ammonia heat recovery systems and a large thermal store is now underway. Part-funded by a £4.4 million government grant from the Department for Energy Security and Net Zero, it means we can switch heating from natural gas boilers to carbon-free heat extractors. When switched on next year, site carbon emissions will be reduced by an estimated 1,200 tonnes annually – equivalent to the annual energy usage of around 500 UK homes.

Alongside this, further carbon saving projects have been completed across our sites in Great Britain this year. They include switching our forklift truck fleet from LPG to Bio LPG, improving pump efficiency and reducing the temperature of cleaning processes. We've also seen the sharing of best practice across sites to help create carbon savings. Following a successful launch in Ireland last year, the energy intensive process of pasteurisation of Robinsons has been stopped at our Beckton site, with the same happening at our Rugby factory next year.

In Brazil 98% of energy used across our sites annually now comes from renewable sources, including biomass or electricity from solar, wind or hydroelectricity. While in France, carbon reduction projects have continued such as installing LED lighting, steam network insulation and the powering of pallet wrapping machines using electricity instead of natural gas. Additionally, we ran a photovoltaic study to explore the potential for onsite solar installation and installed electric vehicle charging stations to encourage employees to switch to an electric powered commute.



Our first renewable power purchase agreements

Both our British and Irish businesses signed power purchase agreements for home-grown renewable energy this year. In Great Britain, a new solar installation in Northamptonshire will generate energy exclusively for Britvic from January 2024. It will be capable of generating 33.3 GWh of clean energy a year – enough to power 75% of Britvic's current operations in Great Britain. Meanwhile in Ireland, renewable electricity will come directly from the Sonnagh Old Wind Farm in Moneylea, Co. Galway. This will power 100% of the electricity used in our Newcastle West site and 75% of the total electricity requirements across our business in Ireland.



Our Healthier People, Healthier Planet strategy is a critical commercial driver for us, and nothing demonstrates this more than our factories and warehouses being powered by clean, green, domestic renewable electricity to produce the iconic quality brands that consumers love."

Matthew Phillips,

Senior Category Manager for Co-Pack and Utilities, who led the power purchase agreement negotiations.

Sustainable business continued

Healthier Planet continued

Decarbonisation roadmap continued

Reducing our value chain emissions

Scope 3 emissions remain the largest contributor to our overall carbon footprint and therefore represent our greatest opportunity for emissions reductions. To achieve our 2025 net zero target, we are committed to collaborating with our suppliers across our value chain.

Since our 2017 baseline we have been reducing our Scope 3 carbon emissions. Reductions have primarily been driven by a move from steel to aluminium cans in Great Britain and Ireland, and the end of major construction works in our supply chain in Great Britain. We've also switched from sugar to sweeteners in many products, aligned to the introduction of sugar taxes, moved to lower carbon packaging material and improved chiller stock management and efficiency.

The Great Britain and Ireland procurement team has continued to make progress against its detailed Scope 3 emissions reduction roadmap. In 2023, Robinsons Cordials' outsourced production was moved from Europe to Great Britain, increasing amounts of ammonia-based carbon dioxide was switched to a bio-based alternative, and sourcing of non-agricultural ingredients such as citric acid was localised from China to Europe.



Thermal store installation taking place at our Beckton site, part of the new heat recovery system to improve energy efficiency and cut carbon emissions.

Scope 3 emissions from fuel- and energy-related activities and electricity used by our customers to run chillers have both increased. Emissions factor changes as well as improved data collection processes have been the main drivers for the increase.

Reducing carbon in logistics

Getting ingredients and packaging to our sites and delivering our products to our customers represents a significant carbon challenge. In Great Britain we are tackling it by partnering with others to cut journeys and move to alternative, more efficient transport solutions where possible. At our Rugby site, La Palette Rouge is now using longer trailers to deliver pallets, fuelled by hydrotreated vegetable oil – a lower carbon fuel. A standard delivery is 520 pallets, but the new trailers allow for 600 pallets per order. Over a year, estimates suggest this will result in 150 fewer lorry journeys.

Working with Eddie Stobart Logistics, deliveries from our sites in the Midlands to Scotland have been moved from lorry to train, while smaller orders are being allocated delivery days by region to allow improved journey planning. Eddie Stobart has also taken over inbound delivery of plastic bases from a third-party haulier, reducing lorry movements on our sites as the same vehicle then reloads with finished goods.

Sustainable supply chain

Our influence on the environment and communities extends far beyond our immediate activities. Our extended supply chain encompasses the sourcing of ingredients and materials, customer service, and product delivery to consumers. Given the global reach and magnitude of our supply chain, it is crucial that we cultivate robust and co-operative partnerships with our suppliers and partners.

Through these partnerships, we can instil greater trust in the ethical and environmental practices throughout our extensive supply chain. Together, we can actively collaborate to reduce our collective footprint and limit the impact we all have on the environment and communities.



Supplier summit

Reducing our Scope 3 emissions will be delivered in partnership with our suppliers. During the year we welcomed over 50 of them to our first ever supplier sustainability summit. The key goals were to educate and increase awareness of our sustainability commitments, drive collaboration and to place sustainability at the heart of our supplier partnerships.

Attendees from across Europe, representing approximately 70 – 80% of our Scope 3 carbon emissions, were introduced to our Healthier People, Healthier Planet strategy. They listened to guest speakers and took part in panels to share best practice. The event saw the launch of our new sustainable business contract clauses, covering climate targets and emissions reporting. Suppliers have also been asked to sign up to sustainability platforms Sedex, an ethical supply chain assessment platform, and EcoVadis, a sustainability assessment platform, set science-based targets and align with sustainability verifications or certifications.

At the summit we also launched the Britvic sustainable supply chain finance programme. This recognises and rewards suppliers who make progress on their sustainability performance, commitment, and disclosure, and will result in a phased reduction of the supplier financing rates.

Sustainable business continued

Healthier Planet continued

Decarbonisation roadmap continued

Working with sustainable suppliers

We're using EcoVadis to evaluate the sustainability performance of our suppliers and encourage ongoing improvements. More than 90 have successfully completed their assessment, which is now part of our minimum contractual commitments for our European suppliers. This initiative will mean more transparent discussions about our collective goals for people and the planet, as well as allowing us to identify specific areas where improvement is needed.

Ethical sourcing

Our commitment to responsible sourcing of materials and ingredients for our drinks is unwavering, and we continually strive to uphold the highest ethical standards. We hold our suppliers and partners to the same rigorous criteria. Our approach is firmly rooted in international conventions and standards, including the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

We extend our ethical sourcing policy to encompass our suppliers and all trading partners, and we diligently monitor compliance through our responsible sourcing programme.

By partnering with Everstream Analytics, a predictive insights and risk analytics platform for physical supply chains, we will further develop our risk monitoring of our tier 1 suppliers including reputational and climate risks. We now plan to use this technology to map our supply chain and identify risks further up the supply chain for high risk materials.

Our own operations undergo SMETA (social) audits every three years to make sure we stick to ethical standards. In the spirit of transparency, these audit reports are accessible on the Sedex platform for our customers and partners.

For more comprehensive information on Sedex and our proactive measures to safeguard human rights and combat modern slavery, please read our Modern Slavery Statement published on our website at [Britvic.com/ModernSlavery](https://www.britvic.com/ModernSlavery).

Waste management in our operations

With a growing global population, the strain on resources intensifies and highlights the need for resources to be used more efficiently. In our operations we're committed to adhering to the waste hierarchy principles, reducing waste generation and maximising resource recycling and reuse.

By following these principles, we now recycle, reuse or compost 71.3% of all our waste from our direct operations. In Brazil, our manufacturing unit in Araguari has been certified as a zero-waste site – meaning it disposes of 98.5% of its waste through recycling and composting, with the final 1.5% disposed through incineration or other industrial processes. In addition, we received an A grade for sustainability and environmental projects and initiatives.

In Great Britain, we have been working with the charity FareShare since 2019 and, to date, 50.3 tonnes of products have been redistributed to 1,375 charities across the UK which is equivalent to 201,200 drinks (based on a 250ml serving). To further extend our relationship, the FareShare team visited our Rugby site in May and carried out a waste walk to identify opportunities to increase the donations we make.



Biodiversity

Protecting biodiversity is fundamental to our business and to our communities. Without bees there would be no fruit, and without fruit there would be no Robinsons, MiWadi, Maguary or Teisseire. We're taking steps to help nature flourish in and around our manufacturing sites, championing regenerative agriculture, and enhancing our sustainable sourcing strategy for key agricultural ingredients, such as fruits, to make sure we source from suppliers and farmers who are meeting regenerative agricultural principles.

At Newcastle West in Co. Limerick, where Ballygowan is bottled at source, we have over 40 acres of protected land. We are passionate about protecting this local area and have a strong biodiversity plan in place.

We are members of the All Ireland Pollinator Plan, which provides a clear roadmap for managing landscapes to support pollinating insects which are in dramatic decline across Ireland.

Four native Irish black honeybee hives have been installed on site and we are working with a consultant ecologist to make sure we allow enough space and opportunity for both kept, wild and solitary bees to thrive. The bees have been welcomed by our employees, with the pollinator programme becoming a strong driver of employee engagement. They have also produced their first harvest of honey, which will be distributed for staff and visitors to enjoy.

Long flowering meadows were expanded from approximately 2,723m² to 22,941m² and allowed to grow all year with cutting and removal taking place in September. Cutting back overgrown wild scrub areas has reduced shading, resulting in fresh growth and a visible increase in wildflowers.

Six camera traps have been set up across the Newcastle West site to survey biodiversity. Any animal sightings are recorded by employees and registered to the National Biodiversity Data Centre to help the understanding of national biodiversity and ensure its future protection.

Local engagement with Newcastle West Tiny Towns, a local community group, has led to Ballygowan sponsoring the purchase of cleaning equipment and bird boxes being placed across the site.





Task Force on Climate-related Financial Disclosures (TCFD)

Britvic can state that, in accordance with Listing Rule 9.8.6 R, this Annual Report and Accounts includes climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. Our TCFD disclosures cover the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Any additional disclosures required by climate-related financial disclosure have been included within.

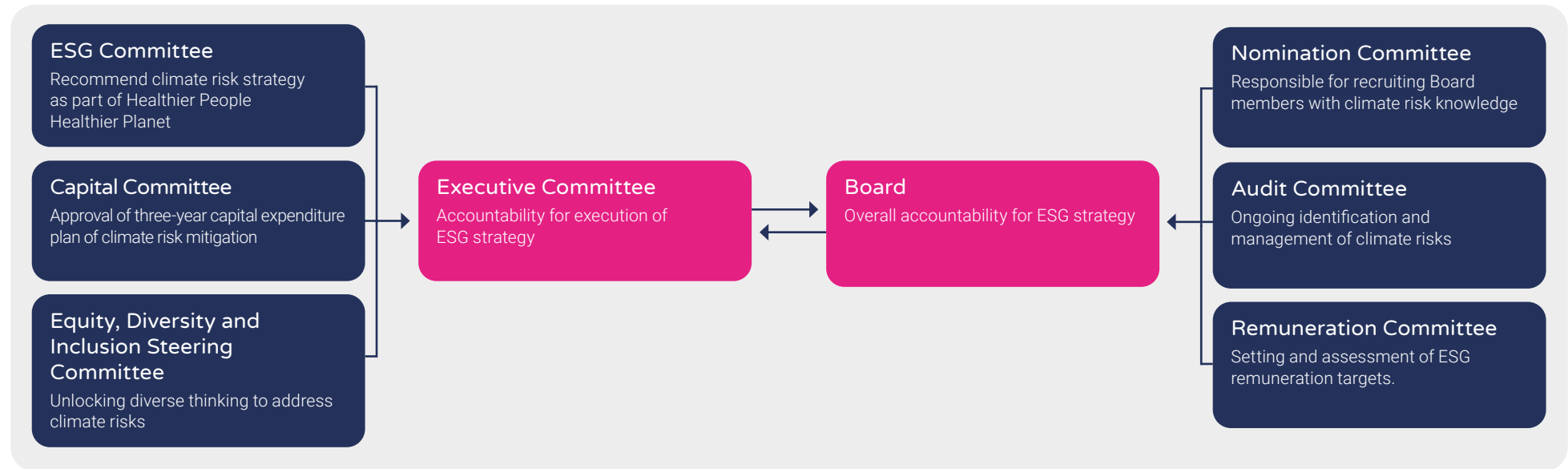
This is our fourth Annual Report outlining our response to climate-related risks and opportunities. We have continued to develop and refine our response through cross-functional workstreams, regularly reporting to the ESG Committee, which is embedding TCFD recommendations into our business as usual practices. In this Annual Report, we include the additional disclosure requirements of the TCFD Annex and Guidance, published in October 2021. We continue to partner with external climate experts to make progress to further enhance our TCFD disclosures demonstrating our commitment to our climate-related goals. The table below sets out where we report on each recommendation.

TCFD recommended disclosures	Reference
Governance	
1. Describe the Board's oversight of climate-related risks and opportunities	Page 54
2. Describe management's role in assessing and managing climate-related risks	Page 55
Strategy	
3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Pages 55–57
4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Page 58
5. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 59–62
Risk management	
6. Describe the organisation's processes for identifying and assessing climate-related risks	Page 63
7. Describe the organisation's processes for managing climate-related risks	Page 63
8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Page 63
Metrics and targets	
9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Pages 63–64
10. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks for Scopes 1, 2 and 3	Page 67
11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 67

Task Force on Climate-related Financial Disclosures continued

Governance

1. Board oversight of climate-related risks and opportunities



The impact of climate risk is included in our Healthier People, Healthier Planet strategy, for which the Board has overall accountability. Execution of this strategy is delegated to the Executive Committee. The impact of climate change risk on the business and Britvic's impact on climate are reviewed by the Environment, Social and Governance (ESG) Committee, the Executive Committee and the Audit Committee. The ESG Committee meets quarterly and is chaired by Britvic's CFO; as a member of the Board she represents our Healthier People, Healthier Planet strategy at Executive and Board level. In her role as Chair of the ESG Committee, the CFO shares both financial and non-financial performance against key performance indicators with the Board at each Board meeting. Additionally, the agenda for each Board meeting is balanced across people, planet and performance, the three lenses through which we manage our business. Agenda items include updates from subject matter experts from across decarbonisation, climate risk, sustainable sourcing, water stewardship and packaging solutions, innovation to develop our portfolio of healthier consumer choices and changing availability of ingredients due to climate change and external developments, including regulations.

These conversations are in addition to discussions about our strategic priorities of flavouring billions of water occasions, accessing new growth spaces and building local favourite and global premium brands, all major contributors to our Healthier People, Healthier Planet strategy. During the process of ratifying decisions made by the Executive Committee the Board has the opportunity to challenge thinking; specific examples include scrutinising mitigating actions to address climate risk including decarbonising our operations, the agreement to move from water management to water stewardship, and reviewing our approach to packaging, including Deposit Return Schemes.

The Audit Committee is responsible for providing oversight and governance of our internal controls and risk management, which encompasses environmental, social and governance. Climate change is included as a principal risk and in our risk register as part of the broader sustainability risk. We assess its impacts carefully; these include water risk impacts on our manufacturing sites and sourcing of ingredients as well as climate-related changes to consumer and customer preferences. The internal audit function provides information to the Committee at each of its meetings to enable it to review the effectiveness of risk management and

adequacy of internal controls. The internal audit function has conducted a number of reviews covering ESG risks, including climate risk, and form a key pillar in the development of the risk-based internal audit plan. During the year the Director of Sustainable Business led a training session for the Audit Committee specifically on TCFD and the non-financial reporting landscape.

Members of the Board have experience from several consumer goods companies with strong track records of climate change and sustainability. Ian Durant is a member of Chapter Zero, William Eccleshare chaired the ESG taskforce at Clear Channel, Sue Clark, Chair of our Remuneration Committee, was Corporate Affairs Director of SABMiller plc, where she oversaw the implementation of global ESG initiatives, and Hounaïda Lasry drove ESG integration across Procter and Gamble's global reach.

Pre-reads and presentations shared with the Board, frequently contain educational elements, including best practice from peer companies and views of all key stakeholders, including NGOs, through our ESG stakeholder materiality research.



Task Force on Climate-related Financial Disclosures continued

Governance continued

2. Management's role in assessing and managing climate-related risks and opportunities

Given the importance of climate change, our Executive Committee has overall responsibility for climate-related risks and our Healthier People, Healthier Planet strategy. Meeting quarterly, our ESG Committee is accountable for understanding and responding to climate-related risks and opportunities identified through our ongoing climate risk assessment. It is also responsible for managing the progress towards our key sustainability and climate change targets.

Major plans of action, investment, risk management policies, and 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, as appropriate, for energy efficiency, low-carbon investments and water savings. The ESG Committee is also responsible for reviewing our greenhouse gas emissions disclosures and understanding what steps are required to make sure we accomplish our science-based greenhouse gas reduction targets.

Members of the ESG Committee include leaders and decision makers from across the business who are able to influence

strategic decision making and the delivery of our people, planet and performance goals. This cross-representation demonstrates the interconnected nature of our climate risk management and broader sustainability strategy, ensuring all areas of the business are involved.

Following each ESG Committee, an executive debrief is generated and shared, both verbally and in writing, with the Executive Committee. This highlights topics to be aware of, ESG intelligence from outside the organisation, including competitor and customer climate risk actions, and progress against the annual non-financial targets.

In addition to the ESG Committee debrief, our absolute usage and efficiency ratios for both carbon and water are included in the monthly information pack, together with renewable energy mix, the use of rPET and the recycling of waste. This enables a balanced view of monthly reporting across financial and non-financial metrics, as well as brand equity monitoring. The leadership teams of each business unit, along with the plc, receive a quarterly ESG briefing complete with insightful commentary and a concise overview of business unit specific ESG performance.

This year, our climate mitigations included breaking ground on the heat recovery system at Beckton, progressing through Alliance for Water Stewardship certification at Astolfo Dutra,

numerous water saving studies across our sites, and the reverse osmosis system going live in Kylemore. We also focused on reducing emissions through further optimising vehicle utilisation and direct to customer deliveries.

The priority for managing climate change is reflected in remuneration for our top 100 executive leaders and decision makers. 20% of the short-term bonus is determined by meeting Healthier People and Healthier Planet objectives, which is directly impacted by climate change and water stewardship mitigating actions.

Strategy

3. Identification of climate-related risks and opportunities over the short, medium and long term

Climate-related risk has been one of our principal risks for several years, with an increasing impact on our current business model unless we take mitigating actions. Climate risk is covered by our risk management framework see page 77.

In 2023, we partnered with Resilience, a climate risk consultancy which uses technology pioneered by the Centre for Risk Studies at the University of Cambridge Judge Business School. In partnership with Resilience, we have developed a digital twin platform, enabling us to model physical and transition risks across our value chain over a variety of timelines, in line with various warming scenarios.

We aim to mitigate many climate-related regulatory risks through ongoing progress against our climate-related goals, including reducing our overall emissions.

We have divided climate risk into two broad categories – physical risk relating to extreme weather events and long-term chronic shifts in global temperatures and precipitation, and transition risk relating to changes in regulation, carbon pricing, consumer and customer demand changes and reputational damage.

Building on the company-wide climate risk and opportunity workshops run over the last two years, this year we have rolled out dedicated workstreams for each of the four key risks explained in section 5. Each workstream is sponsored by an ESG Committee member, and contains four or five sub-workstreams, led by senior leaders, subject matter experts with cross-market representation. Each quarter the workstreams update the ESG Committee on their progress as well as seeking guidance, direction, and resource prioritisation. These workstreams have created momentum and galvanised efforts across the company to progress risk mitigation, drive a consistent approach and harness the power of cross-functional experts working with senior decision makers.

ESG Committee members	Board	Executive Committee	GB Executive	Leadership Team
Chief Financial Officer	✓	✓		
Chief People Officer		✓		
Chief Marketing Officer		✓		
General Counsel and Company Secretary		✓		
Director of Supply Chain, Great Britain			✓	
Chief Procurement Officer				✓
Director of Audit and Risk				✓
Corporate Affairs Director				✓
Director of Sustainable Business				✓
Director of Commercial Sustainability, Great Britain				✓
Chief Strategy Officer				✓
Director of FP&A				✓
Director of Sustainable Business, Ireland				✓
Head of Manufacturing, Brazil				✓



Task Force on Climate-related Financial Disclosures continued

Strategy continued

3. Identification of climate-related risks and opportunities over the short, medium and long term continued

In 2023, Britvic undertook climate risk and opportunity analysis under three relevant climate pathways outlined in the table below. Our analysis indicates Stated government policy is the most likely pathway and is in the middle of our forecasting range. The Paris Agreement and no policy action scenarios were selected to provide contrast and comparison. These are shared socioeconomic pathways (SSPs) which are commonly used in the Intergovernmental Panel on Climate Change (IPCC) assessment reports.

The table starting on page 59 summarises the four material climate risks identified under these three pathways.

Paris Agreement: +2.0°C emissions pathway	Physical risk	Transition risk	Likelihood
The outcome of this scenario is action sufficient to limit global warming to 2°C, aligned to the RCP2.6* pathway as outlined by the IPCC	Physical risks will be minimal under this scenario	Under this scenario we will experience transition risks related to policy and consumer behaviour changes, unless mitigated	Medium
Stated government policy: +2.5°C emissions pathway	Physical risk	Transition risk	Likelihood
Existing and planned governmental policies, not commitments, are enacted. Greenhouse gas emissions start to fall in the mid-21st century but do not deliver Net Zero by 2100. The outcome of this scenario is actions to limit warming to 2.5°C, in line with the RCP4.5* pathway as outlined by the IPCC	Physical risks will be slightly higher than the Paris Agreement scenario	This scenario includes similar transition risks as the Paris Agreement yet on a smaller scale	High
No policy action: >4°C emissions pathway	Physical risk	Transition risk	Likelihood
This scenario highlights the global impacts of a failure from governments to introduce policy interventions to limit global emissions. Under this scenario we see global temperatures increase by at least 4°C level of warming, in line with the RCP8.5* pathway as outlined by the IPCC	The highest physical risk impacts of the three pathways but still minimal	Limited transition risks expected due to lack of policy and consumer behaviour changes	Low

* Representative concentration pathway



Task Force on Climate-related Financial Disclosures continued

Strategy continued

3. Identification of climate-related risks and opportunities over the short, medium and long term continued

This table shows our five-year (short-term) cumulative gross financial risk impact estimates with the assumption of no mitigation by Britvic towards our committed sustainability goals. In our modelling, we have replicated forecast business growth yet kept intensity ratios unchanged. We have set out our mitigation strategy, which has been formulated to mitigate climate-related risks in the table starting on page 59. The risks have been assessed against 'low', 'medium' and 'high' ranges in 5% adjusted profit before tax increments. The ranges are aligned with our materiality threshold outlined on page 127.

We have considered all risks in Tables A1.1 and A1.2 of the 2021 TCFD Implementation Guidance. In our analysis, the time horizons have been extended with short term referring to 2024 – 2028, medium term referring to 2029 – 2033 and long term referring to 2034 – 2050. This aligns with our new climate financial modelling partner, Resilience's forecasting horizons. The short-term can be forecast with sufficient accuracy to assess the financial impact. We have greater knowledge of the likely legal environment, technological capabilities and level of physical risks. We have performed a high-level review of the medium & long-term impacts and these flow through into our net zero planning on page 64. Our review indicates, in the medium-term, potential regulation and consumer preferences are the main areas to identify and clarify our mitigation efforts. The long-term horizon stretches to our net zero commitment in 2050, where there remains significant uncertainty, particularly around technological innovations of all kinds, especially in regenerative agriculture. The regulatory environment, especially related to packaging, is likely to necessitate investment and changes to our production processes. The supply of raw ingredients are likely to become increasingly vulnerable to the impacts of climate change

Five-year discounted cashflow at risk: Low £0-50m, Medium £50-100m, High >£100m

Our TCFD Risk	Risk event	Unmitigated short-term risk – five-year discounted cashflow		
		Paris Agreement	Stated government policy	No policy action
1. Water Stress	Increasing water stress or scarcity	Low	Low	Low
2. Fruit & Juice Sourcing	Supply of ingredients disrupted by climate change and weather events	Low	Low	Low
3. Energy & Carbon pricing in the value chain	Disruption to facilities or logistics caused by extreme weather events	Low	Low	Low
	Evolving legal and regulatory landscape including carbon pricing	Low	Low	Low
4. Consumer and customer preferences	Market disruption caused by increased extreme weather events	Low	Low	Low
	Reputational risk of negative perception by consumers and customers	Medium	Low	Low

This modelling output and our significant mitigations, both underway and planned, provides a robust measurement of our resilience. Climate change impacts are not expected to be material in the going concern period and to the viability of the Group over the next three years. Our viability statement on page 81 confirms this.

Our Brazilian market is expected to be impacted by physical risks in the short to medium-term including water scarcity, which impacts power generation and production. In 2023 Astolfo Dutra became our first site to achieve Alliance for Water Stewardship certification – see page 49 of the Strategic Report, and we continue to develop and execute mitigation plans to manage and monitor this risk.

Outside of Brazil, transition risks are greater than physical ones. This is partly due to policy actions where governments have committed to net zero. Examples include carbon pricing and the introduction of Deposit Return Schemes for packaging. Customers, shoppers and consumers in these markets are also increasingly conscious of the climate impact of their purchases, which may impact sales over the longer term.

We have also identified transition opportunities. These fall principally into two groups. First, those expected due to the society-wide drive towards decarbonisation (such as developing more sustainable products to meet shopper demand for lower carbon products over the medium term). And second, those opportunities expected through mitigating risk, including decarbonising our supply chain, making our factories more energy efficient, and using alternative sources of energy.



Task Force on Climate-related Financial Disclosures continued

Strategy continued

4. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

In preparing the financial statements, the Directors have considered the short, medium and longer-term cash flow impacts of climate change on a number of key estimates within the financial statements, including:

- The impact of climate change on the going concern period and viability of the Group over the next three years
- The cash flow forecasts used in impairment assessments for the 'value in use' of non-current assets including goodwill

Our Healthier People, Healthier Planet sustainability strategy is holistic. Healthier Planet focuses on the four key areas of our business where we believe we can have the greatest impact: packaging, carbon, water, and biodiversity, all of which form part of our approach to address and mitigate for climate change.

Healthier People, Healthier Planet is a key tenet of our corporate strategy, one of four strategic pillars and interconnected to each of the others: flavouring billions of water occasions, accessing new growth spaces, and building local favourite and global premium brands.

As part of the annual planning process, Britvic business units submit a Healthier People, Healthier Planet annual operating plan. For Healthier People this is reflected in the development of healthier consumer choices, together with EDI, gender and employee wellbeing programmes. For Healthier Planet planning, our focus includes energy reduction, packaging, water saving and waste management programmes, which are then mirrored in the capital expenditure plans.

In addition, the three-year strategic planning process includes a rolling capital expenditure plan. This is particularly important for investment allocation for decarbonisation and water saving projects which are often multi-year in nature.

Our research and development programme is primarily focused on medium and long-term opportunities to create liquids and packaging solutions that are better for our consumers and better for the planet. We have been working with Anthesis to develop product-level environmental impacts across the majority of our portfolio. The impact assessment tool is expected to guide our innovation pipeline and optimise our existing portfolio through identifying hotspot risks and opportunities.

All these planning processes include feedback from key stakeholders, in particular customers who are working to reduce the risk of climate risk on their own businesses in parallel.

The table starting on page 55 gives an overview of the material climate risks to our business, the expected time frame, and our current mitigating actions.

Finally, Britvic's four strategic pillars also present climate transition opportunities. As with transition risks, these are broadly split into commercial opportunities that may come about with the society-wide drive to address climate change, and other opportunities derived through the mitigation of climate risks.



Commercial opportunities

Lower emission products

Flavouring billions of water occasions uses our expertise in concentrating flavour, offering consumers tasty, healthy hydration while bringing flavour closer to the point of consumption. This reduces the movement of water and the associated packaging and logistics impacts, which are both major elements of our Scope 3 emissions. Developing lower emissions products may increase demand from consumers and customers looking to reduce their environmental impact (carbon, packaging and water). Additionally, switching some ingredients and flavours may reduce our Scope 3 emissions as we work towards our science-based targets.

Accessing new growth spaces

Accessing new growth spaces is reflected in our move into the plant-based milk and healthy fruit shot categories, and the expansion of Aqua Libra Co, as we seek to benefit from increasing consumer demand for better personal and better planetary health. This is a direct mitigation control for the consumer preference risk, highlighted in the final pillar of the table starting on page 59.

Building local favourite and global premium brands

This includes our partnership with PepsiCo, where our focus is low calorie, great tasting drinks and working to ensure packaging never becomes waste. Our plastic packaging is 98.9%† recyclable. We support the introduction of deposit returns schemes, with Ireland going live in February 2024, to help create a circular economy, reducing our Scope 3 carbon emissions, and aligning our brands with customer and consumer trends for more sustainable packaging.



Risk mitigation opportunities

Sustainable procurement

The development of sustainable procurement and agriculture programmes can reduce the impact of our value chain on climate change and improve business resilience through a more robust network of sustainable suppliers.

Decarbonising manufacturing

Increasing investment behind renewable energy reduces our reliance on fossil fuels and associated carbon taxes. Self-generation of energy has a further benefit of reducing reliance on national grids. Further carbon, cost and resilience benefits would be achieved through water saving programmes, such as the reduction in pasteurisation for some of our soft drinks.



Task Force on Climate-related Financial Disclosures continued

Strategy continued

5. Describe the organisation's strategy resilience, taking into consideration different climate-related scenarios.

Our strategy focuses on people, planet and performance, and as such climate change and climate adaptation is at its heart. The analysis we have carried out confirms we are focused on the most relevant climate risks. Executing our Healthier People, Healthier Planet strategy, together with the mitigating actions we are taking, gives us a high degree of confidence in the long-term health of the business. The table below highlights the climate resilience of our strategy in the context of the material risks we have assessed.

The climate modelling provides greater understanding of the financial impact and likelihoods should the climate risks and opportunities materialise. The modelling results informs our planning and prioritisation of future business strategies, investments, and the establishment of policies to improve our business resilience and make sure we continue to deliver for all stakeholders.

Link to strategy: 1 Healthier People, Healthier Planet 2 Build local favourites and global premium brands 3 Flavour billions of water occasions 4 Access new growth spaces

	Physical risks		Transition risks	
	Water stress	Fruit and juice sourcing	Energy and carbon pricing in the value chain	Consumer and customer preferences
Strategic pillars	1 2 3 4	1 2 3 4	1	2 3 4
Risk description	Reduced availability of water impacts our ability to manufacture and sell soft drinks. Reduced water quality necessitates increased water treatment to meet our exacting quality standards for manufacturing, compounding the water stress faced by our business.	Extreme weather events have the potential to cause damage to key suppliers, particularly in the agriculture supply chain, and may impact our ability to source raw materials, e.g. sugar, and fruit and fruit juices.	New regulations such as carbon border adjustments are anticipated as governments work to meet the goals set out in the Paris Agreement. This will increase the cost of both purchased and sold products/services for Britvic. Potential carbon emission caps, and requirements to offset our emissions are increasingly expensive, with changing definitions and expectations.	Customers have their own climate change targets and expect support in the delivery of these goals. This could lead to greater demand for lower emission products, requiring less energy intensity and lower carbon ingredients. Increasingly consumers expect brands to be better for the environment and future purchasing decisions may be influenced by those products with lower carbon and water footprints.
Strategic pillars	1 2 3 4	1 2 3 4	1	2 3 4
Methodology	The model assesses the impact of meteorological drought defined as a prolonged period of time without precipitation resulting in a water shortage. A meteorological drought is declared if the deficit of precipitation in a location over a 90-day period is greater than a fixed threshold and a fraction of the climatological mean precipitation. The model uses a climate hazard atlas, bringing in location specific precipitation data and other inputs.	The model quantifies the yield reduction of raw materials of concern associated with extreme temperatures and drought events. Expected loss is calculated to indicate the average (probability weighted) financial losses in a given year associated with these extremes, and how this expected loss will change as a result of climate change. The model output is revenue loss attributed to global product revenues.	The model quantifies the aggregate risk of multiple extreme weather threat types. It assigns revenue losses and asset damage costs according to the function and output of a given facility. The model also applies global average carbon price projections benchmarked against various published sources such as the UN PRI's Inevitable Policy Response project. Country-level carbon price projections are defined according to their categorisation into policy leaders, followers, and laggards, to produce the global total.	The model uses consumer uptake rates of sustainable products, defined by bass diffusion modelling, which forecasts adoption rates and each trend is benchmarked against historical uptake rates of products that are indicative of the trend. Trends are statistically combined to make an overall sustainable purchasing customer trend. The result is an S-curve of market uptake over time.
Britvic risk	As a soft drinks company, water is vital to our business, and to every single one of our brands. We also use it to clean, cool, and preserve our products during the production process. Additionally, it is critical to growing many of the ingredients, the fruit, barley and sugar that go into our brands.	As leader in flavoured concentrated drinks, a reliable supply of fruit juice is critical to our business resilience. In addition to water, our main raw ingredients are fruit juices, concentrates, sugar and other sweeteners. Climate change presents a risk of changing crop yields, which may lead to higher prices.	We emit carbon as part of our operations and could therefore experience an increase in operating costs in the near term should a higher carbon pricing mechanisms be implemented. This is mirrored in the supply chain, which we estimate to account for over 90% of our total emissions (our Scope 3).	Increasing awareness and concern about climate change are expected to impact customer and consumer shopping decisions. As an insight driven business, we are focused on offering consumers the choice of products that meet their needs, including their desire for products that are better for the planet.



Task Force on Climate-related Financial Disclosures continued

Strategy continued

5. Describe the organisation's strategy resilience, taking into consideration different climate-related scenarios continued

	Physical risks		Transition risks	
	Water stress	Fruit and juice sourcing	Energy and carbon pricing in the value chain	Consumer and customer preferences
Unmitigated risk and time frame	<p>The highest financial impact is experienced under the Stated Policy and Paris Ambition scenarios.</p> <p>Under these scenarios we anticipate an increasing number of droughts; coupled with increased severity of droughts, which will deplete groundwater and reservoir storage levels. When combined with changing rainfall patterns we expect tighter restrictions on water usage, especially where issues of competing supply arise.</p> <p>Our Brazil market is already experiencing the physical risk of water stress. The country's reliance on hydro- electricity as a renewable source of energy also poses a risk.</p>	<p>The highest financial impact is experienced under the no policy action scenario as the 4+°C projected temperature increase leads to shift in rainfall patterns and elevated pollution concentration negatively affecting crop yields.</p> <p>A lower impact is anticipated under Stated Policy and Paris Ambition scenarios due to reduced climate stress through delivering on the 1.5°C warming in the Paris Agreement, leading to greater and more consistent crop yields than no policy action.</p> <p>Through our scenario analysis, we assessed the risk to orange, passion fruit, citrus, apple and sugar beet and cane, which we source from multiple geographies.</p> <p>Sourcing from regions within South America show a particularly high risk, especially for passion fruit and apple. Further, supply pressures from acute events like extreme droughts could create significant additional cost impacts for fruits, increasing volatility.</p>	<p>There is a double energy price risk as we face the risk of increased cost pass-on from suppliers as well as from our own energy consumption for production.</p> <p>The risk of carbon pricing is expected to be greater in our Great Britain and European based businesses as governments in these markets are expected to regulate sooner than many others.</p> <p>Suppliers producing packaging materials are very energy intensive and likely to pass on higher energy costs.</p> <p>Extreme weather events can reduce the productivity of business activities and add costs to operations and processes. Storms and floods are destructive and cause significant physical capital losses, while extreme temperature waves disrupt productivity.</p>	<p>The highest financial impact is experienced under the Paris Ambition scenario.</p> <p>Lower but still material impact surfaces under the Stated Policy scenario due to the sizeable but slower shift in preferences versus the Paris Ambition scenario.</p> <p>Under business as usual, there is limited financial impact as it is assumed that the current level of sustainable purchasing is maintained.</p> <p>The generation with the highest sustainable purchasing preference is Young Millennials (1989 – 1996) at 54%.</p> <p>Generation Z has the lowest level of sustainable purchasing preference at 39% though this is assumed to be due to the barrier of income and perception of sustainable purchasing being expensive.</p> <p>This risk is expected to be greater in our Great Britain and European based businesses where there is a higher proportion of environmentally aware consumers and customers.</p>
Geographies Impacted	Production sites across Brazil, France, Great Britain and Ireland	Globally with largest potential impacts in Spain and Brazil	Production and logistics sites across Brazil, France, Great Britain and Ireland	Globally with largest potential impacts in Great Britain, Ireland and France
Likely timeframe	Medium to long term	Medium to long term	Near to medium term	Near to medium term
Strategic pillars	1 2 3 4	1 2 3 4	1	2 3 4
Mitigation	Timebound water stewardship roadmap	Further assessment of understanding the changes in crop yield	Energy mix	Stakeholder engagement



Task Force on Climate-related Financial Disclosures continued

Strategy continued

5. Describe the organisation's strategy resilience, taking into consideration different climate-related scenarios continued

	Physical risks		Transition risks	
	Water stress	Fruit and juice sourcing	Energy and carbon pricing in the value chain	Consumer and customer preferences
Progress and Resilience	<p>Water stewardship roadmap: This includes commercial opportunities, driving efficiency within our operations, and developing a more catchment-based approach to water stewardship engagement with key stakeholders and subject matter experts. As a result, we can better understand the role of our industry to protect water resources for today and tomorrow.</p> <p>As we move from water management to water stewardship, we have used the World Wildlife Fund water risk tool to assess the water risks at each of our manufacturing sites. These, together with the recommendations have been shared with each of the site managers. Astolfo Dutra achieved Alliance for Water Stewardship certification in 2023.</p> <p>Further investment into telemetry along with water audits with external agencies are helping to identify hotspots and areas for improvement.</p>	<p>Supplier collaboration: We are focused on understanding the impact of climate change on the sourcing of our ingredients, including working with Waste and Resources Action Programme (WRAP) on a three-year project to monitor oranges farming in a key sourcing region of Spain.</p> <p>Research and development: The liquid development team is looking to reformulate products which use lower carbon ingredients, using our impact assessment tool, and those which include raw materials that are anticipated to be more severely impacted by climate change.</p>	<p>Lower carbon energy: We have already switched to renewable electricity with the purchase of renewable electricity certificates of origin. The exception to this is electricity generated by the combined heat and power plant in our largest manufacturing site, Rugby, which is largely powered by natural gas. This is a key long-term contract. At the point of contract expiry, contingent on availability of deals, the energy consumption will be switched to using renewable sources, however based on current trends this does not create a risk.</p> <p>In 2023, the Ireland and Great Britain business units entered into power purchase agreements to harness wind and solar power respectively.</p> <p>Hedging: We hedge our fuel requirements. The power purchase agreements further reduce our fossil fuel energy requirements, mitigating potential carbon taxation while also providing us with more certainty of our short and medium-term electricity pricing.</p>	<p>Consumer research: We use consumer research to understand purchase decisions, including the desire for more sustainable products.</p> <p>External benchmarking: We participate in sustainability benchmark ratings including CDP, MSCI, Sustainalytics and EcoVadis.</p> <p>Customer collaboration: Our commercial teams regularly engage with our major customers to understand their climate strategies and identify areas of collaboration, at every level of interaction.</p> <p>Impact assessment: We are working with a third-party software provider to understand the climate impact of our brands. This will be used for new brand development and stakeholder engagement.</p> <p>Furthermore we have a sustainable brand claims process in our global marketing code to mitigate potential reputational damage of false green claims accusations, should we inadvertently overstep the mark.</p>
Strategic pillars	1 2 3 4	1 2 3 4	1	2 3 4
Mitigation	Set water stewardship key performance indicators	Develop objectives and key performance indicators to manage the identified risk of crop yield change	Energy reduction	Reimagining packaging



Task Force on Climate-related Financial Disclosures continued

Strategy continued

5. Describe the organisation’s strategy resilience, taking into consideration different climate-related scenarios continued

	Physical risks		Transition risks	
	Water stress	Fruit and juice sourcing	Energy and carbon pricing in the value chain	Consumer and customer preferences
Progress and Resilience	<p>Commercial drivers: We have a number of research and project trials underway to grow our flavouring billions of water occasions portfolio. This work also aims to reduce the amount of packaging per serve and the amount of water transported across our logistics network, as water is added at the point of consumption in the consumer’s home.</p> <p>Water efficiency: We currently have a goal to improve our water efficiency by 20% by 2025.</p> <p>Adopt catchment-based approach: We are in the third year of our partnership with The Rivers Trust and seeking similar arrangements in our other business units.</p> <p>Engagement: We have achieved Alliance for Water Stewardship certification at our Astolfo Dutra factory.</p>	<p>Sustainable sourcing strategy: We have mapped our high risk materials and prioritised (juice, sweetener, ingredients) agro-commodities. We are encouraging our major suppliers to sign up to science-based targets to align our net zero goals.</p> <p>Supply chain transparency: We expect all tier 1 suppliers to be signed up to Sedex and EcoVadis.</p> <p>Pesticide reduction: We are members of the Sustainable Agriculture Initiative, to help us move to a sourcing model that has improved water stewardship, protects biodiversity and reduces carbon emissions.</p>	<p>Science-based targets: We were the first UK soft drinks manufacturer to sign up to accredited 1.5 °C pathway science-based targets. Our goal is to reduce Scope 1 and 2 emissions by 50% and Scope 3 by 35% by 2025, from a 2017 base, and achieve net zero throughout our value chain by 2050.</p> <p>On-site renewable energy: We are transitioning to renewable sources of self-generation. In Ireland we replaced a legacy gas boiler with an electric boiler and a thermal capture system. We are currently installing a heat recovery system at Beckton with the support of an IETF grant.</p> <p>Production process: Some of our brands contain preservatives to maintain food safety and consumer taste profiles and reduce food waste. Having stopped pasteurising Robinsons squash in Ireland, we are rolling this out to other business units to reduce energy consumption.</p> <p>Supplier engagement: We are engaging with top tier suppliers to understand the impact of climate change on their businesses and their carbon footprints (Scope 3). In October 2022 we hosted a supplier sustainability conference at our head office providing valuable knowledge-sharing and networking opportunities. We are also identifying areas of collaboration to both decarbonise and increase climate change resilience and seeking to influence suppliers through sustainability focused clauses in contract negotiations.</p>	<p>Recycled material: Our ambition is to use more recycled material.</p> <p>Dispense: We are driving packaging free solutions, such as our Aqua Libra Company.</p> <p>Circular economy: We are a board member of Deposit Return Scheme Ireland, as we work to reduce the impact of packaging, a significant element of our Scope 3 carbon emissions.</p>



Task Force on Climate-related Financial Disclosures continued

Risk management

6. Describe the organisation's processes for identifying and assessing climate-related risks.

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 risk. Climate risk is a principal risk detailed on page 77.

The ESG Committee is responsible for identifying, managing and monitoring the principal risks relating to 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 in relation to climate-related risk. Similarly, all business units and functions are responsible on a continuous basis for identifying, assessing, mitigating and monitoring the climate-related risks facing the organisation. This also includes the embedding of climate-related risk management into key processes across the business, from capital investment appraisals to how we sustainably procure. For example, within procurement, climate risk management has been integrated into both the methodology for the development of a sourcing strategy for each category of goods and services, and into the supplier evaluation and selection processes.

Where known risks are quantified in excess of our risk appetite or are emerging with high velocity, they are escalated to and discussed by the ESG Committee and, where deemed significant to the principal risks facing the organisation, the Board through periodic reviews. This process is part of our enterprise risk management (ERM) framework set out on pages 74–80. The sustainable business team works closely with the risk team to both monitor the bottom-up and support the top-down approaches. In collaboration with our risk team, a cross-business and cross-functional team worked with external consultants to assess our material risks and the expected time horizons.

On an ongoing basis, in parallel to the scenario analysis, we continue to develop and enhance both our understanding of climate-related risks and our mitigations of these risks. Across the organisation, we have launched and rolled out a series of learning modules for our employees, bringing to life the key challenges we face, our strategy and how every employee can make a difference. These are a small part of how we are raising awareness and engaging with our employees, who are critical to

identifying risks, finding innovative solutions, and delivering our strategic goals.

7. Describe processes for managing climate-related risks

Climate risks are identified and brought to both the ESG Committee and the Audit Committee together with mitigating actions plans. These plans include several objectives and milestones which are tracked by the Committees enabling course correction where required.

As part of the TCFD process we are reviewing current controls. The areas below highlight some opportunities for enhancement.

Share and standardise best practice: Several internal controls are in development to mitigate against risks, and we see opportunities to strengthen these further. For example, the roll out of procurement processes from Great Britain and Ireland to other markets.

Commitment and accountability of senior leaders: As we embed climate mitigation, we are defining ownership of climate risks and opportunities. These are reflected in the annual bonus target for leaders, and therefore also in individual performance objectives.

Decision making forums: The ESG and Audit Committees continue to review the materiality of risks over time and set the recommendations to inform business mitigation to be included in the capital expenditure cycle.

The table starting on page 59 outlines the mitigating actions we are taking as a business against the four most material risks and our progress to date as we work towards our carbon reduction targets.

8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

The processes for identifying, assessing, and managing climate-related risks are incorporated within the ERM processes. This is discussed further in the Risk Management section on pages 72–80.

As part of the ERM framework, we have a clear approach for defining risk appetite and guidance to support the assessment of materiality, covering likelihood and potential impact across several different parameters (from business interruption, and reputational risk to legal and regulatory risk).

As referenced earlier, to improve the effectiveness of managing climate-related risks, it is essential that we raise awareness of the importance of this topic with employees across the business.

The ERM framework is a continuous approach to identify, assess, manage and monitor climate-related risks. We also have a number of key process areas where we have embedded specific, activity-based controls to support effective risk management of climate-related risks within decision making. Examples of these include the climate-related risks within our procurement sourcing strategies and the use of a notional carbon price of £78/tCO₂e to input into strategic and key commercial business decisions.

We have undertaken a number of climate-related risk assessments across the organisation, which have supported the understanding of both key risks and emerging risks. These assessments range from water stress across each of our manufacturing locations to the climate-related risks of sourcing across our raw material and ingredient categories. These assessments adopt the same likelihood and materiality thresholds as we have in place within the ERM framework. The materiality thresholds for climate-related risks are either expressed as a business disruption, cost, legal and regulatory or reputational impact. The thresholds for risk impact range from low to high based on 5% of adjusted PBT increments as demonstrated on page 57.

We are also working with a third party to critically evaluate how effectively we are embedding climate-related risk management into the organisation to support unlocking further opportunities to drive the continued improvement of our ERM framework.

Metrics and targets

9. Metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process

A full view of our global energy consumption and greenhouse gas emissions data since our 2017 baseline year can be found below. In addition, we have set approved science-based carbon reduction targets in line with the latest climate science recommendations necessary to meet the goals of the Paris Agreement and limit global warming to 1.5°C, well below 2°C.

This entails reducing our Scope 1 and 2 market-based emissions by 50%, and our Scope 3 emissions by 35% by 2025 versus our 2017 baseline. We have also pledged to be a net zero business by 2050 – this covers the whole value chain.



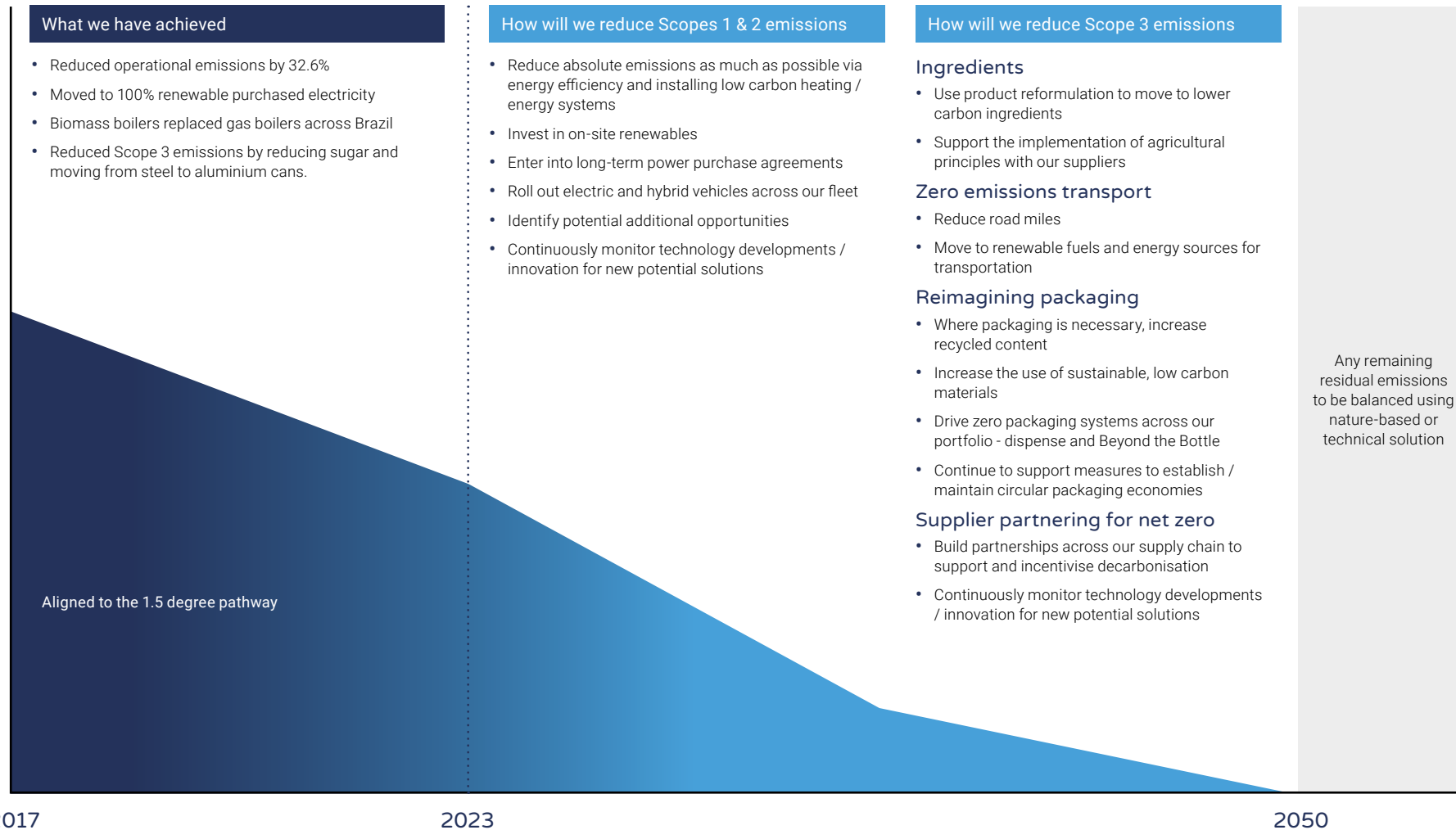
Task Force on Climate-related Financial Disclosures continued

Metrics and targets continued

9. Metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process continued

Further details of our path to net zero transition plan can be found below. We include key climate change-related risk indicators in our risk management strategy to monitor our risk and progress in building resilience and mitigation controls on page 77.

Our path to net zero by 2050





Task Force on Climate-related Financial Disclosures continued

2023 Streamlined Energy and Carbon Reporting (SECR)

Britvic Scope 1, 2 and 3 emissions 2017-2023

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Category	Emissions (tCO ₂ e)	Emissions (tCO ₂ e)	Emissions (tCO ₂ e)	Emissions (tCO ₂ e)	Emissions (tCO ₂ e)	Emissions (tCO ₂ e)
Total Scope 1, 2 and 3 (market based)	165,393	135,312	132,994	124,866	126,929	127,172
Scope 1	31,048	17,885	17,885	15,797	13,006	11,877[†]
Scope 2 – market based	17,414	10,191	22,495	22,495	23,402	25,109[†]
Scope 2 – location based	31,067	34,765	36,916	31,033	31,014	32,681[†]
Scope 3 (consisting of the categories below)	116,931	107,235	92,614	86,573	90,521	87,527
• Upstream emissions of purchased fuels	–	–	2,561	2,841	2,692	3,144[†]
• Upstream emissions of purchased electricity and heat	–	–	5,247	7,455	7,173	9,142[†]
• Transmission and distribution losses	3,236	2,340	1,589	1,519	1,442	1,698[†]
• Waste	594	534	604	546	477	453[†]
• Water supply	1,576	1,633	1,441	667	668	808[†]
• Effluent	–	–	1,203	465	480	368
• Business travel	4,700	4,136	1,959	652	2,059	2,081[†]
• Logistics	53,711	52,050	50,744	44,778	45,612	38,933[†]
• Electricity from refrigeration on customer sites**	53,114	46,541	45,379	33,693	29,917*	30,901[†]

* 2022 Scope 3 electricity from refrigeration on customer sites restated due to omission by management to update energy use values from suppliers.

** The error relating to the "electricity from refrigeration on customer sites" was not restated for periods prior to 2022, as the information and knowledge needed to restate such periods is not available to management and cannot easily be obtained. Therefore on the basis of it being impractical without having to incur undue costs or effort the comparative periods prior to 2022 were not restated.

2023 figures refer to the 52 weeks ended 30 September 2023. Please refer to Britvic's 2023 Basis of Reporting available at britvic.com/sustainability/sustainability-reports for full scope, boundary, and methodology disclosure for our greenhouse gas reporting.

For our SECR disclosure we have applied the methodology per the Greenhouse Gas Protocol. Scope 1 and 2 figures include all manufacturing and non-manufacturing related emissions. In 2023, our Great Britain operations accounted for 45% of total energy consumption and 86% of total Scope 1 and 2 market-based greenhouse gas emissions.

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

The Greenhouse Gas 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".

Energy efficiency actions

This year Britvic initiated a number of energy efficiency projects that we estimate will reduce cost as well as lower our greenhouse gas emissions.

Examples include:

- At our Beckton site we removed the pasteurisation step in the production of Robinsons squash meaning energy is no longer required to produce the heat for the process
- In Ireland we have removed cleaning pipework no longer in use to reduce heating requirements and upgraded to more efficient gas burners at our Kylemore site
- At our Crolles factory in France we have installed energy efficient LED lighting and improved energy performance of our compressed air production

In summary, we completed more than twenty different projects in 2023 that are expected to reduce annual energy consumption by 6,000,000 kWh. Looking ahead to 2024, our engineering team has eight projects in the pipeline. The combined energy savings of these projects is estimated to reduce energy consumption by an additional 19,000,000 kWh saving.

Independent assurance

Britvic plc has engaged Deloitte LLP to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) and International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Emissions (ISAE 3410), issued by the International Auditing and Assurance Standards Board (IAASB). 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 for the year ended 30 September 2023 is available on britvic.com/sustainability/sustainability-reports, along with further details of the scope, respective responsibilities, work performed, limitations and conclusions



Task Force on Climate-related Financial Disclosures continued

2023 Streamlined Energy and Carbon Reporting continued

Britvic Scope 1, 2 and 3 emissions 2017-2023 continued

		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Energy consumption by source		MWh	MWh	MWh	MWh	MWh	MWh	
LPG - Liquid petroleum gas		8,876	8,218	5,955	6,232	6,436	5,709	
Natural gas		90,317	94,283	70,023	53,746	48,497	44,127	
Diesel		949	710	1,022	374	328	230	
Medium/Heavy fuel oil		28,044	22,169	1,165	3,184	964	1,307	
Biogas		130	—	—	37	—	2	
Total biomass		33,089	48,752	77,380	92,069	108,988	123,326	
Grid Electricity		134,096	123,260	98,862	86,259	90,632	88,841	
Electricity from combined heat and power plant		—	13,913	40,387	36,043	39,058	41,669	
Heating from combined heat and power plant		—	27,075	59,697	50,507	54,488	55,063	
Total energy consumption		295,501	338,378	354,490	328,451	349,391	360,274	
		2017	2018	2019	2020	2021	2022	2023
Total energy consumption by source	Great Britain	43%	41%	45%	46%	45%	46%	45%
	Ireland	10%	9%	8%	7%	7%	6%	6%
	France	18%	17%	14%	13%	6%	5%	5%
	Brazil	29%	33%	33%	34%	42%	43%	45%
Total greenhouse gas emissions by source	Great Britain	53%	59%	55%	71%	75%	79%	86%
	Ireland	17%	5%	6%	5%	6%	5%	3%
	France	11%	13%	14%	13%	8%	6%	6%
	Brazil	18%	23%	25%	10%	11%	6%	6%
Energy intensity ratios (market-based) (kWh/000s tonnes)	Great Britain	99.00	91.61	109.25	114.05	96.96	103.23	101.28
	Ireland	101.18	101.09	103.07	100.29	89.71	85.59	88.53
	France	167.33	169.81	169.57	191.01	201.53	198.92	205.88
	Brazil	330.69	380.95	448.41	441.25	423.75	425.93	495.39
	plc	137.27	138.08	155.43	161.57	149.88	155.10	160.90*
Total Scope 1 and 2 Emissions (market-based) (tCO ₂ e)	Great Britain	29,089	28,784	21,089	29,190	28,760	30,184	31,633
	Ireland	9,436	2,299	2,360	2,112	2,406	1,720	1,219
	France	6,198	6,403	5,416	5,462	2,897	2,210	2,067
	Brazil	10,122	10,977	9,387	4,188	4,230	2,294	2,066
	plc	54,844	48,462	38,251	40,952	38,292	36,408	36,985
Total Scope 1 and 2 (market-based) carbon intensity ratio	Great Britain	22.95	21.59	15.25	20.26	18.91	19.43	19.84
	Ireland	32.73	9.04	8.89	8.95	10.07	6.72	5.19
	France	19.84	21.53	19.52	22.15	29.31	24.71	25.74
	Brazil	39.54	43.04	37.27	15.48	12.90	6.58	6.37
	plc	25.82	22.65	17.57	18.67	17.51	16.20	16.55*
Water	Manufacturing water consumption (thousand m ³)	4,406	4,582	4,746	4,404	4,473	4,484	4,571
	Manufacturing water intensity ratio (m ³ /tonne production)	2.07	2.14	2.18	2.01	2.05	1.99	2.05*
	Manufacturing water effluent (thousand m ³)	2,002	2,112	2,205	1,700	1,708	1,766	1,827
	Manufacturing water effluent (m ³ /tonne production)	0.94	0.99	1.01	0.77	0.78	0.79	0.82
Waste	% of manufacturing waste sent to landfill	1%	1%	1%	0%	0%	0%	0%†
	% of manufacturing waste recycled/reused	31%	44%	44%	38%	31%	35%	41%
Outside of Scopes 1 and 2		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Biomass – wood chip		MWh	MWh	MWh	MWh	MWh	MWh	
		33,089	48,752	77,380	81,503	92,176	103,705	
Biomass – wood logs		—	—	—	10,566	16,812	19,621	
Total biomass		33,089	48,752	77,380	92,069	108,988	123,326	




Task Force on Climate-related Financial Disclosures continued

2023 Streamlined Energy and Carbon Reporting continued

10. Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

We estimate that our Scope 3 emissions represent over 90% of our total carbon footprint. We report those Scope 3 emissions that are easily measurable including business travel and the electricity used during refrigeration at our customers' sites. See our Streamlined Energy and Carbon Reporting (pages 65–67). We continue to work with our suppliers to increase the accuracy of other Scope 3 categories, particularly category 1 (purchased goods and services). We estimate that packaging and ingredients account for over half of our total carbon footprint.

11. Targets used to manage climate-related risks, opportunities and performance

Risk Description	2025 Risk Target	Current Performance
 Water stress	20% reduction in water ratio by 2025 vs 2020 baseline.	2.05
	100% sustainably sourced sugar.	69.0%
 Energy and carbon pricing in the value chain	Reduce Scopes 1 and 2 by 50% by 2025, Scope 3 by 35% by 2025 (vs 2017) and net zero across all scopes by 2050.	(32.6)%
 Consumer and customer preferences	All bottles in Great Britain and Ireland to be made from 50% rPET or sustainably sourced PET.	25.6%
Opportunity Description	2025 Opportunity Target	Current Performance
Sustainable procurement	100% sustainably sourced sugar.	69.0%
	100% priority tier one suppliers signed up to EcoVadis.	69.0%
Decarbonising manufacturing	Reduce Scope 1 and 2 market-based emissions by 50% by 2025 and net zero across all scopes by 2050.	(32.6)%
Building local favourite and global premium brands	All bottles in Great Britain and Ireland to be made from 50% rPET or sustainably sourced PET.	25.6%
	<30 calories per 250ml serving.	21.7





Chief Financial Officer's review



A confident financial performance

“

Britvic is a great business, with a unique portfolio of family favourite brands, of which we are all very proud. The company has delivered a strong financial performance this year, despite another year of highly significant cost inflation.

Overview

I am delighted to present the 2023 Financial Review. Having joined Britvic in early September, I have spent time getting to know the business, visiting sites in Great Britain, France, and Ireland, with plans to visit Brazil early in the new year. Britvic is a great business, with a unique portfolio of family favourite brands, of which we are all very proud.

The company has delivered a strong financial performance this year, despite another year of highly significant cost inflation. A modest volume decline of 2.2% was more than offset by strong price/mix, demonstrated by Average Realised Price (ARP) growth of 9.1%. Consequently, Group revenue increased 6.6% (statutory +8.1%) year on year.

Adjusted EBIT increased 5.9% (actual exchange rate +6.0%) to £218.4 million and delivered an adjusted EBIT margin of 12.5% (2022: 12.7%). Adjusted Earnings Per Share (EPS) increased 6.5% year on year, reflecting the growth in adjusted EBIT and the reduction of the number of shares in issuance due to the share buyback programme. Basic EPS for the period was 48.3 pence, a decrease of 8.2% on last year, while diluted EPS for the period was 47.9 pence, a decrease of 8.8% on the same period last year. This was due to the impact of adjusting items, which were primarily non-cash.



Chief Financial Officer's review continued

Overview continued

Statutory profit after tax reduced £16.2 million from £140.2 million to £124.0 million. Adjusted profit growth was offset by a £24.8 million increase in adjusting items. Adjusting items totalled £38.4 million, of which £36.9 million are EBIT-related (year ended 30 September 2022: £13.6 million). The largest part of the non-cash items relates to the successful settlement of a case with the trustees of the GB defined benefit pension scheme. This means that pension increases for certain members will increase at RPI. The related adjustment to liabilities, of £20.5 million, is recorded as a one-off past service cost. We also completed a successful pension valuation, which indicated that the scheme is fully funded on a technical provisions basis and is expected to reach self-sufficiency by 31 March 2026, with no additional cash contributions required. Overall, our pension scheme remains very well-funded, and the Trustees and Company ensure high levels of matching between the plan's assets and liabilities to limit funding volatility.

Our cash performance remained robust, with free cash flow of £129.8 million, driven by a continued focus on cash management. Consequently, our adjusted net debt/EBITDA ratio remained flat at 1.9x, the lowest year end leverage since 2015. The full year dividend equates to 30.8p per share, which represents a year-on-year increase of 6.2%, maintaining our 50% pay-out ratio. In addition, we continued the share buyback programme, with shares to the value of £73.7 million repurchased and subsequently cancelled in our financial year 2023.

Below is a summary of the segmental performance and explanatory notes related to items including taxation, interest and free cash flow generation.

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate
Great Britain			
Volume (million litres)	1,750.2	1,790.8	(2.3)%
Average Realised Price (ARP) per litre	67.9p	61.4p	10.6%
Revenue	1,187.7	1,100.4	7.9%
Brand contribution	479.6	426.0	12.6%
Brand contribution margin	40.4%	38.7%	170bps

In Great Britain, revenue increased by 7.9%, with ARP growth of 10.6% partly offset by a modest volume decline of 2.3%. The volume decline was primarily driven by a softer fourth quarter performance, reflecting a tough comparable from the hot summer last year and the disappointing weather across this year's summer. The ARP growth resulted from the actions taken during the year to mitigate cost inflation, including implementing price increases, optimising promotional activity and brand/channel mix. Revenue increased across both the retail and hospitality channels, up 7.2% and 8.9% respectively. Consequently, brand contribution increased 12.6% and brand contribution margin increased 170bps.

Both our owned-brand and PepsiCo portfolios were in growth. Pepsi, led by MAX, and Tango were the major growth drivers, with revenue increasing 7.7% and 20.7% respectively. J20, Fruit Shoot and Lipton also enjoyed strong growth and we delivered significant acceleration in London Essence, Plenish and Aqua Libra, where we are investing to realise the long-term future growth potential in these fast-growing spaces. Robinsons growth was led by the ready to drink pack format, while the flavour concentrates pack format was broadly flat. Up to quarter three, Robinsons was in strong growth, before the poor summer weather heavily impacted the category, which underperformed

total soft drinks. While Rockstar continued to be a drag on performance, we did deliver a significant improvement in the second half of the year, following the upweighting of marketing activity and field sales resource. Full year revenue declined over 19%, compared to a 25% decline in the first half, with a sequential improvement into quarter four.

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate	Adjusted % change constant exchange rate
Brazil				
Volume (million litres)	296.5	299.3	(0.9)%	(0.9)%
Average Realised Price (ARP) per litre	52.7p	47.8p	10.3%	1.0%
Revenue	156.2	143.0	9.2%	—
Brand contribution*	36.2	32.4	11.6%	2.2%
Brand contribution margin*	23.2%	22.7%	50bps	50bps

* Brand contribution for the year ended 30 September 2022 restated by £9.7 million from £22.7 million to £32.4 million to correctly present certain costs that are fixed in nature (see fixed costs below). Brand contribution margin for the year ended 30 September 2022 adjusted accordingly from 15.9% to 22.7%.

In Brazil, revenue was flat, on a constant currency basis, with volume down 0.9%. This was due to the weaker performance of the fruit processing business known as 'Be Ingredient', where revenue was down over 60%, reflecting the impact of poor weather on crop yields and a competitive trading environment. The brand portfolio generated strong growth across our scale brands of Maguary, Dafruta and Bela Ischia. Ready to drink pack format revenue increased 10.2% and flavour concentrates revenue increased 8.7%. Recent brand launches now account for over 30% of total revenue, with Fruit Shoot increasing 56.8% this year, Seleção grape juice +38.0% and Natural Tea +46.8%.

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate	Adjusted % change constant exchange rate
Other International				
Volume (million litres)	416.5	428.0	(2.7)%	(2.7)%
Average Realised Price (ARP) per litre	97.2p	87.6p	11.0%	8.6%
Revenue	404.7	374.9	7.9%	5.7%
Brand contribution	99.6	107.0	(6.9)%	(8.7)%
Brand contribution margin	24.6%	28.5%	(390)bps	(390)bps

Note: Other International consists of France, Ireland, and other international markets. Volumes and ARP include own-brand soft drinks sales and third-party product sales included within total revenue and brand contribution. Concentrate sales are included in both revenue and ARP but do not have any associated volume.

In Ireland, revenue increased 9.4%, driven by both volume and ARP growth. Scale brands in revenue growth were Pepsi +18.2%, 7UP +9.4%, MiWadi +9.8% and Ballygowan +14.8%. Last year's highly successful Ballygowan Hint of Fruit innovation increased revenue by a further 88.3%. In France, revenue marginally increased, by 0.5%. Trading continued to be challenging; although we realised substantial price increases, they were still insufficient to fully offset inflation, and were made worse by adverse mix, as the branded portfolio of Teisseire, Moulin de Valdonne, Pressade and Fruit Shoot all declined, offset by growth in private label syrups, which are materially lower margin than their branded equivalents. In other markets, we delivered growth across various sub-channels, including other European markets, the travel sector, and Asia.



Chief Financial Officer's review continued

Overview continued

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Fixed costs – pre-adjusting items				
Non-brand A&P	(11.8)	(10.3)	(14.6)%	(13.5)%
Fixed supply chain*	(145.5)	(135.7)	(7.2)%	(5.6)%
Selling costs	(96.7)	(82.0)	(17.9)%	(16.2)%
Overheads and other	(143.0)	(131.4)	(8.8)%	(7.8)%
Total	(397.0)	(359.4)	(10.4)%	(9.0)%
Total A&P investment	(67.0)	(61.7)		
A&P as a % of own brand revenue	3.8%	3.8%		

* Fixed supply chain costs for the year ended 30 September 2022 restated by £9.7 million from £126.0 million to £135.7 million to correctly present Brazil costs that are fixed in nature.

Overall, our fixed cost base increased 9.0% on a like-for-like basis, due to inflationary cost pressure and investment in our future growth drivers. Total A&P was £5.3 million higher year on year, as we continued to increase investment in our brands. Fixed supply chain investment during the period included increased production capacity, adding a new can line in Great Britain and additional capacity in Brazil. The additional capacity in Great Britain enabled savings in third-party co-packing costs. These savings were largely offset by increased spend on packaging recovery notes (PRNs), certificates that provide evidence that waste packaging material has been recycled.

Selling costs increased as we invested in additional field sales resource to support our channel growth strategy. Overheads and other costs increased as we invested in our people costs, reflecting investment in both additional resources and remuneration, to retain and recruit the best talent. We adopted a tiered approach to salary increases, ensuring that those on lower salaries received a higher percentage increase, in recognition of the increased costs of living.

Interest

The net finance charge for the year ended 30 September 2023 is £24.7 million, compared with £17.3 million in the comparative year, primarily due to higher cost of borrowing on floating rate debt.

Adjusting items – pre-tax

In the year, the Group incurred, and has separately disclosed, a net charge of £38.4 million of pre-tax adjusting items, of which £36.9 million was EBIT-related (2022: £13.6 million). Adjusting items comprise:

EBIT-related

- £20.5 million in relation to past pension service cost on the Great Britain defined benefit scheme, resulting from an amendment to the scheme rules. This amendment followed the settlement of the legal case between the Company and trustees relating to inflationary pension increases
- Strategic restructuring costs of £5.2 million, predominantly in relation to redundancy costs from operating changes to provide additional production capacity in Ireland
- Strategic M&A costs of £2.4 million, in relation to the acquisition costs of Jimmy's Iced Coffee, energy brand Extra Power in Brazil, and other M&A in the year that did not complete
- £0.5 million in relation to costs for the setup of the deposit return scheme (DRS) in Ireland
- Acquisition-related amortisation of £8.3 million

Interest-related

- £1.5 million relating to hedge ineffectiveness on private placement loan hedging

Taxation

The adjusted tax charge was £38.5 million (2022: £36.1 million), which equates to an effective tax rate of 20.6% (2022: 20.0%). The statutory net tax charge was £32.8 million (2022: £34.9 million), which equates to an effective tax rate of 20.9% (2022: 19.9%).

Earnings per share (EPS)

Adjusted basic EPS for the year was 61.0p, an increase of 6.5% on the prior year, due to higher operating profits and the impact of a lower number of shares in issue following the share buyback. Basic EPS for the period was 48.3 pence, a decrease of 8.2% on last year, while diluted EPS for the period was 47.9 pence, a decrease of 8.8% on the same period last year. This was due to the impact of adjusting items, which were primarily non-cash.

Dividends

The Board is declaring a final dividend of 22.6p per share, with a total value of £57.4 million, resulting in a full year dividend of 30.8p (£78.4 million). This is in line with our stated 50% pay-out ratio. The final dividend for 2023 will be paid on 7 February 2024 to shareholders on record as of 22 December 2023. The ex-dividend date is 21 December 2023.

Share buyback programme

In May 2022, the company started an initial share buyback programme to repurchase ordinary shares with a market value of up to £75 million. The purpose of the programme was to reduce share capital and, accordingly, the shares repurchased are subsequently cancelled. During the year ended 30 September 2023, the company completed the initial share buyback.

In May 2023, the Board approved a second £75 million share buyback programme to be executed over the period to 30 April 2024. Excluding transaction costs, the company has returned £74.8 million to shareholders via the buyback programmes during the year ended 30 September 2023. There remains £37.6 million of the second share buyback to be executed during the forthcoming financial year.

In the context of Britvic's expected free cash flow and its capital requirements over the next three years, the Board believes it is appropriate to complete the current share buyback. Britvic will continue to review the balance sheet on a regular basis, to assess its strength in the context of the company's growth ambitions. The dividend policy remains unchanged.

Free cash flow

Free cash flow (defined as cash generated from operating activities, plus proceeds from sale of property, plant and equipment, less capital expenditure, interest and repayment of lease liabilities) was an inflow of £129.8 million, compared with £128.8 million in the previous year.

Net cash flow from operating activities was broadly flat at £238.4 million, compared to £239.6 million in the previous year. There was a working capital outflow of £16.6 million (2022: £1.3 million outflow), comprising an outflow from increases in inventory of £37.8 million (2022: £26.0 million outflow) and an outflow from decreases in provisions of £0.9 million (2022: £3.2 million outflow), offset by an inflow from increases in trade and other payables of £5.8 million (2022: £84.3 million inflow) and an inflow from decreases in trade and other receivables of £16.3 million (2022: £56.4 million outflow).



Chief Financial Officer's review continued

Free cash flow continued

The inflow in trade and other payables was due to continued disciplined cash management throughout the year. The outflow in inventories, which were up year on year, is due to inflation and an increased level of both raw materials and finished goods stock, both to protect our customer service levels across the Group and following softer quarter four volumes.

Net income taxes paid in the year were £21.9 million (12 months ended 30 September 2022: £18.4 million). Cash capital expenditure was £77.9 million (2022: £84.6 million).

Impairment testing

Impairment reviews of goodwill and intangible assets with indefinite lives are undertaken by management annually. Recoverable amounts are calculated in line with accounting standards at the higher of value in use and fair value. During the current year there has been no impairment to goodwill or intangible assets with indefinite lives. Further details will be provided in the Annual Report and Accounts.

Treasury management

The financial risks faced by the Group are identified and managed by a central treasury department, whose activities are carried out in accordance with Board approved policies and subject to regular Audit and Treasury Committee reviews. The department does not operate as a profit centre and no transaction is entered into for trading or speculative purposes. Key financial risks managed by the treasury department include exposures to movements in interest rates, foreign exchange rates and commodities, while managing the Group's debt and liquidity profile. The Group uses financial instruments to hedge against raw materials, interest rate and foreign currency exposures.

On 30 September 2023, the Group had £932.5 million of committed debt facilities, consisting of a £400.0 million bank facility, of which £44.7 million was drawn, and a series of private placement notes, with maturities between February 2024 and May 2035. A one-year extension to the maturity of the Group's £400.0 million bank facility was approved by six of the seven lenders in February 2022, extending the maturity of £366.7 million of this facility to February 2027. The remaining £33.3 million will mature in February 2025. The next maturity for the company's private placement notes is in February 2024, when notes with outstanding principal amounts of US\$39.0 million and £15.0 million will be due for repayment.

On 30 September 2023, the Group's adjusted net debt, including the impact of cross currency swaps hedging the private placement notes, was £538.1 million, which compares with £474.8 million at 30 September 2023. Adjusted net debt to EBITDA leverage at 30 September 2023 was 1.9x, maintaining the same level as at 30 September 2022.

The Group uses derivative financial instruments to hedge its exposure to movements in interest rates, foreign exchange rates and commodity prices. At 30 September 2023, the Group's balance sheet included derivatives with a net fair value of £24.8 million (2022: £73.2 million), comprising cross currency swaps of £22.3 million (2022: £41.9 million), forward currency contracts of £0.2 million (2022: £3.1 million), interest rate swaps of £2.4 million (2022: £3.4 million) and commodity swaps liabilities of £0.1 million (2022: £24.8 million). The decrease in fair value compared to 30 September 2022 is driven by settlements during the year and fair value decreases linked to the appreciation of sterling against the dollar and falling gas and power commodity prices.

Acquisitions and disposals

The Group paid cash of £24.8 million (net of cash acquired) to acquire Jimmy's Iced Coffee and consolidated this business in its financial statements from 1 August 2023. The Group also announced an acquisition in Brazil, which includes the Extra Power energy brand. This acquisition completed after the year-end, resulting in a cash out flow equivalent to £24.0 million in October 2023 (net of derivatives hedging this transaction).

At 30 September 2023, the Norwich production site remains classified as held for sale in the balance sheet at its historical cost of £16.8 million. Contracts have been exchanged for the sale, however completion remains subject to conditions precedent, including certain planning consents being obtained by the buyer. The sale is expected to complete by October 2024.

Pensions

At 30 September 2023, the Group had IAS 19 defined benefit pension surpluses in Great Britain, Ireland and Northern Ireland totalling £74.0 million and IAS 19 pension deficits in France totalling £1.4 million, resulting in a net pension surplus of £72.6 million (30 September 2022: net surplus of £137.5 million). The decrease in the net pension assets primarily relates to the Great Britain scheme, where there has been a net remeasurement loss recognised through the statement of comprehensive income of £48.9 million and a past service cost recognised through the income statement of £20.5 million.

The Group has recognised a net defined benefit pension expense of £15.2 million in the income statement for the year ended 30 September 2023 (2022: net income of £1.5 million). This includes a £20.5 million past service cost for the Great Britain scheme, presented within adjusting items, which has arisen following an amendment to the scheme rules in relation to pension increases. The amendment has clarified that the Group does not have the power to set alternative rates of pension increases and that certain annual increases will be based on the RPI measure of inflation. The previous valuation at 30 September 2022 was based on the assumption that that certain members would receive pension increases based on the CPI measure of inflation, which is lower than RPI. As a result, the IAS 19 surplus has decreased. This amendment to the Great Britain pension scheme does not result in any cash impact for the Group. The triennial valuation as of 31 March 2022 was finalised in April 2023 and did not result in any change to the schedule of contributions.

The defined benefit section of the Great Britain plan was closed to new members on 1 August 2002 and closed to future accrual for active members from 1 April 2011, with new employees being invited to join the defined contribution scheme. The Northern Ireland scheme was closed to new members on 28 February 2006 and future accrual from 31 December 2018, and new employees are eligible to join the defined contribution scheme. All new employees in Ireland join the defined contribution plan.

Contributions are ordinarily paid into the defined benefit section of the Plan as determined by the Trustee, agreed by the company and certified by an independent actuary in the Schedule of Contributions. No deficit funding payments were paid during the year except for the £5.0 million pension funding partnership payment which will continue annually until 2025.

Rebecca Napier
Chief Financial Officer
21 November 2023

Risk management



“

We have continued to develop our risk management processes throughout the organisation, by investing and delivering improvements to our control environment. Throughout the past year, we have closely monitored and responded to a number of key risks and opportunities to deliver positive performance across our operations in challenging conditions.”

Rebecca Napier
Chief Financial Officer

Risk management plays an important role in everything we do at Britvic and its objective is to add maximum sustainable value to all the activities of the organisation.

Overview

As with any business, we face risks and uncertainties especially as we look to grow our business in the UK and around the world. Effective risk management helps support the successful delivery of our strategic objectives. We have an established risk management framework to identify, assess, respond to, and monitor the risks we face as a business and help deliver a balance between risk and opportunity.

What are we focused on

Throughout the year, we have monitored and re-assessed our principal risks with risk owners, by considering the impact of emerging risks and the implementation of risk mitigation plans where required. Although there have been no new principal risks added, there have been a number of changes to the assessment of our principal risks in the past 12 months.

Following the easing of macroeconomic and inflationary pressures, our market principal risk position now feels materially different, and Britvic has managed to trade positively throughout FY23. Similarly, the level of risk relating to our supply chain has reduced from the prior year as a result of the weakening impact of issues associated with COVID-19 and the war in Ukraine.

In contrast, our product quality and health and safety principal risk has increased due to the increasingly stringent requirements of quality and certification standards, our evolving product portfolio and manufacturing processes. However, we have a wide range of mitigation actions in place to respond to and manage these risks.

Britvic's risk appetite

The UK Corporate Governance Code requires companies to determine their risk appetite. This is the amount of risk that Britvic is willing to accept in order to achieve its strategic and operational objectives.

We have a clear and understandable scale for risk appetite which we have embedded both across our principal risks and wider enterprise risk management. A principal risk is one that can seriously affect the performance or reputation of the company. These are aligned to the company's strategic goals and priorities.

The risk appetite across our principal risks has been determined and reviewed by the Executive team and approved by the Board, and where necessary we formally adjust as part of the formal review of the principal risks. We use risk appetite to inform the risk conversation and decision making process across the company, and to validate the completeness of mitigating activities required to effectively manage our risks to an acceptable level.

We have continued to drive the continuous improvement of the risk management process throughout operational, functional, and business unit levels, by leveraging technology, tailored training and support from the Group Risk team, and partnering with external specialists in order to continue to drive rigour and unlock value across the organisation.

Our risk culture

The Board sets the risk culture for the business through the risk framework detailed on page 74, and meets throughout the year to discuss the progress made on our principal risks. Each of the principal risks are owned by members of the Executive team, who are responsible for the monitoring and oversight of the principal risks on an ongoing basis with the appropriate individuals across the business. We have encouraged regular conversations to discuss issues and resource decisions, not limited to the formal discussion of principal risks with the Executive Committee and Board.

The principal risks are reviewed by the Executive team, which considers changes to the risk appetite or risk environment, and challenges the adequacy of our risk response activity. This senior involvement ensures that the importance of risk management flows throughout Britvic with business units, Group functions, and project teams all engaged in risk management – for example, through management review, budget sessions, or project risk assessments. The Group Risk team helps to facilitate the Britvic risk management process and to ensure that it is consistently applied throughout the organisation, providing both challenge and support to management teams.

Risk management continued

Risk management

The risk management framework incorporates both a top-down approach to identify the company's principal risks and a bottom-up approach to identify operational risks. The Executive team is responsible for identifying, assessing, managing, and monitoring the principal risks. The Board is accountable for the overall risk management process and determining the effectiveness of the Executive team's risk management.

All business units and functions are responsible for identifying and assessing their risks and opportunities – both current and emerging – and measuring them against the defined criteria to consider the likelihood of occurrence and the potential impact to the Group. This review takes place on a regular basis to consider changes to the risk environment, the strength and effectiveness of the controls in place, and the status of the mitigating actions.

The framework promotes a dynamic approach to ensure that risk management is embedded across all business activities.

Emerging risks

Our risk processes continually monitor and assess emerging risks which may impact the organisation. The top-down and bottom-up risk discussions throughout the business seek to identify changes across the risk environment. The Group Risk team conducts ongoing horizon scanning – with input from both internal and external sources – to identify new or developing risks to be reviewed and discussed with management. The Executive team and Board formally review emerging risks, considering the outputs of the risk management processes and the horizon scanning exercise.

The review considered a number of emerging risks facing the organisation, largely driven by developments in the external environment. The introduction of a Deposit Return Scheme in the Republic of Ireland from February 2024 represents a significant change for our business in Ireland. In addition, we continue to see emerging developments in healthier consumer choices, from an increase in public discussion on artificial sweeteners and ultra-processed foods to the recent development of weight loss drugs.

The output of the review identified a number of emerging risks, which continue to be appropriately monitored by the relevant risk owners across the organisation. The assessment did not identify the requirement to add or significantly change any of the existing set of principal risks.

Priorities for the year ahead

We continuously seek to evolve and improve our approach to risk management, in order to support effective decision making. We continue to embed our risk management approach into existing business processes and ways of working, to drive greater simplicity and effectiveness.

We have partnered with a business continuity specialist to aid the ongoing development of our approach to business continuity across the Group, and continue to work closely with the relevant teams across the organisation to drive continuous improvement. The focus for the year ahead is to continue to drive the review and challenge of our continuity arrangements, to deliver control improvement actions required, and to update and test the effectiveness of the plans.

We have deployed technology to enable a more efficient and consistent execution of the risk management framework, while driving the transparency and interconnectivity of risks across different areas of the business. The focus for the next 12 months is to continue to develop and embed the technology, in order to unlock the full benefits from the tool.

In addition, the risk team has continued to play a key role in the cross-functional team responsible for developing our approach to the Task Force on Climate-related Financial Disclosures (TCFD). This year, we have been focusing on the application of the risk management framework across the top four material risks and opportunities we identified and disclosed last year, and the focus for next year is the continued monitoring and execution of control improvement actions, as well as driving towards consistency across the business units. More detail on our approach to TCFD can be found on pages 53–67.

Significant progress has been made in the past year across the enterprise risk management framework, with clear business ownership, identification of key controls, and development of required mitigation plans and monitoring processes. This will continue to be a priority, as we continue to develop and refine our approach to managing these risks and opportunities while embedding the improvements into existing business processes and ways of working.



Case study

Changes in residual risk scores versus prior year

Supply chain

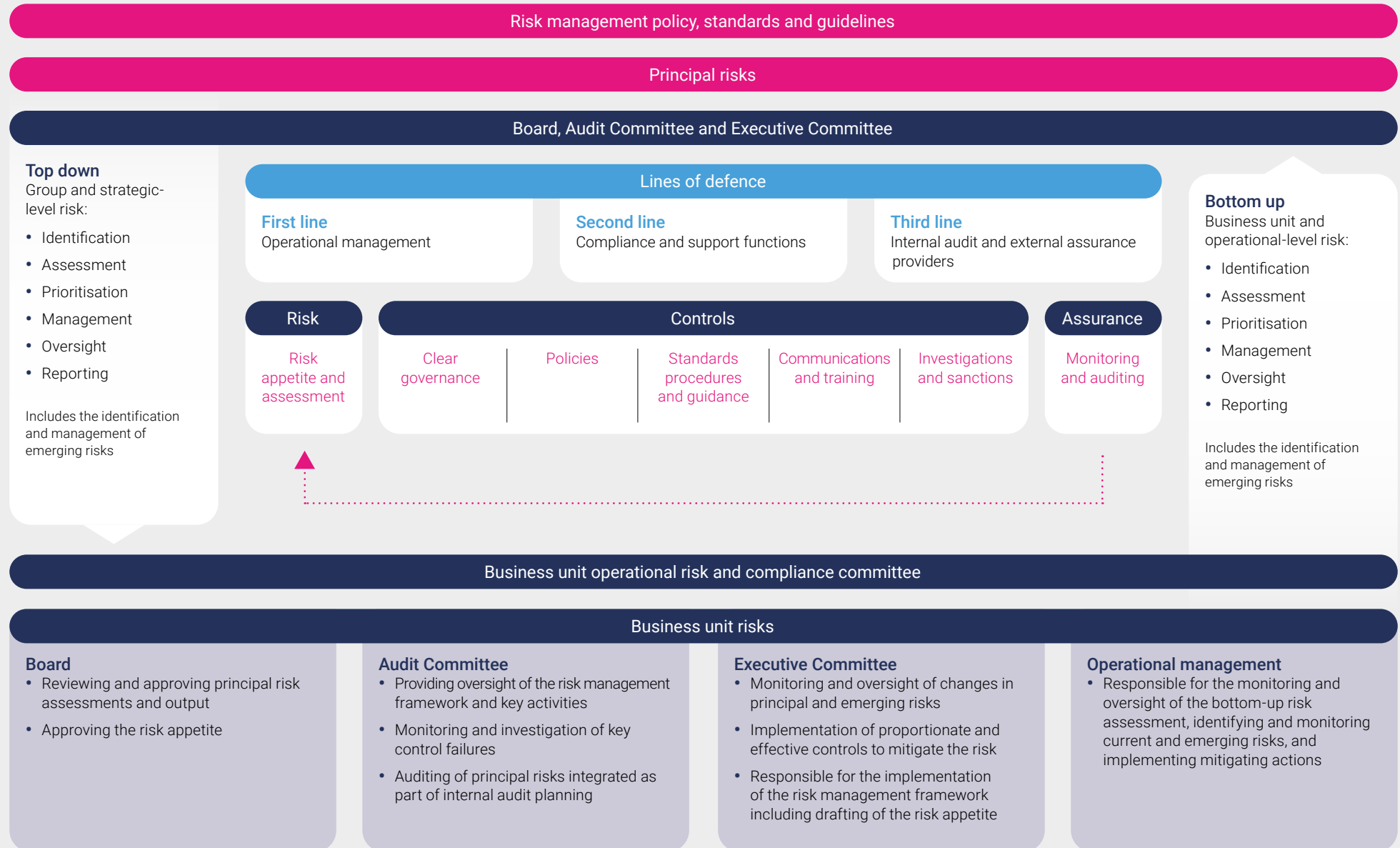
The raw materials supply and cost risk has reduced from the prior year, as inflationary pressures have eased, and the demand issues within the plastic and cardboard categories and the energy crisis have reduced. In addition, we have continued to diversify and extend our supply base across different regions.

Pensions

The pension risk has reduced from the prior year, following the mutually beneficial conclusion with the Trustees on the long running legal case in respect of the rate of future pension increases and completion of the most recent triennial actuarial valuation. The actuarial valuation indicated the scheme was on track to reach self-sufficiency by the planned date of 31 March 2026 and no additional cash contributions were required at this time. Our pension scheme remains very well-funded, and the trustees and Company ensure high levels of matching between the plan's assets and liabilities to limit funding volatility.

Risk management continued

Risk management framework





Risk management continued

Principal risks and uncertainties

The table below sets out our principal risks, a summary description of the risk, the connection with our strategy, and a summary of key controls in place to mitigate the impact should a risk come to fruition. This does not represent an exhaustive list of all the risks facing the organisation, nor are they set out in priority order. There will be additional risks not known to management, or currently assessed to be less material, that may also have an adverse effect on the business.

Key:

- 1 Healthier People, Healthier Planet
- 2 Build local favourites and global premium brands
- 3 Flavour billions of water occasions
- 4 Access new growth spaces

The residual risk score trend from the prior year for each principal risk is presented as follows:

- ▲ Increased
- ▶ No change
- ▼ Decreased

1 Consumer preference: innovation		
<p>Link to strategic objective</p> <p>1 2 3 4</p>	<p>Risk owner</p> <p>Chief Marketing Officer</p>	<p>Residual risk trend ▶</p>
<p>Risk description</p> <p>Risk that our portfolio over time becomes less relevant to consumers and customers as we fail to adapt to changing needs or environment and as such we lose market share and revenue.</p> <p>Impact on the business</p> <p>If our innovation fails to win and build scale in the marketplace this could weaken existing brands and mean we miss out on accessing new spaces, with impact on both our financials and our reputation with customers and consumers.</p>	<p>Change during the year and residual risk</p> <p>Flavouring billions of water occasions, which is operating as a separate entity to help focus purely on innovation, and innovating to scale are key parts of our 2025 strategic plans.</p> <p>We have continued to develop and build our innovation pipeline across our markets, with the launch of Robinsons with Benefits, Pepsi MAX Mango, Tango Paradise Punch, and Plenish Barista and the continued success of Ballygowan Hint of Fruit during the course of the last 12 months.</p> <p>We have broadened our portfolio into new categories with the acquisition of Jimmy's Iced Coffee in the UK and the Extra Power energy drink brand in Brazil.</p>	<p>Risk mitigation</p> <ul style="list-style-type: none"> Continuous assessment of consumer and customer trends and insights in order to anticipate changes in preferences and adapt our offering accordingly Well-established controls in place with gate process, external competitor reviews, market tracking and trends assessments Acceleration of speed to market in a number of areas with agile techniques to address a more volatile environment Increased participation in rapidly growing energy and iced coffee categories through the acquisition of Extra Power and Jimmy's Iced Coffee
2 Health concerns		
<p>Link to strategic objective</p> <p>1 3 4</p>	<p>Risk owner</p> <p>Chief Marketing Officer</p>	<p>Residual risk trend ▶</p>
<p>Risk description</p> <p>The continued focus on health and wellness, changing consumer attitudes and the threat of increased regulation, may impact our performance and the wider soft drinks category.</p> <p>Impact on the business</p> <p>The failure to respond positively to health concerns could result in declining appetite for soft drinks, and/or our share of the category.</p>	<p>Change during the year and residual risk</p> <p>The importance of health and wellbeing both for consumers and customers has continued to evolve and broaden, with an increasing focus on natural products and increased scrutiny around ultra-processed foods (including artificial sweeteners and weight loss drugs).</p> <p>Continued focus on portfolio choice with leading low and no sugar offerings and on enhancing our health credentials, e.g. with the launch of Robinsons with Benefits, fortified with vitamins and minerals.</p>	<p>Risk mitigation</p> <ul style="list-style-type: none"> Playing an active role in health policy debate with key external stakeholders, policymakers and non-governmental organisations Maintaining transparent stakeholder engagement and lobbying to understand best practice and share intelligence through our active membership of the Food and Drink Federation and the British Soft Drinks Association Healthier People, Healthier Planet strategy to 2025 in place includes public targets on calories per serve, which is monitored and reported on across our markets



Risk management continued

Principal risks and uncertainties continued

3 Retailer landscape and customer relationships		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description We may not be able to maintain strong relationships with our key customers or respond to changes in both the route to market (e.g. channel shift) and the retailer landscape (e.g. consolidation or failure).</p> <p>Impact on the business Failure to mitigate this risk could lead to reduced margin and returns from customers due to market pressures, pricing not keeping up with input inflation, and not keeping up with consumer trends.</p>	<p>Business Unit Managing Directors</p> <p>Change during the year and residual risk The retailer landscape remains highly competitive across our markets, and while the inflationary pressure has reduced, there is sustained pressure on the customer base.</p> <p>We have continued to invest in the development of our commercial systems and revenue growth management capabilities across the organisation.</p> <p>We remain well placed with strong and established commercial relationships across our key customers, recognised through the award for Supplier of the Year at the 2023 Grocer Gold Awards.</p>	<p>▶</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> • We operate across many different customer channels and markets and continuously monitor customer performance and trends • Revenue growth management strategy in place, with investment into capability and technology to support development • We engage collaboratively with customers to develop joint business plans and invest to drive mutual growth • We have strong and established customer relationships and contact strategy processes across each of our markets.
4 Supply chain		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description Supplier failure, market shortage or an adverse event in our supply chain impacts sourcing of our products and the cost of our products is significantly affected by commodity price movements.</p> <p>Impact on the business Failure to supply required volumes and deliver acceptable customer service levels could limit revenue growth (volume and innovation) as well as increase the risk of adversely impacting customer relationships.</p>	<p>Business Unit Managing Directors</p> <p>Change during the year and residual risk The raw materials supply and cost risk has reduced from the prior year as inflationary pressures have eased, and the demand issues within the plastic and cardboard categories and the energy crisis associated with COVID-19 and the war in Ukraine have reduced.</p> <p>In addition, we have continued to diversify and extend our supply base across different regions.</p> <p>Capital investment in new canning and PET production lines at Rugby and Beckton have been completed, which has enhanced capacity across the network.</p>	<p>▼</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> • Robust supplier strategy, selection, monitoring, and management processes in place, and diversification of our supplier base in key areas • Enhancement of business continuity planning launched to enhance the visibility of our key dependencies, our key threats, and solution design • Improvements to transform our procurement processes, from forecasting, sourcing and buying, to supplier integration • A commodity risk management policy in place, approved by the Board, allowing for the use of standard commodity derivatives to manage the commodity price risk.

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- ▲ Increased
- ▶ No change
- ▼ Decreased



Risk management continued

Principal risks and uncertainties continued

5 Sustainability and environment		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description Climate change, water scarcity, biodiversity loss, natural resource depletion, and environmental pollution all present risks to our ability to source, manufacture and market our drinks.</p> <p>Impact on the business These risks could lead to a reduced availability and quality of raw materials, which could result in price rises or interruptions to supply. It could also mean increased regulation, for example extended producer responsibility and carbon pricing or a reputational impact arising from the failure to adequately address societal and stakeholder concerns.</p>	<p>Chief Financial Officer</p> <p>Change during the year and residual risk Sustainability remains front and centre for all our stakeholders and is the subject of increasing regulatory focus.</p> <p>We announced during the year we are investing £8 million in an industry-leading heat recovery system at our Beckton site in east London. We have also recently entered into an agreement for Ballygowan production to be 100% wind powered. We have partnered with a leading solar energy provider to deliver clean energy to Britvic via an innovative 10-year power purchase agreement. The electricity generated will be enough to power 75% of Britvic's current operations in Great Britain.</p> <p>A supplier sustainability summit was held with key suppliers in Great Britain, Ireland, and France to discuss the delivery of our Healthier People, Healthier Planet strategy. This included how we will work with our suppliers as they sign up with Sedex and EcoVadis, and sharing the roll-out of our sustainable supply chain finance solution.</p> <p>We have further developed our modelling of the key climate risks and opportunities as part of TCFD and embedding risk mitigation actions into our business operations.</p>	<p>Decreased</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> Externally certified management systems (e.g. ISO 14001) in place to monitor and reduce the environmental impact of our operations and ensure compliance with environmental legislation Active senior engagement with key industry bodies (e.g. British Soft Drinks Association) to influence the design of effective and efficient packaging collection and recycling schemes Ireland DRS project team and governance in place working closely with key stakeholders ahead of implementation from February 2024 For more on our approach and progress with our Healthier Planet strategy see pages 46–52. Our TCFD disclosure can be found on pages 53–67

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- Decreased



Risk management continued

Principal risks and uncertainties continued

6 Market		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description Failure to develop and grow our business across our markets, increasing market share and generating the fuel for growth due to either our ability to execute our plans or external market factors (e.g. economic downturn).</p> <p>Impact on the business This may lead to adverse impact on our financial position and future growth forecasts as we are not able to grow and invest in the key drivers to support the delivery of our strategy.</p>	<p>Business Unit Managing Directors</p> <p>Change during the year and residual risk The market risk position feels materially different from the wider macroeconomic and inflationary pressures from the prior year. Britvic has traded strongly through FY23, and operational cost increases have been successfully navigated, with soft drinks remaining resilient. We have delivered strong performance in the past 12 months, with underlying revenue growth of 8.1% and EBITA improvement of 6.0%.</p> <p>The business has continued to expand across new geographies and markets, and through the acquisition of Jimmy's Iced Coffee and the announcement of a further bolt-on acquisition in Brazil, giving us access to the high growth and high margin energy category.</p>	<p>Decreased</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> Strategic and annual planning process in place for business units and Group, including both reflection and re-appraisal of market drivers of the strategic plan Regular management reviews to govern, monitor and amend plans, bringing together market, competitor and consumer insight
7 Quality of our products and the health and safety of our people		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description Risk that a faulty or contaminated product, either through malicious contamination, human error or equipment failure, is supplied to the market. Risk associated with the health and safety of our employees, contractors and visitors.</p> <p>Impact on the business This could result in reputational, regulatory, and commercial impact to our business as the quality of our products and the health and safety of our employees is of the utmost importance to us.</p>	<p>Business Unit Managing Directors and General Counsel</p> <p>Change during the year and residual risk The external environment is evolving, as the bodies governing our quality certifications (AIB and FSSC) continue to raise standards and increase the demands on manufacturing. Similarly, we have continued to change our risk profile, as we continue to reduce preservatives and sugar content in our portfolio, further raising the importance of our processes and controls.</p> <p>We have strong employee engagement with programmes to promote health and safety, food safety and quality awareness. Our accident severity rate (lost days x 100,000 / hours worked) has reduced by 50% in 2023 in comparison to 2022 and now stands at a rate of 4.67. See page 39 for more information on our various initiatives to promote employee health and safety during the year.</p>	<p>Increased</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> Integrated quality, safety and environment (QSE) management system (Integrity) has been rolled out across all territories. This contains all QSE standards, site procedures and KPI reporting functionality Group certification against FSSC 22000 has been maintained across British, Irish, and French production sites, while Brazil also maintained quality certification against ISO 22000 All Pepsi manufacturing sites are additionally audited by the American Institute of Baking, and Rugby saw a fantastic score increase to 910 from this year's audit. The Pepsi aspiration for bottlers in Europe is to achieve 900+ in AIB audits, with a minimum score of 850 Monthly 'zero harm' forum in place for health and safety executive managers to share standards, monitor performance, and share best practice.

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Risk management continued

Principal risks and uncertainties continued

8 Legal and regulatory		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description Non-compliance with local laws or regulations or breach of our internal policies and standards.</p> <p>Impact on the business Failure to comply with such requirements could have a significant impact on our reputation and/or incur financial penalties.</p>	<p>General Counsel</p> <p>Change during the year and residual risk We have put in place a control framework for customer contract creation and approval, and have further embedded effective contract management practices across the organisation.</p> <p>During 2023 a comprehensive revision of our Code of Conduct was launched. The new code, called myCompass, is hosted on our intranet and available to all employees in the UK, Ireland, and Europe, including a translated French version. The Code of Conduct sets out what we stand for as a business and the standards expected of all employees across key areas from competing fairly to avoiding bribery and corruption.</p>	<p>▶</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> In-house legal and regulatory function responsible for ensuring compliance with all relevant legislation and regulations. It works closely across the business and with external stakeholders to ensure we have appropriate understanding across all of our markets Regular compliance training in place throughout the year, covering data protection, competition law, whistleblowing, and anti-bribery and corruption Horizon-scanning process supported by external firms to help the business assess the impact of potential and incoming legislation.
9 Technology and information security		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description Disruption to business due to loss or failure of systems or exposure to loss of information or technology due to cyber-attacks.</p> <p>Impact on the business Disruption to our IT systems could have a significant impact on our sales, cash flows, and profits. Additionally, cyber security breaches could lead to unauthorised access to, or loss of, sensitive information.</p>	<p>Chief Information & Transformation Officer</p> <p>Change during the year and residual risk We have continued to invest in the strengthening and improving of our control environment by enhancing organisational and technical security measures across IT, from strengthening user access controls, to raising employee awareness of cyber security risks and implementation of end point detection.</p> <p>We have also invested in our operational technology control environment with the deployment of a number of security measures including continuous threat detection software. We have undertaken a several instances of independent assurance and testing throughout the past 12 months to identify further opportunities for control improvements and risk mitigation, including purple team testing.</p>	<p>▼</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> Regular system and client security patching is in place, including use of vulnerability scanning to identify security weaknesses, out-of-date software or missing security patches External independent testing and assurance of key security controls across Information Technology and Operating Technology are conducted on a cyclical basis across the Group Ongoing internal phishing campaigns are run and followed up with training and guidance, including wider cyber security training and awareness campaigns conducted

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- ▼ Decreased



Risk management continued

Principal risks and uncertainties continued

10 Talent

Link to strategic objective

- 1
- 2
- 3
- 4

Risk owner

Chief People Officer

Residual risk trend



Risk description

Risk that the lack of the correct skills and capability and/or workforce resilience impact the business' ability to deliver ambitious plans for our long-term strategy.

Impact on the business

We rely on key individuals to contribute to the success of Britvic, and we need our people to continue to develop and be fit for the future.

Change during the year and residual risk

Our employee feedback survey continued this year with an engagement score of 78%. This is based on employee answers to two questions: the extent to which they are happy working at Britvic and how willing they would be to recommend Britvic as a great place to work. See pages 36–45 for more detail on progress against our Healthier People strategy.

Attrition and recruitment have been less challenging than in previous years, and there are less acute barriers in attracting talent into the business.

A number of changes across the senior leadership team during the year have allowed the business to bring in fresh perspectives.

Risk mitigation

- Identification and retention of key talent through development and reward mechanisms
- Regular employee surveys take place across the company to obtain employees feedback on a wide range of topics. This leads to constructive actions at both a central and individual team level
- Internal development programmes are underway to build our talent pipeline. These will support the building of succession health to mitigate attrition risks

11 Treasury, tax and pension

Link to strategic objective

- 1
- 2
- 4

Risk owner

Chief Financial Officer

Residual risk trend



Risk description

Our business is exposed to a number of external financial risks relating to our treasury, tax and pension functions.

Impact on the business

Changes to exchange rates and interest rates can have an impact on business results and the cost of interest on our debt. Additionally, the British and Irish businesses have defined benefit pension plans which, while closed to new employees, are exposed to movements in interest and inflation rates, values of assets and increased life expectancy.

Change during the year and residual risk

Increased external risk driving upward trajectory on interest rates and volatility in foreign exchange. We remain well placed with our current controls, and experienced Treasury team to manage the risks effectively.

Pension risk has materially reduced following the conclusion of the latest triennial valuation process, and the settlement of the legal case with pension trustees on the rate of future pension payment increases. No additional cash contributions are expected to be required until at least 2026, and the agreed valuation approach significantly reduces the risk of a final lump sum payment.

Risk mitigation

- Monitoring of investment and funding strategies for the pension fund. Quarterly updates provided on the funding position to Trustees
- Board approved foreign exchange and interest rate hedging policy to cover rolling 18-month period
- Strong relationship management with tax authorities in the UK and accountancy firms (e.g. annual updates) and open dialogue with tax authorities to seek non-statutory clearances upfront where possible and ahead of inspections

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- Decreased





Viability statement

In accordance with the UK's Corporate Governance Code, the Directors assessed the viability of the Group, taking into consideration its current financial position, our strategy and business model, and the principal risks as set out in the strategic report – see pages 72–80 for further detail on how we manage and control the principal risks. The Directors have determined that a three-year period is an appropriate timeframe for the assessment given the dynamic nature of the FMCG sector, and is the same timeframe used for our strategic planning which is updated annually. Beyond this, it becomes much more difficult to accurately estimate growth and cost projections.

The starting point for the viability assessment is the latest budget and the strategic and financial plan, which makes assumptions relating to the economic climate across each of our markets, soft drinks category growth, input cost inflation, and growth from the Group's value drivers. The most recent budget was updated and signed off by the Board in October 2023.

The Board's review includes consideration of the appropriateness of the key assumptions and underlying risks and uncertainties associated within the plan. Over this three-year time horizon, the Group has a strong financing position, with the majority of debt maturing beyond the assessment period. Options to secure new financing will be assessed ahead of maturities to maintain sufficient headroom and operational flexibility. Pages 68–71 provide further detail on our financial position.

Our principal risks, by their nature, can also have a significant impact on the delivery of the business' strategic objectives. As a result, our viability model takes into consideration how these risks may be realised and the impact this may have on Britvic's financial resilience, including adherence to our existing debt covenant and liquidity requirements. On their own, none of the principal risk events would cause a significant challenge in the Group's ability to meet its debt covenant and liquidity requirements.

The baseline modelling for the viability assessment has utilised a severe but plausible scenario model from the going concern review, which incorporates a number of our principal risks occurring during this three-year period. As a consequence, the viability modelling start point includes a significant level of principal risk and uncertainty, including:

- Market risk: the severe but plausible modelling includes a reduction in growth assumptions in financial year 2024 and a slow growth recovery thereafter in financial year 2025 and 2026, which is considered to reflect the impact of the assessed risk. This reflects the risk of a potential impact of a global recession, which could result in lost sales through reduced consumer confidence and heightened price sensitivity
- Sustainability and environment risk: the severe but plausible modelling includes the potential sales volume and operational disruption following the introduction of the Deposit Return Scheme (DRS) in the Republic of Ireland from February 2024
- Supply chain risk: the severe but plausible modelling includes the impact of an event which disrupts our supply chain, which is considered to reflect a proportion of this principal risk

The significantly moderated revenue growth and margin delivery in the severe but plausible modelling versus the Group's strategic plan across financial year 2025 and 2026 is also considered to capture an appropriate level of impact from the following principal risks and uncertainties:

- Retailer landscape and customer relationship risk
- Consumer preference and innovation risk
- Health concerns risk
- Talent risk

As a result, we have not mapped further separate risk events to these principal risks. For the remaining principal risks, we have identified those risk events which have been assessed as plausible to occur within the assessment time period. The table below summarises these further separate risk events which have been included in the viability assessment, in addition to those included in the severe but plausible scenario baseline model.

Principal risk	Associated risk event in the viability model
Technology and information security	Cyber-attack targeted at one of our Great Britain supply chain sites affecting production output for a period up to two weeks.
Supply chain	Disruption of global energy markets, driving energy cost inflation which is not mitigated in the short term.
Treasury, tax, and pension; legal and regulatory	Regulatory fine imposed for breach.
Quality of our products and the health and safety of our people	Food safety or product quality leading to a product recall.
Combined scenarios	The highly unlikely event of the combination of all of the above scenarios occurring within the same 12-month period.

Consideration has been given to the impact of climate change, which has identified the potential impact on consumer demand through the introduction of the Deposit Return Scheme in the Republic of Ireland as the key sustainability risk within the assessment period. The strategic plan for the Group includes the best estimate of the impacts of climate change on financial performance, as well as the corresponding investment in risk mitigations as part of our Healthier Planet strategy. An in-depth assessment of climate risk has been conducted in the past 12 months, with further analysis of the key risks to be conducted in the upcoming 12 months. See pages 53–67 for an overview of our work on TCFD.

As part of the analysis, the Directors considered the mitigating actions available to the Group to protect against these downside risk events, for example reducing advertising and promotional spend or reducing capital investment. The Directors have considered only controllable mitigating actions and no action modelled would materially impact business delivery. The Group has continued to demonstrate resilient performance, and the above risk events do not consider the organisation's production flexibility within the supply chain, the partnerships with our suppliers and customers, and the skills and experience of employees.

The viability model combines the adverse impacts of several unconnected risks to assess our resilience. These risk events are then reviewed against the Group's current and projected debt and liquidity position, and after considering the repayments of loan notes falling due during the viability period with no new facilities assumed, to assess if this would lead to a breach of our covenant position. This assessment is made at the half year and year end position, for each of the three years within the viability statement.

In addition, we have conducted two separate and stringent reverse stress tests to identify the magnitude of revenue decline and unmitigated cost inflation required before the Group breaches its debt covenant. The required reduction was considered extreme and implausible. Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to September 2026.

The strategic report was approved by the Board and signed on its behalf by:

Simon Litherland,
Chief Executive Officer
21 November 2023



Chair's introduction to corporate governance



“

Our governance arrangements support and encourage the Executive team members to make the most of the resources available to them, and to balance the interests of our stakeholders.”

Ian Durant
Non-Executive Chair

Dear Shareholder

Welcome to the Corporate governance report for the year ended 30 September 2023. This year has seen a lot of change at both Board and Executive level. I have taken up the role of Chair of the Board and we have welcomed a new Chief Financial Officer, a new General Counsel and Company Secretary, and a new Chief Marketing Officer. This level of change has underlined the need for us to be able to continue to attract top talent, with a combination of competitive remuneration and a welcoming and exciting culture, as well as to develop our own executives. The Board appreciated the commitment and expertise of a number of employees in our finance, legal and company secretarial teams, who skilfully stepped up to fill the gaps between previous leaders leaving and our new executives joining.

Board composition and succession planning

Following this period of change, the Board is now looking ahead to succession planning for the next few years, as we prepare for some of our longer-serving Non-Executive Directors to step down when they approach the end of their nine-year period of independence. This process starts with a search for a new Remuneration Committee Chair, anticipating Sue Clark's retirement from the Board. It also encompasses a review of the skills, expertise and diversity that we will need to carry the business forward and to achieve our strategic goals. The Board continues to prioritise succession planning and talent development for the Executive team and other high potential leaders in the business.

Listening to employees

As part of my comprehensive induction programme, I met with a variety of employees across the business. As well as helping me learn more about the company, it was very useful for me to be able to listen to employees and understand their concerns and views. Hearing from employees in our offices and manufacturing facilities in the UK and overseas will continue with our ongoing programme of on-site Board meetings, such as the one held at our Leeds manufacturing site in July, and individual Directors' visits.

UK Corporate Governance Code

The Board closely monitors upcoming changes in governance and regulation. Earlier this year the company responded to the FRC consultation on changes to the 2018 UK Corporate Governance Code (the Code) on a number of matters, including topics related to Directors' time commitments and climate reporting. The Board has since noted the FRC announcement on 7 November stating that it intends to take forward only a small number of the original proposals and to stop development of the remainder. It also confirmed it intends to publish an updated Code in January 2024, at which time the Board will review any recommended amendments to governance arrangements.

I invite you to review the following pages, in which we set out how we have complied with the Code. Information on how the Directors have fulfilled their duties to our key stakeholders under Section 172 of the Companies Act 2006 can be found on pages 31–33.

Ian Durant
Non-Executive Chair
21 November 2023

The UK Corporate Governance Code 2018: our compliance

The Board is supportive of the standards set in the Code and is pleased to report that the company has applied the principles and complied with all the provisions set out in the Code during the year under review. A copy of the Code, issued by the Financial Reporting Council, can be found at frc.org.uk.

This Governance statement, including the Nomination Committee, Audit Committee and Remuneration Committee reports, explains how we have applied the principles and complied with the provisions of the Code.

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Board site visit to Leeds

In July 2023, the Board held a meeting at our Leeds manufacturing site and took the opportunity to meet with employees and see the facility.

Our Leeds site was opened in 1974 and currently 246 employees work there, producing some 8 million drinks per week. Some of Britvic's favourite brands are made there, including J20, Britvic orange juice and mixers, and post-mix concentrates for brands such as Tango and R. White's.

The Board met with members of the senior leadership team including production unit managers, quality, safety and environment managers, the site engineering manager and the head of site operations.

The Board received a presentation on activities at Leeds, including:

- An overview of products and volumes
- Key focus areas such as safety and water usage

- A new learning management system and apprenticeship scheme
- Engineering challenges and wins
- Site changes such as two new buildings recently added and the future of the automated warehouse

The Board then joined the team for a full site tour and ended the visit with lunch in the refurbished site canteen. Additional members of the Leeds site teams from planning, quality and procurement joined to hear from the Chair, Ian Durant, and ask questions of all the Directors, before breaking into smaller groups for informal conversations.

“

It was nice to meet the Board for the first time and a perfect excuse to show off the site.”

Leeds Site Engineering Manager.

Board of Directors
As at 30 September 2023

The right skills to deliver our strategy

Key:

Audit Committee

Remuneration Committee

Nomination Committee

Committee Chair



Ian Durant
Non-Executive Chair

Ian was appointed as a Non-Executive Director on 1 February 2023 and since June 2023 has been Non-Executive Chair and Chair of the Nomination Committee.

Skills, competence and experience

Ian has a background in international finance and commercial management, with experience in the retail, property, hotels and transport sectors. His executive career included leadership roles with the retail division of Hanson and Jardine Matheson, Hongkong Land, Dairy Farm International, Thistle Hotels and SeaContainers, and being Finance Director of Liberty International.

Ian is an experienced non-executive director of UK-listed companies, having previously served on the boards of Westbury, Home Retail Group and Greene King. He was Chair of Capital and Counties Properties plc between 2010 and 2018, and served as Chair of Greggs plc and DFS plc. Ian is Non-Executive Chair of Warren Partners Ltd, an employee-owned recruitment firm.



Simon Litherland
Chief Executive Officer

Simon has been Chief Executive Officer since February 2013, having joined Britvic in September 2011 as Managing Director, Great Britain.

Skills, competence and experience

Simon's earlier career was with Diageo plc, a global leader in alcoholic beverages. His last role was Managing Director of Diageo Great Britain, having previously run Diageo's businesses in South Africa, Ireland and Central and Eastern Europe. Prior to this he led various functions and held a variety of international finance director roles in Diageo, IDV and Grand Metropolitan.

Simon was the President of the Incorporated Society of British Advertising from 2015 to 2017.

Simon was a Non-Executive Director at Persimmon plc from 2017 to 2023.

Simon was born in Zimbabwe and qualified as a Chartered Accountant with Deloitte in South Africa having gained a business degree at the University of Cape Town.



Rebecca Napier
Chief Financial Officer

Rebecca has served as Chief Financial Officer (CFO) since September 2023, and also chairs Britvic's ESG Committee. She is responsible for the finance, strategy, risk and internal audit, procurement and corporate affairs teams. She has primary responsibility for all financial related activities including the development of financial and operational strategies, strategic planning, deal analysis and negotiations, and investor relations.

Skills, competence and experience

Rebecca is an experienced finance leader, having joined Britvic from British Airways where she was CFO and an Executive Director from 2019. In addition to her financial acumen, Rebecca has a wealth of commercial, regulatory and international experience. She has driven successful business transformation programmes and was instrumental in leading British Airways through the global pandemic. During Rebecca's 17-year career at British Airways she held a variety of finance roles, as well as serving on the boards of the IAG Cargo and IAG Loyalty businesses.

Rebecca is a Chartered Accountant, having started her career with Deloitte. She has a first class honours degree in Management Studies from the University of Leeds.



Sue Clark
Independent Non-Executive Director

Sue was appointed as a Non-Executive Director in February 2016 and since September 2017 has been Chair of the Remuneration Committee.

Skills, competence and experience

Sue has strong international credentials and has worked in the global FMCG sector for the last 16 years. In her executive career, Sue held the role of Managing Director of SABMiller Europe and was an Executive Committee member of SABMiller plc. She joined SABMiller in 2003 as Corporate Affairs Director and was part of the executive team that built the business into a top FTSE company.

Previously, Sue held a number of senior roles in UK companies, including that of Director of Corporate Affairs for Railtrack Group and Scottish Power plc.

Sue has an MBA from Heriot-Watt University and was a Director on the board of the Edinburgh Business School from 2017 to 2019. She is also a Non-Executive Director of Tulchan Communications Group Ltd, a leading advisory firm.

External public directorships

- Non-Executive Director of Mondi plc and a member of the Audit, Nomination and Remuneration Committees
- Non-Executive Director and Senior Independent Director of Imperial Brands PLC, Chair of the Remuneration Committee and a member of the Audit and Succession & Nominations Committees
- Non-Executive Director and Senior Independent Director of easyJet plc, and a member of the Audit, Nominations and Safety Committees



William Eccleshare
Senior Independent Director

William was appointed as a Non-Executive Director in November 2017 and since April 2022 has been the Senior Independent Director.

Skills, competence and experience

William has strong international experience in business transformation, expansion, marketing, branding, restructuring and digital innovation. He has run the European divisions of major advertising agencies WPP and Omnicom and is a former partner of McKinsey & Co where he led the firm's European marketing practice. William also served as a Non-Executive Director of Hays plc from 2004 to 2014.

William was Chief Executive Officer of Clear Channel Outdoor Holdings, Inc. from 2009. He retired in December 2022 having led the global out-of-home advertising business through a major digital transformation.

William is also the Chair of the Design Council and the Chair of TeamITG.

External public directorships

- Non-Executive Director and Senior Independent Director of Centaur Media plc and a member of the Remuneration, Audit and Nomination Committees

Board of Directors continued

As at 30 September 2023

Key:

Audit Committee

Remuneration Committee

Nomination Committee

Committee Chair



Emer Finnán

Independent Non-Executive Director

Emer was appointed as a Non-Executive Director in January 2022 and since May 2022 has been Chair of the Audit Committee.

Skills, competence and experience

Emer is a qualified accountant who has worked both as an investment banker and as a group CFO. She is currently President, Europe of Kildare Partners, a private equity firm based in London and Dublin, where she is responsible for investment origination in Europe. After qualifying as a chartered accountant with KPMG, she worked in investment banking at Citibank and ABN AMRO in London, and then NCB Stockbrokers in Dublin. In 2005 she joined EBS Building Society in Ireland, becoming its Finance Director in early 2010. In 2012, Emer rejoined NCB Stockbrokers to lead a financial services team in Ireland. She joined Kildare Partners in 2013.

Emer was a Non-Executive Director and Chair of the Audit Committee at C&C Group plc from 2014 to 2023.

Emer holds a Bachelor of Commerce degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

External public directorships

- Non-Executive Director of Glenveagh plc and a member of the Audit and Risk Committee



Hounaïda Lasry

Independent Non-Executive Director

Hounaïda was appointed as a Non-Executive Director in September 2022.

Skills, competence and experience

Hounaïda's executive career was at Procter and Gamble, where she has held a series of local, regional and global roles over a significant tenure. She worked across several geographies and consumer sectors, gaining multi-faceted experience in marketing, operational and corporate roles. Most recently she was Senior Vice President, Skin & Personal Care, Europe, India, Middle East and Africa. She also served for five years on the non-profit Advisory Board of the Geneva School of Economics and Management at the University of Geneva.

In 2017 Hounaïda attended the Business and Sustainability Executive Programme at the University of Cambridge and was subsequently tasked with driving ESG integration into plans across the business.

Hounaïda, who was born in Morocco, has a degree in Marketing and International Trade from the École Supérieure de Commerce de Chambéry and an MBA from Université Pierre Mendès-France.

External public directorships

- Non-Executive Director of B&M European Value Retail S.A. and a member of the Nomination and Remuneration Committees.



Euan Sutherland

Independent Non-Executive Director

Euan was appointed as a Non-Executive Director in February 2016.

Skills, competence and experience

Euan currently serves as Group Chief Executive Officer of Saga plc. Prior to this, he served as Group Chief Executive Officer of SuperGroup Plc for five years and as Group Chief Executive Officer for the Co-op group of companies. Earlier in his career he was Group Chief Operating Officer at Kingfisher plc, Chief Executive Officer of B&Q and Chief Executive of AS Watson UK, owner of Superdrug. Euan has over 22 years' experience within the retail and FMCG sectors, having held roles with Boots, Dixons, Coca-Cola and Mars.

Euan has a first class honours degree in Managerial and Administrative Studies from Aston University.

External public directorships

- Executive Director of Saga plc.



Mollie Stoker

General Counsel and Company Secretary

Mollie is the General Counsel and Company Secretary and is responsible for the legal and regulatory, company secretarial, estates and quality, safety and environment teams across Britvic.

Skills, competence and experience

Mollie joined Britvic in 2023 from Ocado Group plc, where she was the Deputy General Counsel responsible for its legal team. Prior to Ocado, Mollie was Group General Counsel and Company Secretary of DWF Group plc.

Mollie previously worked for Suntory Beverage and Food, where she was the Director of Business Development for EMEA and prior to that General Counsel of its Great Britain and Ireland business unit.

Mollie trained and qualified at Slaughter and May and spent a number of years working in US law firms as a corporate lawyer focusing on M&A and equity capital markets.

Mollie holds an MA in Classics from Cambridge University and postgraduate diplomas in law and legal practice from the University of Law.



Group Executive team

As at 30 September 2023



Simon Litherland
Chief Executive Officer

+ See Simon's biography on page 84



Rebecca Napier
Chief Financial Officer

+ See Rebecca's biography on page 84



Mollie Stoker
General Counsel and
Company Secretary

+ See Mollie's biography on page 85



Kevin Donnelly
Managing Director, Ireland

Kevin joined Britvic Ireland in September 2008 as Marketing Director and was appointed Managing Director in June 2013. He has over 30 years' experience in sales, marketing and general management in FMCG companies, including Unilever and Dairygold. He is a non-executive director of Deposit & Return Scheme Ireland (DRSI) since February 2022.

Kevin holds a first-class honours degree in Marketing from Trinity College Dublin and a postgraduate diploma in Digital Marketing.



Paul Graham
Managing Director, Great Britain

Paul joined Britvic in September 2012 and was promoted to the role of Managing Director, Great Britain, the following year. He has played a pivotal role in business-shaping milestones, including the acquisition of Plenish and Jimmy's Iced Coffee, the renewal of the PepsiCo Exclusive Bottling Agreement and the supply chain investment programme in Great Britain.

Prior to Britvic, he worked in commercial roles at Mars Confectionery and United Biscuits, where he developed his passion for FMCG.

Paul is currently President of the British Soft Drinks Association and will step down in June 2024.

Paul holds a degree in Management Sciences from the University of Manchester.



Hessel de Jong
Managing Director,
Britvic Teisseire International

Hessel joined the business in September 2015 with over 20 years of management experience in the international FMCG industry. He is responsible for Britvic Teisseire International (France, Europe, Americas, Asia, Global Accounts, Middle East, Africa and Export).

Prior to joining Britvic, Hessel held various regional and global leadership positions at Coca-Cola, Heineken and SCA Group.

Hessel is based in Amsterdam and holds a Master of Business Administration degree from INSEAD and a Bachelor of Business Administration degree from Nyenrode University.



Pedro Magalhães
Managing Director, Brazil

Pedro joined Brazilian drinks company Ebba in 2009, which became part of Britvic Brazil in September 2015. Pedro became Managing Director, Brazil, in 2021.

Prior to this position, he was CFO of the Brazilian business unit and Vice President of Finance and Operations.

Pedro has more than a decade of experience as an Investment Fund Manager within various sectors in Northeast Brazil, including Casa Forte Investments and Rio Bravo Investments.

Pedro studied Business Administration at the Pernambuco University and gained an MBA from FGV with an extension at the Harvard Business School.



Group Executive team continued

As at 30 September 2023



Steve Potts
Managing Director,
Beyond the Bottle

Steve joined Britvic as Chief Information Officer in 2014 and became a member of the Executive team in June 2018, taking on additional responsibility for Britvic's digital transformation.

From October 2020, Steve was appointed Managing Director, Beyond the Bottle, responsible for Britvic's forward-thinking approach to the future of dispense.

Prior to joining Britvic, Steve was at Marks & Spencer plc where he was responsible for IT for UK stores, the international businesses in more than 40 countries, and the critical commercial and supply chain systems used across the food business. Earlier in his career, he worked for Procter & Gamble and Reckitt Benckiser where he performed a number of director-level roles within IT, and was CIO at Tarmac Group, where he combined running the IT function with the Programme Director role of Tarmac's Business Transformation Programme.



Sudeep Shetty
Chief Information
and Transformation Officer

Sudeep joined Britvic in 2016 and became a member of the Executive team in June 2022. Retaining oversight of IT, data and analytics from his previous role as Chief Information Officer, Sudeep is also responsible for cross-functional transformation programmes.

Sudeep started his career in India as a business analyst for Cognizant, having graduated in Mechanical Engineering. He moved to London in 2006 on secondment with J.P. Morgan, eventually leading an international business transformation programme for the investment bank. Subsequent roles have seen him develop digital solutions for consumers at M&S, Jack Wills and Selfridges.



Cindy Tervoort
Chief Marketing Officer

Cindy is responsible for all aspects of global brand strategy, marketing, digital and research and development.

Cindy joined Britvic in 2023 from Heineken group, where she was Managing Director for Beerwulf.com, the D2C e-commerce platform of Heineken in Europe. Before this, she spent four years as a Board Member of Heineken UK, leading the marketing of all of its beer and cider brands, as well as the company's digital transformation, consumer media, innovation, and category and trade marketing. Prior to that Cindy gained deep FMCG knowledge in various commercial leadership roles at Unilever and PepsiCo.

Cindy holds a Master of Science in Economics degree from the Vrije University in Amsterdam and a Master of Food Management degree from the Erasmus University in Rotterdam.



Elly Tomlins
Chief People Officer

Elly joined Britvic in February 2022 and is responsible for the design and execution of the people strategy for the Group, including talent management, organisational change and capability, equity, diversity and inclusion, wellbeing and reward.

Elly has considerable expertise in developing progressive talent strategies, delivering innovative employee experiences, and building and scaling culture transformation. She was most recently VP Culture & People Strategy at Tate & Lyle PLC and formerly the Group Talent & Organisational Development Director and HR Director for Group Functions at Whitbread PLC. She also held a series of international and global roles across talent, inclusion and diversity and organisational change at Thomson Reuters Corporation.

Before entering HR Elly was a management consultant and holds an MA and MPhil in Historical Studies from Cambridge University.



Our governance framework, board roles and responsibilities

2,502 shareholders as at 30 September 2023

Board

Non-Executive Chair Ian Durant

The Chair leads the Board and is responsible for the creation of the conditions necessary for overall Board and individual Director effectiveness in directing the company.

The Chair acts as the company's external representative, seeking regular engagement with major shareholders in order to understand their views on governance and performance against the strategy.

Chief Executive Officer Simon Litherland

The CEO is responsible for the day to day management of the business, developing the Group's strategic direction for consideration and approval by the Board and implementing the agreed strategy. He is supported by the other members of his Executive team.

Chief Financial Officer Rebecca Napier

The CFO is responsible for the finance, strategy, risk and internal audit, procurement and corporate affairs teams. She has primary responsibility for all financial related activities including the development of financial and operational strategies, strategic planning, deal analysis and negotiations, and investor relations. She also chairs Britvic's ESG Committee.

Senior Independent Director William Eccleshare

The Senior Independent Director works closely with the Chair, acting as a sounding board and providing support, and acting as an intermediary for other Directors as and when necessary.

He is available to shareholders and other Non-Executive Directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chair, the CEO or the CFO), or for which such contact is inappropriate.

Independent Non-Executive Directors Sue Clark, Emer Finnan, Euan Sutherland, Hounaïda Lasry

The Non-Executive Directors' role is to provide critical and constructive challenge to the Executive Directors, while scrutinising and holding their performance to account against agreed performance objectives.

They bring independent judgement and oversight on issues of strategy, performance and resources, and, through the Board's committees, on matters such as remuneration, risk management systems, financial controls, financial reporting, the appointment of further Directors and sustainability.

Company Secretary and General Counsel Mollie Stoker

All Directors have access to the advice of the Company Secretary and General Counsel. She is the senior legal officer for the Group and is responsible for advising the Board on all governance matters and ensuring that Board procedures are followed. Support is also provided to the Chair in ensuring that the Directors receive accurate, timely and clear information.

Committees

Nomination Committee

Responsible for Board appointments, succession planning and reviewing the structure, size and composition of the Board, ensuring that there is a balance of skills, knowledge, experience and diversity on the Board.

Audit Committee

Monitors the integrity of the Group's external reporting and provides oversight and governance of the Group's internal controls, risk management and the relationship with the external auditor.

Remuneration Committee

Responsible for setting the Remuneration Policy and individual compensation for the Chair, Executive Directors and senior management to ensure that it is in line with the long-term interests of the Group.

Executive team

CEO

CFO

Chief Information and Transformation Officer

Chief Marketing Officer

Chief People Officer

General Counsel and Company Secretary

Managing Director, Brazil

Managing Director, Britvic Teisseire International

Managing Director, Great Britain

Managing Director, Ireland

Managing Director, Beyond the Bottle

Executive Committees

ESG

Equity, Diversity and Inclusion

Tax and Treasury

Capital

Compliance

Pensions



The Board in 2023 – how key activities support strategy

The Board's role is to promote the sustainable success of the company for the benefit of all stakeholders, generating value for shareholders and contributing to wider society. The Board is responsible for setting the long-term business strategy and establishing our purpose, vision and values, which together underpin our culture – see pages 26–27 for information about our strategy.

Strategy

The Board is focused on strategic matters and is responsible for assessing the appropriateness of the strategy against the company's purpose, vision and values, making adjustments over time as required. It has a forward-looking agenda that considers economic, social, environmental and regulatory issues and any other relevant external matters that may influence or affect the company's achievement of its objectives.

Key activities

- Regular strategy updates including a two-day strategy meeting in March 2023 for an in-depth assessment of the strategic pillars, concluding that the strategy was still valid and clarifying focus areas for each business unit going forward
- Frequent discussions on both organic and inorganic growth
- Market perspectives from corporate broker Morgan Stanley
- Monitoring performance of brands, including relative market share, current performance, future strategy and innovation
- A detailed review of the UK hospitality channel including inflation, employment challenges and changes in consumer behaviours
- Update on use of sweeteners and media reactions
- Presentation on Britvic's technology investment roadmap
- Presentation on the performance and plans of the Beyond the Bottle business unit
- Presentation from the Supply Chain Director covering results of an external end-to-end capability and cost review of the supply chain in Great Britain
- Presentation from the Chief Procurement Officer covering supplier resilience across key categories such as juice, sugar, cans and CO₂

Decisions

- Approval of the acquisition of Jimmy's Iced Coffee (see page 16 for further information)
- Approval of the acquisition of several brands from Globalbev in Brazil (see page 17 for further information)
- Approval of a ten-year power purchase agreement to deliver clean energy exclusively to Britvic from a new solar development in Great Britain (see page 50 for further information)

Alignment to strategy



Financial performance and monitoring

The Board evaluates and monitors current performance against agreed targets and is responsible for approving annual plans and budgets, major capital commitments, material acquisitions, results, dividends and announcements, including the going concern and viability statements. It ensures that the necessary financial resources, assets and skills are in place for the company to meet its objectives.

Key activities

- Presentations from the CFO on Group and business unit performance for each period, including market data, budgets, outlook and cash flow
- Investor relations reports detailing market movements and trends
- In-depth presentations on individual business units and brand evaluations

Decisions

- Approval of the interim and full year results
- Approval of an increase of 6.2% in annual dividend
- Approval of new share buyback programme
- Approval of annual budget and operating plans

Alignment to strategy



Internal controls and risk management

The Board considers and sets the company's risk appetite for each of the company's principal risks. It assesses principal and emerging risks, approves changes to risk evaluations and reviews and considers mitigation plans. The Board reviews and approves the overall approach to risk management.

While the Board has ultimate responsibility for the company's internal audit function, risk management and internal control systems, monitoring of these is delegated to the Audit Committee (see pages 103–104).

Key activities

- Presentations from the Director of Internal Audit and Risk to consider changes to existing and emerging risks, risk appetite across the principal risks and the effectiveness of approaches to risk management
- Presentations from the Chief Information Officer covering cyber security
- Inclusion of principal risk assessments in all relevant presentations from management

Decisions

- Approval of the annual insurance programme
- Approval of changes to risk appetite and ratings of each principal risk

Alignment to strategy



Key:

- 1 Healthier People, Healthier Planet
- 2 Build local favourites and global premium brands
- 3 Flavour billions of water occasions
- 4 Access new growth spaces



The Board in 2023 – how key activities support strategy continued

Culture, leadership and people

The Board assesses and monitors culture, ensuring that policy, practices and behaviours in the business are aligned with the company's purpose, values and strategy. The Board reviews quality, health and safety performance at every meeting, noting safety performance against targets. The Board also reviews health and safety culture and key focus areas going forward.

The Board is responsible for succession planning and the remuneration policy for the Chair, Non-Executive Directors, Executive Directors, Company Secretary and Executive team, following advice and recommendations made by the Nomination and Remuneration Committees.

The Board engages with the wider workforce via a number of different channels, including participating in the Employee Involvement Forum. The Board also ensures that provision is made for the workforce to raise concerns in confidence.

Key activities

- Presentations from the Chief People Officer on culture and employee engagement during the year, including equity, diversity and inclusion measures, learning and development, career development, belonging and wellbeing, noting performance, progress made and future next steps
- Review of Healthier People performance against goals including progress on diversity, equity and inclusion measures
- Detailed reports on quality, safety and environmental performance twice during the year
- Extended discussions on executive succession, senior leadership pipeline, talent and capability
- Discussion of what retains and attracts employees in the context of the cost of living crisis
- Visits to local sites and employee engagement activities

Decisions

- Appointment of three new Directors, including the Chair and CFO
- Appointment of the new General Counsel and Company Secretary, and the new Chief Marketing Officer

Alignment to strategy

1

Key:

- 1 Healthier People, Healthier Planet
- 2 Build local favourites and global premium brands
- 3 Flavour billions of water occasions
- 4 Access new growth spaces

Environmental and social

The Board evaluates and monitors non-financial performance comprising environmental measures such as carbon footprint, water usage, waste and packaging, and social measures such as community programmes and the drive to offer healthier consumer choices.

The Board ensures that non-financial goals and progress are integrated with all financial decisions and are considered as part of the strategy and its implementation.

Key activities

- Presentations from the CFO included environmental performance against targets, consumer complaints, and calories per serve data
- Presentations from the environmental, social and governance (ESG) team covering progress of the Healthier People, Healthier Planet strategy
- Regular updates on Deposit Return Schemes including implementation in Ireland and plans for Scotland and England

Decisions

- Announcement of energy efficiency project at the Beckton factory. This aims to reduce carbon emissions by 50% through the installation of a new heat recovery system, cutting emissions by an estimated 1,200 tonnes annually

Alignment to strategy

1

Governance

The Board acts fairly between shareholders and engages in appropriate dialogue to obtain the views of investors as a whole. The Board reports to shareholders in the form of an Annual Report and Accounts, quarterly trading updates and full and half year results updates, as well as various other statutory non-financial statements.

The Board considers the views of, and effects on, the company's key stakeholders in Board discussions and decision making.

Key activities

- Regular updates on governance, legal and regulatory matters
- Review and adoption of the updated Group Code of Conduct
- Review of Board and Committee effectiveness and implementation of its recommendations
- Meetings with key investors

Decisions

- Approval of the Modern Slavery Act Statement, the Gender Pay Gap Report and annual disclosure of tax strategy
- Responded to FRC consultation on the UK Corporate Governance Code

Alignment to strategy

1

2

3

4

The Board in 2023

Stakeholder engagement

Shareholders

The Board's main contact with existing and prospective institutional shareholders is through the Director of Investor Relations. He is responsible for all primary contact with shareholders, potential investors and equities research professionals. The Board receives reports on investor relations activity from him at each Board meeting including comprehensive data from an independent capital market advisory firm about the company's major shareholders.

The director of Investor Relations and members of the Executive team engage directly with investors throughout the year, including one-to-one group meetings, as well as attending conferences virtually and physically. Topics discussed with investors during the year included consumer environment, category trends, inflation and commodity trends. The Board is kept up to date with information from any meetings and discusses this feedback. The Chair met with a number of shareholders as part of his induction and continues to discuss governance matters with investors as appropriate. The Committee Chairs were also available to meet with investors on request.

The Group's investor reach is global, and the company liaised with investors in the UK, the US, Canada, France, Italy, Germany, Ireland, Denmark, the Netherlands, Norway and Sweden during the last financial year.

The CEO and CFO met with both corporate advisors, J.P. Morgan and Morgan Stanley, as well as Headland Consultancy for advice and insight related to capital markets and media engagement. Morgan Stanley gave a presentation to the Board in March, providing insight on the state of the market and how investors see the company.

Private shareholders are encouraged to access the company's website for company reports and business information and to get in touch by email with any queries (investors@britvic.com).

Enquiries about specific shareholder matters should be addressed to the company's Registrar, Equiniti, in the first instance – contact information can be found on page 189.

Our 2023 Annual General Meeting (AGM) was held in London and all resolutions were passed. Shareholders were encouraged to vote by appointing the Chair as proxy if they were unable to attend in person. The Board encouraged shareholders to submit questions in advance and these were responded to individually. The CEO provided an update on the performance, positioning and outlook for the Group. Shareholders were invited to ask questions during the meeting and these were followed up by one-to-one discussions with the Directors afterwards if required.

The 2024 AGM is again planned to be a physical meeting held in London. The Notice of Meeting can be viewed at britvic.com/aggm.

Other key stakeholders

The Board actively encourages and engages with key stakeholders and considers this to be paramount to the long-term success and performance of the business. Our Section 172 statement on pages 31–33 explains how Section 172 matters including this engagement, are taken into consideration by the Board in its decision making.

As a purpose and values-led company, the Board recognises the contribution Britvic makes to society, the environment, and its key stakeholders. It seeks to understand their views and predominantly engages with them through the Executive Directors, who ensure that the Board is kept informed of any key issues or changes.

It also keeps ways of engagement under constant review to ensure that they remain effective. Information on how the Board has engaged with key stakeholders during the year can be found on pages 28–30 and information on Board engagement with employees can be found on page 92.



Shareholder engagement timeline

Q1

- Preliminary results investor engagement (UK, Europe and US)
- AGM engagement

Q2

- AGM and Q1 trading statement engagement
- Investor site visits to Rugby
- In-person investor roadshows (London and Edinburgh)
- Virtual investor engagement (US, Europe and Asia)
- Investor site visit to Beckton
- Berenberg Corporate Conference

Q3

- New Chair shareholder engagement
- Interim results investor engagement (UK, Europe and US)
- Investor site visit to Rugby
- Deutsche Bank Consumer Conference (Paris)
- InterAXS ESG investor roadshow

Q4

- New CFO shareholder engagement
- Q3 trading statement engagement
- OTCQX virtual conference
- Aqua Libra, analyst teach-in
- Bernstein's Annual Pan European Strategic Decisions Conference

The Board in 2023 continued

Stakeholder engagement continued

Employee engagement

The Board is committed to engaging with employees throughout the company on subjects that affect them, and providing updates on Britvic's performance. The Board's approach to employee engagement uses a variety of methods, covering a broad range of interactions with employees. This enables all Directors to have direct contact with employees in different settings.

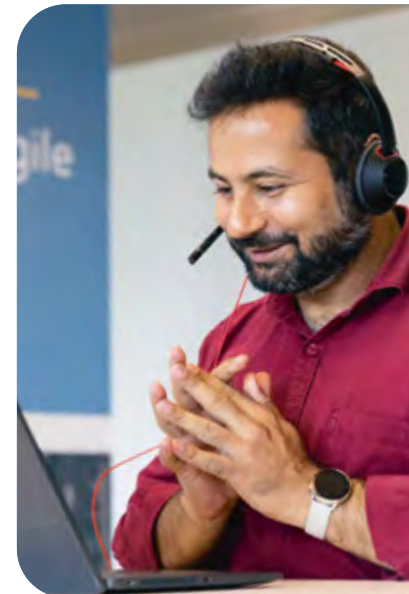
The Board acknowledges that this is not one of the recommended approaches set out in the Code. However, by adopting a range of different engagement practices the Board has greater opportunities to hear from employees in a range of settings. It considers this to be more effective than allocating responsibility to a single Director or limiting engagement to an advisory panel, as it opens up possibilities for a wider range of activities.

The Board sets out an engagement plan at the start of each financial year, including in-person site visits, face-to-face meetings and virtual interactions.

Site visits

The Board visited our Leeds factory in July 2023 to meet and engage with employees working on the lines and tour the sites. The Board received a supply chain update from the site management teams which highlighted upcoming plans for the factory and potential challenges - see page 83 for more detail.

The Chair and CEO visited the Beckton factory in August 2023 to open the new bottling line, taking the opportunity to speak with employees there. They also visited the factory at Crolles in France earlier in the year, as part of the Chair's induction programme.



Engagement surveys

Our employee engagement framework – Employee Heartbeat – measures employee sentiment, providing us with valuable insights on employee engagement, what works well in the organisation, and what can be improved. All our employees are given an opportunity to make their voice heard, and an average of 80% took part, giving over 8,000 comments across two surveys in the year. For more information on the survey outputs see pages 39–40.

Results are released to the Board for discussion following each survey, highlighting the insights gained from Heartbeat, the current business context and the actions planned.

Following this detailed feedback, the Board's views are gathered on how we continue to build our culture and plan for future success.



Employee Involvement Forum

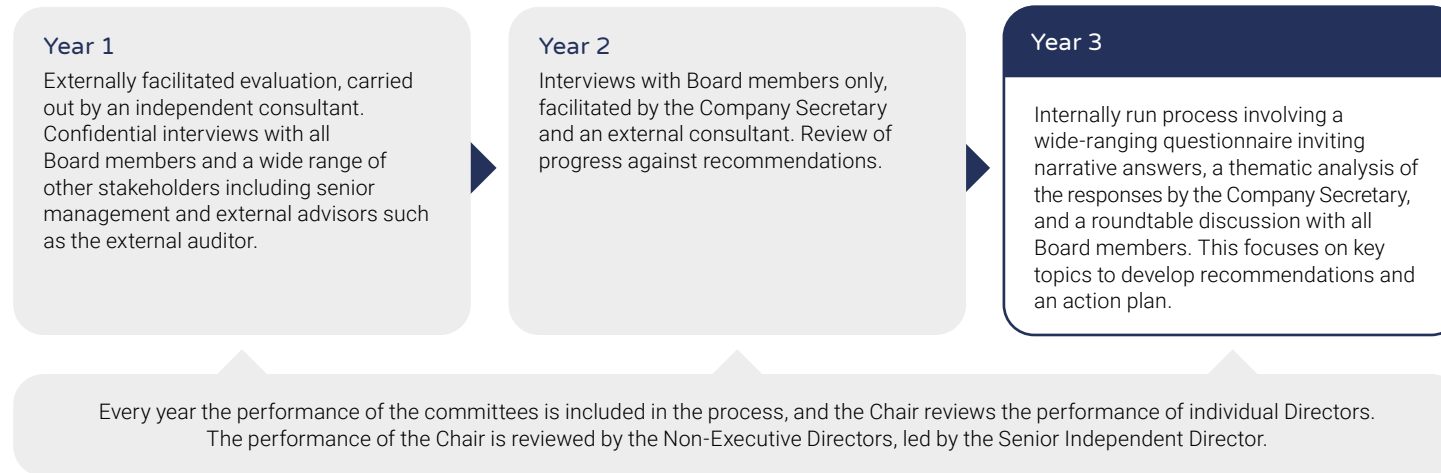
The Employee Involvement Forum (EIF) provides a formal mechanism for elected colleague representatives to meet regularly with senior management. The aim is to exchange information and consult on key topics such as company strategy, business performance, environmental matters and employment policy. The forum also provides an ad hoc way to share information and consult on issues affecting business performance.

Sue Clark and Simon Litherland attended EIF meetings in August 2023 and took part in discussions on a number of topics. These included Britvic's strategic ambitions and business performance, reward, ways of working, talent planning, training and wellbeing.

Sue and Simon fed back to the Board following these sessions and, going forward, different Directors will participate in future EIF meetings each year.

Review of Board effectiveness

Board performance review cycle



The Directors recognised that there had been significant change on the Board during the year, with the new Chair, CFO and General Counsel and Company Secretary only taking up their roles shortly before the performance review in September. As a result, it was decided to operate a proportionate review, with an emphasis on identifying specific forward-looking actions for implementation. An independently facilitated review will be carried out in 2024.

The questionnaire circulated to the Board covered a wide range of topics including how the Directors discuss strategy, risk assessment, ESG, culture, stakeholder engagement and succession planning. Feedback was also sought on how the Board interacts outside meetings and with senior leaders, and how meetings are run and managed. Full narrative responses were shared with the Chair on an unattributed basis.

The Board discussed the themes at a meeting in October 2023 and agreed the recommendations shown on the left. Overall the Directors agreed that the Board was working well as a team and welcomed the opportunity to find areas for improvement.

Questions on the performance of the Committees were included and the outcomes are shown in the Committee reports on pages 99, 105 and 113.

The Chair met with individual Directors to discuss their performance and the Senior Independent Director sought views from the Non-Executive Directors on the Chair's performance. As the Chair had only been in the role for a few months, this review was kept at a high level and will be revisited in more depth next year.

Outcomes from this year's review

Focus area	Recommendation and plan
Education and training	<ul style="list-style-type: none"> A broad programme of training and external speakers will be prepared, ensuring that it is not generic and high level but focuses on specific Britvic issues For example, it is intended that training will be delivered on sustainable packaging rather than broad environmental and/or broad climate change topics
Employee voice	<ul style="list-style-type: none"> Additional ways to enhance and extend the employee voice programme will be explored, without interrupting the normal flow of business activities. This will include store and on-trade visits with sales teams, and breakfast meetings with employees organised around Board meetings The use of virtual cafes will be explored, particularly with employees outside the UK, involving Directors and small groups from all levels in the business including front-line manufacturing staff
Informal interactions	<ul style="list-style-type: none"> To further strengthen relationships, particularly in light of the recent changes to the Board, an annual programme of informal meetings will be prepared in addition to formal Board meetings. These will include Board dinners, both with and without executives, and site visits both inside and outside the UK for small groups of Directors Non-Executive Directors will also be informed of local company activities in which they can participate such as charity events



Board inductions

Process

All new Directors are offered a structured induction which they can tailor to their individual needs. Following feedback from previous inductions, information and activities are spread out over a period of time to enable Directors to absorb knowledge at an appropriate pace.

The key elements of the induction are:

Documentation

Copies of relevant company documents are made available early on in the programme including the most recent Annual Report and Accounts, the Group structure chart, the company's articles of association, key policies and recent Board and Executive team minutes and papers. The Directors can decide when to access these resources as they get to know the business.

Meetings with other Directors and senior leaders

Meetings are arranged with the Chair, the CEO, individual Non-Executive Directors, members of the wider Executive team and Group leadership. This is in order to provide an understanding of culture, values, strategy, recent developments, financials, and key challenges and opportunities.

Meetings and training with external advisors

Meetings are arranged with external advisors appropriate to the individual role, such as auditors, remuneration consultants, lawyers, brokers and PR consultants.

Site and market visits

In addition to site visits arranged as part of normal Board meetings, Directors are encouraged to visit any other Britvic facilities at convenient times. Market visits can also be arranged to see Britvic products on sale in a variety of locations.

Tailored elements



Ian Durant
Non-Executive Chair

- Early focus on strategy and time spent with the CEO to understand key issues
- Site visits in the UK and overseas, meeting with key senior managers and employees at all levels
- Marketing sessions and market visits to see the brands in action
- Talent and succession planning sessions to set up Nomination Committee leadership
- Meetings with brokers and major shareholders



Rebecca Napier
Chief Financial Officer

- In-depth meetings with the finance team to understand roles and organisational structure
- Meetings with brokers and major shareholders
- Site visits around Great Britain, Ireland and France
- Corporate governance training with external lawyers
- Meetings with other Board members, in particular the Chair of the Audit Committee
- Meetings with the external auditor



Mollie Stoker
General Counsel and Company Secretary

- Meetings with the legal and regulatory, company secretarial, estates and QSE teams to understand roles and organisational structure
- Company secretarial briefing on Board governance practices
- Meetings with the Chair and CEO to discuss Board and Executive team meeting rhythm and upcoming discussion topics
- Legal briefing on key disputes and contractual matters
- Meetings with external lawyers



Hounaida Lasry
Independent Non-Executive Director

- Meetings with the Chair and CEO on key strategic issues and commercial structure
- Meetings with other Board members, in particular the Chair of the Remuneration Committee
- Meeting with the remuneration consultants
- Training on UK PLC governance and shareholder environment



How the Board works

How the Board operates

The Board is accountable to shareholders for all the actions of the company. The articles of association set out the rules agreed between shareholders covering how the company is run, including the powers and responsibilities of the Directors. Britvic's articles were last updated in January 2019.

A resolution to amend the articles of association to incorporate current best practice and legal and governance standards is being proposed at the 2024 AGM. The Notice of Meeting can be viewed at britvic.com/aggm.

Matters reserved

The Board has a formal schedule of matters specifically reserved for its decision making and approval. These include responsibility for the overall management and performance of the Group and the approval of its long-term objectives, commercial strategy, annual and interim results, annual budgets, material acquisitions and disposals, material contracts, major capital commitments, going concern and long-term viability statements and key policies. The matters reserved for decision by the Board are regularly reviewed and approved by the Board. They can be found at britvic.com/mattersreserved.

Committees

The Board is assisted by three Board committees to which it formally delegates matters as set out in each committee's terms of reference. These are reviewed annually, with any amendments approved by the Board.

Terms of reference for each committee can be found at britvic.com/committees. The reports of the committees can be found on pages 97–119.

The Board also has a Disclosure Committee which meets when required. It is responsible for overseeing the disclosure of information by the Group to meet its obligations as a listed company. The Disclosure Committee was not called on to meet during the year.

The Board may constitute further committees for regular long-term duties or to address specific short-term situations, as set out in the company's articles of association. The Board may also call on a number of Directors to form a sub-committee for an individual decision or authorisation, such as the approval of quarterly results.

Delegation of authority

The Board delegates authority for the executive management of the company to the CEO, other than those matters reserved for decision by the Board and matters delegated to committees of the Board. The Britvic Statement of Authorities is an internal document that sets out the delegations below Board level. It provides a structured framework to ensure the correct level of scrutiny of various decisions covering matters including contracts, capital expenditure, tax, treasury and HR decisions. Amendments to the Statement of Authorities are reviewed and approved by the Board.

Meetings

The Chair, in conjunction with the CEO and Company Secretary, plans an annual programme of business prior to the start of each financial year, taking into account outputs from the annual review of Board effectiveness. This ensures that essential topics are covered at appropriate times, and that space is built in to give the Board the opportunity to have in-depth discussions on key issues. The programme of business is prepared in conjunction with the annual programme for the Executive team meetings, to ensure consistency and fluid reporting to the Board.

The Board met six times during the year as scheduled, excluding sub-committee meetings to approve the financial results. A seventh meeting initially arranged for September 2023 was held in early October 2023 due to scheduling issues. When time-sensitive approvals were required between meetings, the Board held ad hoc virtual meetings, authorised sub-committees to be convened as appropriate, or made use of written resolutions.

All meetings were held in person, making use of hybrid facilities via Teams video conference to bring in presenters and other attendees when appropriate.

The Chair regularly meets with the Non-Executive Directors without the Executive Directors present, both collectively and individually. In addition, the Chair discusses matters relevant to the Audit and Remuneration Committees with the Chairs of each on a regular basis.

The Chair and the Company Secretary ensure that the Directors receive clear, timely information on all relevant matters. Board papers are circulated electronically via a secure Board portal in advance of meetings to ensure that there is adequate time for them to be read and to facilitate robust and informed discussion. The portal is also used to distribute reference documents such as company policies and other useful resources such as articles and discussion papers.

Board and committee meeting attendance

Membership and attendance	Board	Audit Committee	Remuneration Committee	Nomination Committee	AGM attendance
Sue Clark ¹	●●●●●○ 5/6		●●●● 4/4	●●● 3/3	✓
Ian Durant	●●● 3/3			● 1/1	n/a
William Eccleshare	●●●●●● 6/6	●●● 3/3	●●●● 4/4	●●● 3/3	✓
Emer Finnan	●●●●●● 6/6	●●● 3/3		●●● 3/3	✓
Hounaida Lasry	●●●●●● 6/6		●●●● 4/4	●●● 3/3	✓
Simon Litherland	●●●●●● 6/6				✓
Euan Sutherland	●●●●●● 6/6	●●● 3/3		●●● 3/3	✓
Former Directors					
John Daly	●●●●● 5/5		●●● 3/3	●● 2/2	✓
Joanne Wilson	●●●●● 5/5				✓

1. Sue Clark was unable to attend one Board meeting due to a prior business commitment. Rebecca Napier joined the Board after the last meeting of the year was held.

How the Board works continued

Directors

The majority of the Board are independent Non-Executive Directors. The roles of the Chair and the CEO are separate - there is a clear division of responsibilities between the two and the roles may not be exercised by the same individual (see page 88 for descriptions of the roles).

The Nomination Committee reviewed the independence of all Non-Executive Directors during the year and concluded that all current Non-Executive Directors remain independent (see page 99).

Non-Executive Director appointments are initially made for a period of three years and may be renewed for two further terms of three years. This is subject to recommendation from the Nomination Committee, taking into account both individual contribution, length of service of the Board overall and its future needs.

Details of the Executive Directors' service contracts and the Chair's and the Non-Executive Directors' letters of appointment are set out in the Directors' remuneration report on page 117. These documents are available for inspection at the registered office of the company during normal business hours and at the AGM.

All Directors are subject to annual re-election by shareholders. Both the appointment and removal of the Company Secretary are subject to approval by the whole Board.

The Board approved the appointment of Mollie Stoker as General Counsel and Company Secretary, following a rigorous and merit-based appointment process.

Time commitment and external appointments

Non-Executive Directors are required to devote sufficient time to their role and responsibilities as a member of the Board and its committees. The Nomination Committee considers any existing time commitments of potential new Directors as part of its selection process and prior to any new appointment being approved.

All new Directors are required to provide confirmation to the Company Secretary of their external appointments on joining the Board. With respect to any subsequent external appointment, the Nomination Committee reviews the impact on the Non-Executive Director's time commitment and makes a recommendation to the Board for approval if appropriate. Executive Directors are not permitted to take on more than one appointment as a director of another listed company. The Company Secretariat maintains a record of all external appointments held by the Directors.

During the year, the Board approved three external appointments, further to recommendations from the Nomination Committee and after careful consideration of the time commitments required of the roles under review. Sue Clark was appointed to the board of easyJet plc, Hounaida Lasry was appointed to the board of B&M plc and Emer Finnan was appointed to the board of Glenveagh plc.

Directors' indemnities

The company maintains Directors' and Officers' liability insurance which provides appropriate cover for legal actions brought against its Directors. Each Director has been granted indemnities in respect of potential liabilities that may be incurred as a result of their position as an officer of the company. A Director will not be covered by the insurance in the event that they have been proven to have acted dishonestly or fraudulently.

Conflicts of interest

All Directors have a duty to avoid conflicts of interest, and where they arise to declare conflicts to the Board, including significant shareholdings. The Board considers and, if thought fit, authorises any potential conflict and the conflicted Director may not participate in any discussion or vote on the authorisation.

The Nomination Committee reviewed all declared potential conflicts of interest during the year and made recommendations to the Board as appropriate.

Advice and access to employees

All Directors have access to the advice of the Company Secretary, who is responsible for guiding the Board on all governance matters. Directors are also entitled to obtain independent professional advice on any matters related to their responsibilities to the company, at the company's expense.

The Board is authorised to seek any information it requires from any employee of the company, including the Company Secretary, in order to perform its duties.



Nomination Committee report



Ian Durant

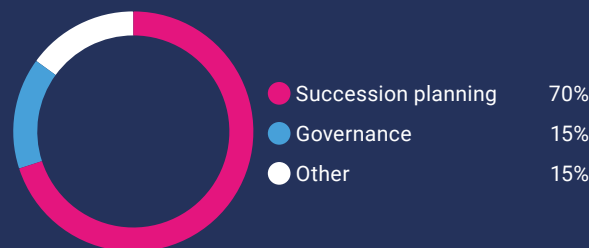
Nomination Committee Chair

Members	Attendance
John Daly (Chair October 2022–May 2023) ¹	2/2
Ian Durant (Chair June–September 2023) ²	1/1
Sue Clark	3/3
William Eccleshare	3/3
Emer Finnan	3/3
Hounaida Lasry	3/3
Euan Sutherland	3/3

1. John Daly stepped down from the Board at the end of May 2023.

2. Ian Durant joined the Board in February 2023 and became Chair of the Board and the Nomination Committee in June 2023.

Allocation of time



On behalf of the Nomination Committee (the Committee), I am pleased to present our report for the year ended 30 September 2023. The report describes how we have carried out our responsibilities during the year.

Role and responsibilities

The Committee's role is to provide oversight of the leadership needs of the business, both Executive and Non-Executive, with a view to ensuring the continued ability to compete effectively in the marketplace, implement the strategy and achieve its objectives. The Committee takes into account the challenges and opportunities facing the company and the skills, experience and knowledge required for the future. Key responsibilities include:

- Reviewing the structure, size and composition of the Board and its committees and making recommendations to the Board on any changes required to meet current and future needs
- Ensuring that plans and processes are in place for the orderly succession of Directors, the Executive team and other members of senior management while overseeing the development of a diverse talent pipeline
- Identifying and nominating candidates for appointment to the Board for approval by its members, approving changes to the Executive team, and ensuring that the procedure for appointing Directors is formal, rigorous, transparent, objective and merit based, and has regard for diversity
- Monitoring the diversity of the Board and senior management and approving any changes to the Global Equity, Diversity and Inclusion Policy
- Reviewing the Non-Executive Directors' time commitment, independence and external appointments, and the annual performance evaluation results relating to the composition of the Board
- Reviewing annually any conflict declarations by the Directors and any conflict authorisations granted by the Board
- Making recommendations to the Board concerning suitable candidates for the role of Senior Independent Director
- Making recommendations to the Board for membership of Board committees
- Making recommendations on the reappointment of any Non-Executive Director at the conclusion of their specified term of office
- Making recommendations for the re-election by shareholders of each Director taking into account their performance, ability and contribution to the Board in light of their skills and experience

The Committee's terms of reference, which are reviewed annually, are available on the company's website at britvic.com/committees.

Committee meetings

The Committee met three times during the year and conducted a number of offline written resolutions and approvals. Committee meetings usually take place before a Board meeting, and the activities of the Committee and any matters of particular relevance are reported to the subsequent Board meeting.

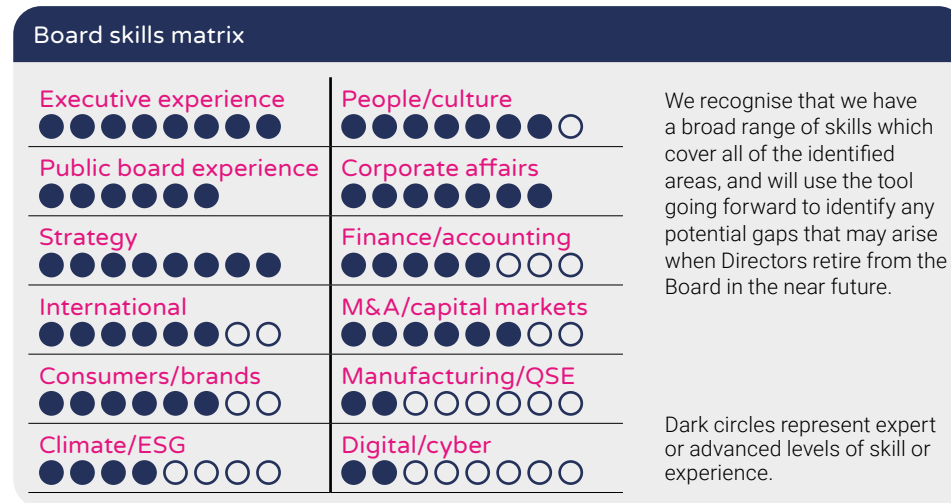
All members of the Committee attended all meetings that they were eligible to join. Attendees at each meeting comprise Committee members, who are all independent Non-Executive Directors, and by invitation as appropriate, the CEO, the Chief People Officer and any members of the senior management team the Committee feels necessary for a full discussion on agenda items.

Nomination Committee report continued

Board and committee composition

The Committee reviewed the composition of the Board, considering the mix of skills, experience, knowledge and background of the Directors. This focused on the requirements to meet the strategic needs of the business going forward and in particular when considering renewal of contracts and potential new appointments.

The Directors completed a self-capability assessment using an online tool from BoardOutlook, a comprehensive peer calibrated online tool which also supports our ongoing succession planning work. The output is shown in the matrix below.



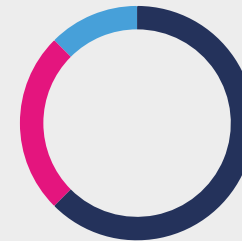
Equity, diversity and inclusion

Britvic recognises the importance of Board diversity and at all levels of the Group. The company is committed to increasing diversity across our operations and has a wide range of activities to support the development and promotion of talented individuals, regardless of factors such as gender, age, ethnicity, disability, sexuality and religious belief. Our Global Equity, Diversity and Inclusion Policy can be found at britvic.com/policies. More information about progress against our goals can be found on pages 41–43.

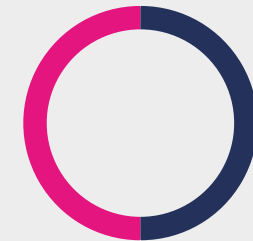
The Board meets the diversity targets set in the Listing Rules with over 40% of members being women, one of the senior Board positions being held by a woman and one Board member being from a minority ethnic background. These targets were met on 30 September 2023 and no changes have occurred since then which affect the company's ability to meet the targets. Data on these targets in the required standardised form can be found in the Directors' report on page 122.

The Committee considered the gender balance of the Executive team and its direct reports and received information on these from the Chief People Officer on a regular basis.

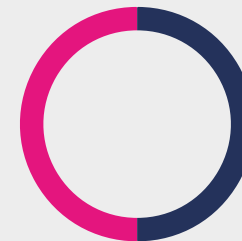
Board composition (%)



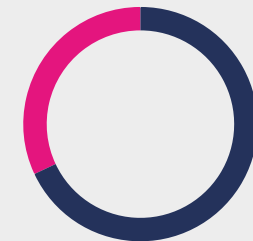
Board tenure (%)



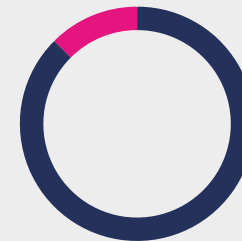
Board gender balance (%)



Executive team and direct reports gender balance (%)



Board ethnicity (%)





Nomination Committee report continued

Succession planning and recruitment

Recruitment of a new Chair was the focus for the early part of the financial year, concluding with the announcement of the appointment of Ian Durant in December 2022. Ian joined the Board in February 2023 as an independent Non-Executive Director and Chair-designate, taking over as Chair in June 2023. This early appointment allowed for a meaningful handover period, as part of a planned succession process, and facilitated Ian's in-depth induction prior to taking on the Chair role (see page 94).

Further to Joanne Wilson's resignation as an Executive Director in November 2022, identifying the right person to succeed her as Chief Financial Officer became the focus for early 2023. The Committee followed a formal, rigorous and transparent process, as described opposite, ensuring that the appointment was based on merit, objective criteria, and cognitive and personal strengths. A wide range of candidates were considered, including internal candidates, and key consideration was given to maintaining diversity of gender, ethnicity and social background. The announcement of the appointment of Rebecca Napier was made in March 2023 and she joined the Board in September 2023.

Talent development for senior management and high-potential employees was covered in extended Board discussions (see page 90) including development of a diverse pipeline in line with our diversity targets (see pages 41–43). An external specialist partner has been appointed to work with the Committee on long term succession planning for the Board.

External appointments

All Directors are required to request approval from the Board before accepting any new external directorship appointments. The Committee reviewed three requests during the year, both to public companies. After careful consideration of the time commitments required of the roles under review, we recommended approval of the external appointments of Sue Clark to easyJet plc, of Hounaïda Lasry to B&M plc and of Emer Finnan to Glenveagh plc.

Executive team appointments

The Committee considered and approved the appointment of Cindy Tervoort as Chief Marketing Officer, and recommended to the Board the appointment of Mollie Stoker as General Counsel and Company Secretary.

Conflicts of interest and independence

On behalf of the Board, the Committee reviewed the independence of each Non-Executive Director and is satisfied that all Non-Executive Directors, including the Chair, remain independent under the definition in the Code. Furthermore, the Committee is satisfied that each of the Non-Executive Directors commits sufficient time to meet their Board responsibilities.

All Directors are required to submit an annual declaration of conflicts of interest and to declare any new conflicts as they arise. The Board delegates to the Committee the responsibility for reviewing the procedures for assessing, managing and, where appropriate, recommending the approval of any conflicts of interest to the Board. The Committee reported to the Board that the current procedures are appropriate and that they have operated effectively during the year.

Committee evaluation

Questions on the performance of the Committee were included in the questionnaire circulated as part of the full Board performance review. These included topics such as the amount of time allowed for debating important topics, interaction with stakeholders and style of chairing and presentations. The Directors commented that the Committee was performing well on succession issues with good progress on external search processes, and the new specialist partner will help drive further improvements. A more comprehensive evaluation will be conducted in 2024 as part of the external Board performance review due at that time.

Ian Durant
Nomination Committee Chair
21 November 2023

Appointment of new Directors

Ian Durant Non-Executive Chair

Criteria

The process to identify a Chair-designate candidate was led by the Senior Independent Director, William Eccleshare. It began in March 2022 with the development of a specification including prior Chair experience, business leadership track record, international experience, orientation towards strategy, communication skills and an open and collaborative style.

Search

We retained Russell Reynolds to conduct the search. Russell Reynolds has no other connection with the company or any individual Directors. This search indexed highly on proven chairs of UK listed and private organisations, starting with consumer and extending to related industries. The longlisting and shortlisting process was robust and remained diverse throughout.

Interviews

Initial panel interviews were conducted by William Eccleshare and Emer Finnan, Chair of the Audit Committee, extending to other Board members later in the process. The preferred candidate met with all Board members and a selection of executives in order to complete mutual due diligence.

Offer and contract

The Committee confirmed Ian as the preferred candidate, noting that he would be considered independent on appointment, and recommended to the Board the initiation of the offer process.

Rebecca Napier Chief Financial Officer

Criteria

A role brief was created in January 2023 for a commercially skilled CFO with public company experience. This included a demonstrable track record within a customer-focused organisation, experience of enhancing financial processes and business controls, strong strategic thinking and an engaging and collaborative approach.

Search

We retained MBS to conduct the search with a brief to review the available talent for this position and to ensure both the longlist and shortlist contained extensive diversity. MBS has no other connection with the company or any individual Directors. It had a particular focus on female leaders and searched every FTSE business in all sectors, including AIM, to produce a longlist of 14 candidates, from which we shortlisted and met the top four.

Interviews

First stage interviews were conducted by Simon Litherland, CEO, and Elly Tomlins, CPO, and second stage interviews were conducted by Ian Durant, Non-Executive Chair-designate and Emer Finnan, Chair of the Audit Committee. In addition we completed an executive assessment which identified Rebecca as an exceptional candidate and future talent, not only for finance but potentially into other commercial leadership roles as well.

Offer and contract

The Committee confirmed Rebecca as the preferred candidate and recommended to the Board the initiation of the offer process.

Audit Committee report



Emer Finnan

Audit Committee Chair

Members	Attendance
Emer Finnan (Chair)	4/4
William Eccleshare	4/4
Euan Sutherland	4/4

Allocation of time



On behalf of the Audit Committee (the Committee), I am pleased to present our report for the year ended 30 September 2023. The report describes how we have carried out our responsibilities during the year.

The Committee is composed solely of independent Non-Executive Directors. The Board is satisfied that I have recent and relevant financial experience as required by the Code and that the Committee as a whole has competence relevant to the sector in which the company operates.

Role and responsibilities

The Committee's role is to provide oversight of the company's financial and narrative reporting statements, to monitor the effectiveness of systems of internal control and risk management, and to monitor the integrity of the Group's external and internal audit processes. Key responsibilities include:

- Reviewing the integrity of the financial and narrative statements. These include results and company performance announcements, and any significant financial reporting issues and judgements which they contain, taking into consideration matters communicated by the external auditor, and recommending these for approval by the Board
- Ensuring compliance with accounting standards and policies, reviewing and challenging their application, and, if unsatisfied, reporting the Committee's views to the Board
- Establishing procedures to oversee the internal control framework and periodically reviewing the effectiveness of the internal control and risk management systems
- Monitoring the scope, remit, resources and effectiveness of the company's internal audit function
- Reviewing, for approval by the Board, the going concern and viability statements, providing advice to the Board on how the company's prospects have been assessed, taking into account its position and principal risks
- Providing advice to the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy
- Overseeing the company's relationship with the external auditor, reviewing their activities, conducting the tender process when a new auditor is to be appointed, and making recommendations to the Board on their remuneration for both audit and non-audit services, terms of engagement, independence, objectivity and effectiveness of the external audit process
- Developing and implementing the company's formal policy on non-audit services, engagement of the external auditor to carry out non-audit services, and assessing whether non-audit services have a direct or material effect on the audited financial statements
- Reviewing the company's arrangements and procedures for individuals to raise concerns where a breach of conduct or compliance, including any financial reporting irregularity, is suspected, while ensuring appropriate safeguards are in place
- Reviewing the company's procedures for detecting fraud, and the systems and controls for the prevention of bribery

To enable the Committee to discharge its responsibilities, discussions on a broad range of topics and reports were held with management, internal audit and the external auditor throughout the year. This provided us with insight into the progress towards the company's strategic goals, the challenges and risks, and how they are being managed.

The Committee has an open dialogue throughout the year with the Director of Audit and Risk and the external auditor. This allows us to raise challenges and questions to support understanding while sharing experience and an independent perspective.

The Committee's terms of reference, which are reviewed annually, are available on the company's website at britvic.com/committees.



Audit Committee report continued

Committee meetings

The Committee met three times this year, and a fourth meeting initially arranged for September was held in early October due to scheduling issues. In November and May we reviewed the Annual Report and Accounts and interim report respectively and considered the external audit findings. In March we focused on internal control matters and undertook training on TCFD. In October, we reviewed the activities of the previous year and the plan for the year ahead, and considered any emerging issues.

Principal risk reviews were also completed, and updates on the regulatory environment considered. At each meeting, the performance and findings of the internal audit team were reviewed, including any outstanding audit actions.

Committee meetings usually take place ahead of a Board meeting, and the activities of the Committee and any matters of particular relevance are reported to the subsequent Board meeting. There is time available at each meeting for the Committee to discuss matters with key individuals such as the external audit partner and the Director of Internal Audit and Risk, without others present.

All members of the Committee attended all meetings that they were eligible to join. Only Committee members have a right to attend meetings, but the Chair, the Chief Executive Officer, the Chief Financial Officer, the Group Finance Director, the Director of Internal Audit and Risk and the external auditor are invited to attend as appropriate, as well as any other members of the senior management team that the Committee feels necessary for a full discussion of matters on the agenda. Meetings were held in person with presenters and attendees participating via video conference when appropriate.

Joanne Wilson left Britvic in April 2023 and Rebecca Napier joined as Chief Financial Officer in September 2023. During the interim period, the Group Finance Director undertook the role of Interim Chief Financial Officer and attended Audit Committee meetings.

Review of financial statements

For both the interim and full year results statements, the Committee reviewed:

- Any changes to accounting policies
- Key accounting judgements – details of significant areas considered are shown in the table on page 102
- Compliance with relevant legal and financial reporting standards
- Valuation of goodwill and assets including recoverability of asset carrying values
- The external audit findings, including any accounting and audit adjustments

Review of the 2023 Annual Report and Accounts

At the request of the Board, the Committee considered whether the 2023 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

To enable the Board to have confidence in making this statement, the Committee considered the elements in the table opposite.

To form our opinion, we reflected on the information and reporting we received from management and the external auditor and the discussions that took place during the year.

Reviews were based on information provided by the CFO and her team at each Committee meeting as well as reports from the external auditor based on the outcomes of their half year review and annual audit. The Committee concluded that:

- The financial statements comply with all applicable financial reporting standards and any other required regulations
- Material areas of significant judgement have been given due consideration by management and reviewed with the external auditor
- The application of acceptable accounting policies and practices is consistent across the Group
- The disclosures provided are clear, and as required by financial reporting standards
- Reporting and commentary provide a fair and balanced view of company performance
- Any correspondence from regulators received in relation to our financial reporting is considered and disclosures are updated if required

The Committee subsequently made a recommendation to the Board, which in turn reviewed the report as a whole, confirmed the assessment and approved the report's publication. The Board statement is on page 124.

Fair, balanced and understandable assessment

Fair	Balanced	Understandable
Is the whole story being presented?	Is there a good level of consistency between the narrative in the front section and the financial reporting in the back section of the report?	Is there a clear framework to the report?
Has any sensitive material been omitted that should have been included?	Are statutory and adjusted measures explained clearly with appropriate prominence?	Are the important messages highlighted appropriately throughout the document?
Are the key messages in the narrative reflected in the financial reporting?	Are the key judgements referred to in the narrative reporting and the significant issues reported in the Audit Committee report consistent with the disclosures of key estimation uncertainties and critical judgements set out in the financial statements?	Is the layout clear with good linkage throughout in a manner which reflects the whole story?
Are the KPIs disclosed at an appropriate level based on the financial reporting?	How do they compare with the risks that the external auditor plans to include in their report?	



Audit Committee report continued

Financial statements and significant areas considered

In general, the Committee assesses key judgements by receiving a report on the topic prepared by management. Each report details the decision-making process which management has been through in making that judgement, and any assumptions used. The Committee is then able to challenge management on critical aspects of the judgement and discuss the matter with the external auditor in arriving at their own assessment of the position.

Going concern basis for the financial statements and viability statement

The Committee reviewed and challenged management's assessment of going concern, longer-term prospects and the viability statement with consideration of forecast cash flows that took into account potential impacts of inflationary pressure and other principal risks. We also considered the Group's financing facilities including twice yearly covenant tests and future funding plans.

Having considered and challenged these severe but plausible downside scenarios and reviewed the associated going concern disclosures in the financial statements, the Committee was comfortable with recommending to the Board that it adopt the going-concern basis of preparation for these financial statements.

Recoverability of goodwill and assets

The Committee considered whether the carrying value of goodwill and indefinite life assets should be impaired or otherwise adjusted. There is judgement in the assumptions underlying the calculation of the value in use, or fair value, of the business being tested for impairment – primarily whether the forecasted cash flows are achievable, the potential impact of climate change on those cash flows, and the overall macro-economic assumptions. The forecasted cash flows used in the calculation for France and Brazil were presented to the Committee.

The Committee challenged management on the stress testing performed on the calculation, including management's cash flow forecasts, growth rates and the discount rates used. The Committee reviewed management's paper, challenged the assumptions used, reviewed the financial statement disclosures and are comfortable with the conclusions reached.

Adjusting items

Adjusting items are not reported as part of the financial statements but are used in the Annual Report and Accounts to provide clarity on underlying performance for users of the accounts. The classification of adjusting items is defined by a Group policy, as approved by the Committee. It includes items of significant income and expense which, due to their size, nature or frequency, merit separate presentation to allow shareholders to understand better the elements of financial performance during the year. The Committee reviewed and challenged items to be included throughout the year in order to confirm appropriateness.

Revenue recognition

Revenue recognition is a key area of focus, in particular the accounting for variable consideration and consideration payable to customers. The Committee reviewed and challenged the level and calculations for long terms discounts and rebates, which are judgemental in nature due to estimations required to assess customer performance, and whether contractual conditions will be met in the future. The Committee considered the appropriateness of the recognition and completeness of the accrual at the half year and year end and are comfortable with the conclusions reached.

Taxation

The Committee reviewed the uncertain tax positions, challenging the completeness of the balance sheet provisions and are comfortable that the Group effective tax rate is calculated appropriately.

Defined benefit pension scheme liabilities valuation

The Committee reviewed the assumptions that are provided by the Group's actuaries and used to value the pension liabilities for the four defined benefit schemes. The underlying assumptions based on market conditions and the characteristics of the schemes are reviewed by management and the conclusions reported to the Committee.

The Committee also reviewed the accounting for an amendment to the Great Britain pension scheme in relation to pension increases that resulted in the recognition of a past service cost through the income statement and agreed it was appropriate, as well as the impact of the latest triennial valuation.

Acquisition accounting

Britvic completed the acquisition of Jimmy's Iced Coffee Ltd during the financial year for consideration of £24.9 million. At the acquisition date, management performed valuations of the identifiable assets and liabilities and resulting goodwill. The purchase price allocation exercise is subject to management judgement and estimate, including forecast cash flows, buyer specific synergies and the applicable discount rate used in valuations.

The Committee reviewed management's purchase price allocation and the disclosures provided in the financial statements and concluded they were appropriate.

Climate-related financial disclosures in accordance with TCFD arrangements

The Committee have reviewed the disclosures on pages 53–67 made in response to the recommendations of the Task Force on Climate-related Financial Disclosures, and is satisfied that these are appropriate and that the assumptions used in the financial statements are consistent with these disclosures.



Audit Committee report continued

Interactions with the Financial Reporting Council

The Committee reviewed and approved correspondence with the Financial Reporting Council (FRC) following an enquiry from its Corporate Reporting Review team. In common with other large public limited companies, the FRC had carried out a review of Britvic's Annual Report and Accounts for the year ended 30 September 2022 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC requested further information on the company's share buyback programme and the classification of loans due from subsidiary undertakings in the parent company balance sheet.

The company explained that it had a contractual right to immediately terminate the share buyback programme outside of restricted periods. Consequently, the company had an obligation to repurchase only those shares purchased by its brokers, but not yet repurchased by the company, at 30 September 2022, and a liability had been recognised at the reporting date for this obligation. The company agreed to enhance disclosure of the applied accounting policy for any future share buybacks.

The company has revised the classification of loans due from subsidiary undertakings in the parent company balance sheet at 30 September 2023 and has restated prior period comparatives to reflect that only those loan receivables expected to be realised within 12 months of the reporting date are presented as current assets. Loans due from subsidiaries are repayable on demand and were previously all presented within current assets. The company has also restated loans due from subsidiary undertakings to present them gross of loans due to subsidiary undertakings as the criteria for offset were not met. For further details see note 1 of the parent company financial statements.

The Group has also revised the balance sheet presentation of cash and overdraft balances subject to notional cash pooling arrangements. It previously presented these balances on a net basis within cash and cash equivalents. The Group's balance sheet at 30 September 2023 presents cash and overdraft balances on a gross basis and prior period comparatives have been restated accordingly. For further details, see note 3 of the consolidated financial statements.

Disclosure observations made by the FRC were given full consideration and additional disclosures are included in this Annual Report and Accounts where material or relevant to do so.

While the review carried out by the FRC provides no assurance that the Annual Report and Accounts was correct in all material respects, the Committee was pleased that the FRC's review only identified a small number of points, which supports our view of a strong level of compliance with financial reporting and disclosure requirements at Britvic.

The FRC closed the review process following the company's response.

Internal audit

The internal audit function carries out work across the business, providing independent and objective assurance and advice to help the company in identifying and mitigating any potential control weaknesses. The internal audit function, headed by the Director of Audit and Risk, reports to the Audit Committee and is comprised of in-house employees with significant internal audit experience and supplemented with external third-party specialist expertise as required.

Prior to the start of the financial year, the Committee reviewed and agreed the internal audit plan for the upcoming year. The ability to achieve this plan, and the breadth and adequacy of the coverage of the plan across the organisation's principal risks, emerging risks, scope of operations and prior significant findings were considered. As a result of continuous monitoring and engagement, changes to the audit plan were reviewed and agreed throughout the year in light of other appropriate factors.

The internal audit plan is risk based and takes an independent view of what internal audit considers to be the most significant known and emerging risks facing the business in pursuit of the strategic priorities. In the year, the audit plan covered a breadth of business areas including cyber security, financial controls, procurement and sustainability. The objective is to assess the adequacy and effectiveness of the internal control environment, identifying weaknesses and ensuring that these are addressed within appropriately agreed timelines. To enable this, internal audit works closely with business teams following an audit, to provide advice and review the effectiveness of the control improvement actions to be implemented.

The Committee reviewed the key observations from each completed internal audit, the improvement actions required and the timeframe for their implementation. Where significant findings were raised, we reviewed these with the relevant business owner and sought assurance on the adequacy of plans in place to address gaps. At each Audit Committee meeting, there was ongoing tracking on the timely completion of management actions and any overdue items were discussed and followed up. Where appropriate, the Director of Internal Audit and Risk provided further information and understanding on specific topics where either the Committee requested more information, or the Director felt it was pertinent.

Through both the review of detailed individual internal audit reports issued and matters presented and reviewed at the Audit Committee as outlined above, the Committee monitored the effectiveness of the internal audit function against the approved internal audit plan.

Internal control and risk management

As delegated by the Board, the Audit Committee is responsible for establishing procedures to oversee the internal control framework and review the effectiveness of the company's internal control and risk management systems.

A robust assessment of the company's emerging and principal risks is carried out by the Executive team each year and approved by the Board. There is ongoing discussion and review throughout the year on principal risks as part of the Board and Committee programme of business. Details of the overall risk management process, including designation of emerging and principal risks, along with a summary of the principal risks and uncertainties, to which the company is exposed, can be found on pages 72–80. In addition, we have continued to develop the assessment and mitigation strategies of the key climate risks and opportunities facing the organisation. Further detail of the work conducted can be found on pages 53–67.

The internal audit function provided information to the Committee at each of its meetings to enable review of the risk management process, and to ensure that it is designed to deliver appropriate risk management and effective prioritisation across the Group. The Committee also reviewed the adequacy and effectiveness of the Group's internal control procedures, covering financial, operational and compliance controls. This included detailed reviews of principal risks covering tax, treasury, legal and regulatory and pensions, as well as oversight of the ongoing development and enhancement of the financial control framework. Following detailed discussions throughout the course of the period, we were satisfied that procedures were in place during the year and up to the date of this Annual Report and Accounts. We were also satisfied that such procedures comply with the requirements of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the Financial Reporting Council.

The Committee, with input and guidance from the internal audit function, monitored any identified areas of weakness or areas for improvement to ensure that they were addressed within agreed timeframes. We confirm that no significant failings or weaknesses were identified in the review for the 2023 financial year.



Audit Committee report continued

Internal control and risk management continued

On 16 October 2023, the UK government published a statement withdrawing draft proposed changes to Companies Act 2006, following consultation with companies which raised concerns about burdensome reporting requirements. The legislation would have required Britvic to prepare a resilience statement, an audit and assurance policy statement, a material fraud statement and a distribution policy statement along with providing information about distributable reserves. Instead, the government has noted that it will set out a new reform package that will deliver a more targeted, simpler and effective framework for both businesses and investors. The government noted that it remains committed to wider audit and corporate governance reforms, including establishing a new Audit, Reporting and Governance Authority (ARGA) to replace the FRC.

To ensure that the Group is ready to meet the potential future requirements as part of the UK government's audit and governance reform package, the Group initiated a Financial Control Improvement programme which has documented key financial processes, management self-assessment and continuous control improvements. Britvic's system of internal controls, along with the design and operating effectiveness of the Group's financial reporting process, is subject to review by the Committee, through reports received from management, along with those from both internal and external auditors. Any control deficiencies identified are followed up, with action plans tracked. The Committee is committed to continuing to enhance the internal control environment, and will monitor and respond to further guidance from the government during 2024.

Viability statement

The Committee reviewed management's work in conducting a robust assessment of those risks which could threaten the business model and the future viability of the company. This assessment included identifying severe but plausible risk events for each of the Group's principal risks as well as considering interdependencies and the overall impact from multiple risks. Additionally, stress testing was carried out, allowing the Committee to review scenarios that could render the business unable to pay its liabilities as they fall due. To support the final conclusion on viability, the assessment also took into account the mitigations available to the company to protect against these downside scenarios.

Based on this analysis, the Committee recommended to the Board that it could make the viability statement on page 81.

Whistleblowing

The Group's whistleblowing policy contains arrangements for an independent service provider to receive, in confidence, reports of breaches of any legal or company policy requirements, via the mySpeakup platform. We reviewed these arrangements and confirm that appropriate processes were established and maintained throughout the year. Any disclosures raised through these arrangements, and the actions taken to investigate and resolve them, were reported to the Board.

mySpeakup allows employees and external stakeholders to raise any concerns they may have in confidence and anonymously if they wish. The platform provides a clear audit trail of cases and enables detailed reports to be produced. Further awareness-driving activities continued during the year, through internal communications to employees and integration of mySpeakup into mandatory online training for employees in Great Britain, Ireland and our international business outside Brazil and France. In the year, we also relaunched our Code of Conduct internally, including wider awareness communication on the mySpeakup policy and methods to report a concern across the organisation.

External audit

EY was auditor to Britvic plc from its listing on the London Stock Exchange in 2005. Legislation states that there should be mandatory audit firm rotation after 10 years of engagement although an option exists to extend this for another 10 years with a tender. In addition no one can act as engagement partner for more than five years. The audit was tendered in 2016 when EY was reappointed. The lead EY engagement partner had been in place since the financial year 2018 audit, and the Board decided that a tender should be carried out with a view to appoint a new external auditor for the 2023 audit.

Following a full and competitive tender process, the Audit Committee and the Board approved Deloitte as Britvic's new auditor effective 1 October 2022 and Deloitte was formally appointed as auditor at the AGM in January 2023. The lead audit partner is Georgina Robb. The Committee confirmed compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Deloitte provided the Committee with their plan for undertaking the year end audit. It highlighted the proposed approach and scope of the audit for the coming year and identified the key areas of audit risk, including the audit approach for these areas. The Committee reviewed and, where appropriate, robustly challenged the basis for the audit plan before agreeing the proposed approach and scope of the external audit.

Deloitte undertook a hybrid approach, executing parts of the audit remotely combined with on-site activities where more appropriate. Over the course of the year, they provided data driven insights and analytics to management and the Committee, as part of their audit procedures around areas such as rebates. Deloitte prepared a comprehensive report of their audit findings at the year end, which they took the Committee through at its meeting in November 2023. The findings were reviewed and discussed in detail by the Committee, particularly in relation to the key areas of audit risk previously identified. A similar review of the external auditor report of their findings at the half year was undertaken by the Committee.

We considered a number of areas in relation to the external auditor, including their performance in discharging the audit and the interim review, their independence and objectivity, and their reappointment and remuneration. The Committee Chair had regular contact with the external audit partner outside of Committee meetings without the presence of management.

Based on the Committee's recommendation, the Board is proposing that Deloitte LLP be reappointed to office at the AGM in January 2024.

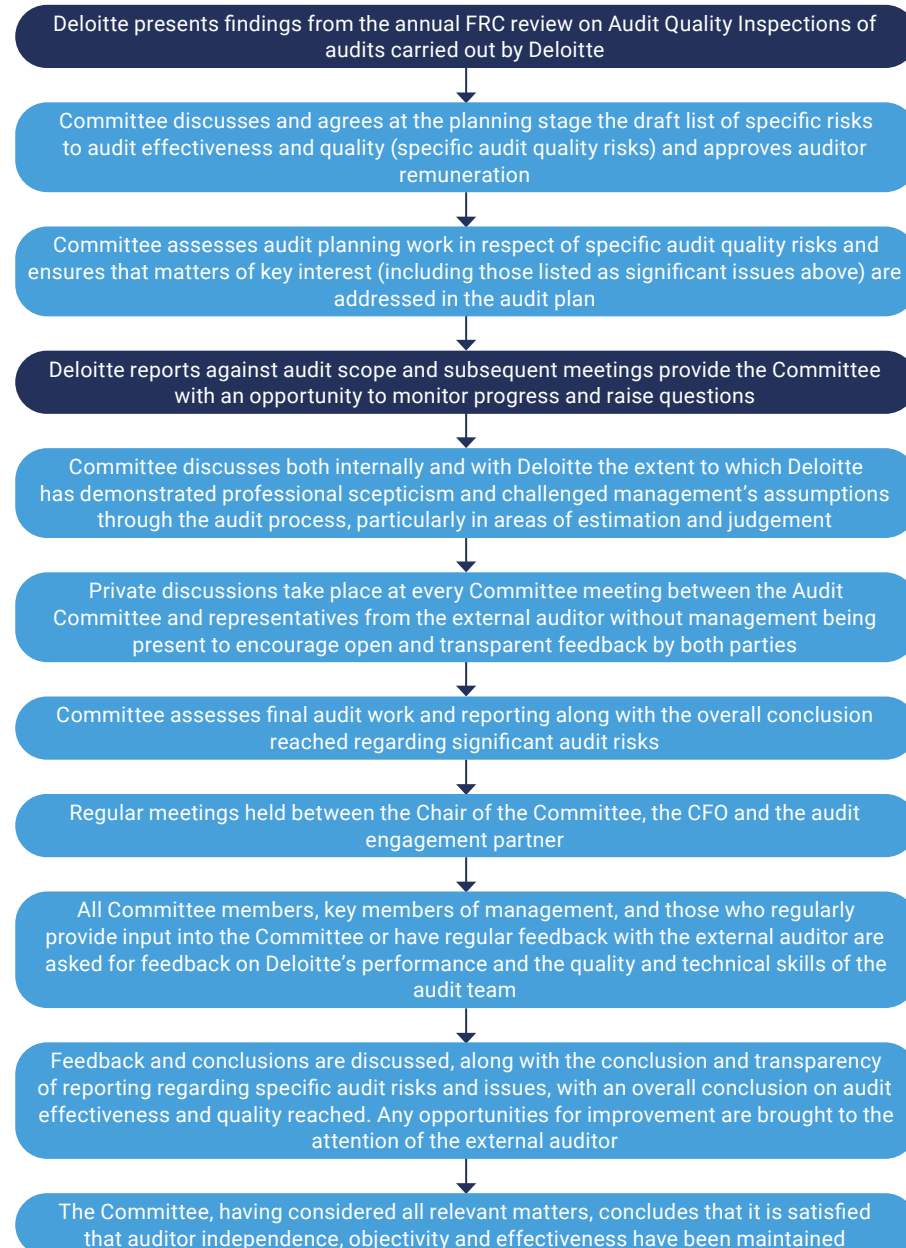
Effectiveness and quality of audit

A formal framework for the assessment of the effectiveness of the external audit process and the quality of the audit was adopted by the Committee, covering all aspects of the services provided by Deloitte. The effectiveness and quality of the external audit process was continuously monitored. Certain key areas such as the establishment of audit quality indicators and formalisation of the assessment of the effectiveness of the external audit process continue to evolve as Deloitte transitions through their tenure as auditor.



Audit Committee report continued

Assessment of external auditor



Non-audit services

The Committee considers that certain non-audit services should be provided by the external auditor. It is responsible for developing and implementing the company's formal policy on the engagement of the external auditor to carry out non-audit services and assessing whether these services have a direct or material effect on the audited financial statements. The company's policy is reviewed regularly by the Committee to safeguard the ongoing independence of the external auditor and ensure that the business complies with the FRC's Ethical Standard.

Control over total non-audit fees is exercised by reviewing spend on all activities proposed or provided by the external auditor. The Committee confirms that these are within scope and the maximum level of fees set out in the FRC's Ethical Standard. The policy states that any non-audit services provided must be pre-approved by the Committee's Chair unless the activity will have a total value of less than £5,000 and falls within the allowed services defined by FRC guidance.

The non-audit fees incurred were disclosed and approved in line with the company's policy and can be found in note 7 to the financial statements. These fees relate to the audit of the interim financial statements and assurance services provided during the year in relation to ESG reporting. The ratio of fees for non-audit services to those for audit services for the year was 17.8%, within the 70% cap in the FRC's guidance.

The Committee considered the nature and level of non-audit services provided by the external auditor and was satisfied that the objectivity and independence of the external auditor was not compromised by the non-audit work undertaken during the year.

Committee evaluation

Questions on the performance of the Committee were included in the questionnaire circulated as part of the full Board performance review. These included topics such as the amount of time allowed for debating important topics, interaction with stakeholders and style of chairing and presentations. The Directors commented that the increase in the number of meetings was helpful, and that the Committee was well chaired, providing strong assurance to the Board. A more comprehensive evaluation will be conducted in 2024 as part of the external Board performance review due at that time.

Emer Finnan
Audit Committee Chair
21 November 2023

Directors' remuneration report



Sue Clark

Remuneration Committee Chair

Members	Attendance
Sue Clark (Chair)	4/4
John Daly ¹	3/3
William Eccleshare	4/4
Hounaida Lasry	4/4

¹ John Daly stepped down from the Board at the end of May 2023.

Key performance indicators

Our executive compensation framework is designed to support the delivery of the company's strategy as set out on page 26. A significant portion of executive pay is tied to the achievement of key performance metrics directly linked to our strategic goals through an annual bonus and a Performance Share Plan (PSP). In combination they ensure that focused short-term objectives support the company's strategic vision and create sustainable long-term value for shareholders and all stakeholders.

Net revenue (at CC)

£1,733.4m

Why do we measure this?
Revenue growth is a key strategic goal and shows our ability to manage price, volume and product mix.

Bonus

Adjusted free cash flow

£137.0m

Why do we measure this?
Cash management allows us to invest in capital projects and acquisitions and return value to shareholders.

Bonus

Adjusted PBTA

£194.8m

Why do we measure this?
This is the strategic measure of EBITA, with interest deducted, which we believe is within the control of management.

Bonus

Innovation revenue

£50.7m

Why do we measure this?
Focus on driving smaller growing brands through appropriate resource allocation.

Bonus

Healthier People, Healthier Planet

75%

Why do we measure this?
One of our strategic pillars focusing on society, environment and governance.

Bonus

Relative TSR

(FTSE 250 excluding investment trusts)

30.6% vesting

Why do we measure this?
Includes dividend re-investment and seeks to measure our ability to deliver relative sustainable value to our shareholders.

PSP

Adjusted diluted EPS

60.5p

Why do we measure this?
Aligns to shareholder experience.

PSP

Remuneration at a glance

The table below sets out the total and a breakdown of the remuneration received by each Executive Director during the year under review.

	Simon Litherland (CEO)	Rebecca Napier (CFO) ¹	Joanne Wilson (CFO) ²
	£'000	£'000	£'000
Salary	695.8	36.9	213.1
Benefits³	21.1	1.1	7.3
Pension	80.9	2.9	15.1
Total fixed pay	797.8	40.9	235.5
Annual bonus	1,093.1	0.0	0.0
LTIP	969.4	0.0	0.0
Total performance related pay⁴	2,062.5	0.0	0.0
Other - replacement awards	0.0	1,307.2	0.0
Grand total	2,860.3	1,348.1	235.5

1. Rebecca Napier joined on 4 September 2023. She was awarded replacement awards as described on page 109

2. Joanne Wilson left on 18 April 2023.

3. Simon Litherland received £4,250 in total in free and matching shares through the all-employee Share Incentive Plan.

4. Variable pay outcomes are detailed on pages 121 to 124.



Directors' remuneration report continued

Annual statement by the Remuneration Committee Chair

On behalf of the Board, I am pleased to present the Remuneration Committee report for the financial year ended 30 September 2023.

Remuneration in context

The Group continues to operate within a challenging trading environment with elevated levels of high interest rates and inflation across all our markets.

Despite this period of uncertainty and volatility the business has delivered robust financial results. Revenue has increased by 8%, adjusted EBIT grew by 6% and adjusted ROIC has increased from 16.4% to 17.9%. These strong results are testament to the diligent efforts of our people and recognises the resilience of our local favourite brands and our ability to grow revenues, tightly control costs and manage cash effectively.

Some further progress has been made on Healthier People, Healthier Planet, most notably over-achieving on reducing calories per serve and maintaining our leading position on healthy consumer choices. On carbon reduction we have made progress in reducing both our direct Scope 1 and our indirect Scope 3 emissions. With regard to water, Brazil in particular has continued to improve water efficiency through various projects.

During the year Britvic completed the acquisition of several brands from Globalbev in Brazil and acquired Jimmy's Iced Coffee in the UK, providing access to new and growing market segments. The company also launched the Plenish Barista range which continues to build the portfolio of own brands.

Shareholder experience

Overall, the business delivered value to shareholders with a dividend of 30.8p for the year, up 6.2% on the prior year, and a share buyback programme of £75 million. The share price grew 21.5% during the year and total shareholder returns grew 26% versus the FTSE 250 of 10%.

Employee experience

The Committee is extremely mindful of the current cost of living challenges and their impact on the financial and emotional wellbeing of our employees. The differentiated pay review, providing higher increases to our lower paid workers, was well received and we will be using the same approach in 2024.

I again held a formal session with the Employee Involvement Forum where executive and all-employee reward were discussed, as well as topics such as careers, wellbeing and development. I was pleased that the tone of our discussions was positive and employees generally felt supported by the company. The company's flexible benefits programme offers a good range of services and benefits. It is well received by employees, who recognise the programme assists them in personalising their choices. During the year wellbeing roadshows continued and plans for 2024 include taking them to Ireland, and further specific workshops to meet the needs of night shift workers.

Britvic operates a Share Incentive Plan (SIP). This allows employees to invest in the business and, coupled with the philosophy of providing bonuses to as many employees as possible and awarding free shares to c.2,000 employees, means they share financially in the company's success.

Remuneration Committee focus areas in 2023

The Committee was delighted to welcome Rebecca Napier to the Board on 4 September as our new Chief Financial Officer. Rebecca joined Britvic from British Airways, following a 17-year career where she was previously CFO. The Committee set Rebecca's remuneration in line with the approved Remuneration Policy, including aligning her pension to that available to the wider workforce. In determining the package, the Committee took into account Rebecca's experience, pay arrangements at British Airways and market data to ensure the Board was able to recruit a CFO of the necessary calibre, while also paying no more than is necessary. We took into account that the outgoing CFO had not received an increase in January 2023 and that Rebecca would not be eligible for an increase in January 2024.

It was also necessary to partly compensate Rebecca for payments that would have been due had she remained at British Airways. The Committee has structured replacement awards to mirror the same terms of the awards forgone, accounting for award values, vesting periods and performance conditions where appropriate. Replacement awards will also be subject to forfeiture and clawback provisions. The full details of Rebecca's package are set out on page 109.

Following the announcement on 8 November 2022 of Joanne Wilson's resignation, she left the business on 18 April 2023. Joanne received her salary and benefits up to the point of departure but will not receive an annual bonus or long-term incentives for 2023, and all unvested or unexercised awards lapsed upon her cessation of employment. No payments were made to Joanne for loss of office.

The Committee held a competitive tender process for its advisors. As a result, Willis Towers Watson (WTW) replaced the incumbent advisors, FIT, in May 2023.

We also held discussions about the highly competitive landscape for recruiting and retaining talented employees. To that end, we approved the use of retention awards for specific critical roles and individuals outside of the Executive Committee.

Bonus and Long-Term Incentive Plan (LTIP) in 2023

Annual bonus payouts

Stretching targets for the 2023 annual bonus were set at the beginning of the year when the Committee considered a range of perspectives including external analyst forecasts and the business plan. The target ranges remained deliberately wide to take into account the ongoing unpredictability of the external operating environment. The 2023 annual bonus was based on 30% adjusted PBTA, 20% total net revenue, 20% adjusted free cash flow and 30% strategic and non-financial measures.

As is customary practice in Brazil, the company has been utilising a structure which extends payment terms with suppliers to improve working capital. The cost associated with this structure is based on the Brazilian central bank interest rate plus a margin. To reduce the overall interest cost to the Group, the company made a £17 million equity injection into Brazil in Q4 of 2023.



Directors' remuneration report continued

Bonus and Long-Term Incentive Plan (LTIP) in 2023 continued

Annual bonus payouts continued

This proposed injection of equity was not assumed in the original 2023 adjusted free cash flow budgets and so it is not included in the adjusted free cash flow targets set for 2023. The Remuneration Committee therefore exercised its discretion to adjust annual bonus outcomes for free cash flow to exclude this equity injection. As this change in funding was introduced to improve long-term profitability and margin in Brazil, and optimise the use of the Group's funding options, we deemed the adjustment necessary to align pay outcomes with overall Group performance. Had the Committee not made any adjustment, the bonus outcome for the cash flow portion of the award would have been 28% of salary rather than 35%. Full details of the annual bonus outcome are presented on pages 114-115.

Long-term incentive plan (LTIP) awards

The LTIP award that vested during the year was based 50% on EPS and 50% on relative TSR growth against the FTSE 250 index (excluding investment trusts). Adjusted diluted EPS for the financial year was 60.5p versus a threshold level of 52.8p and a maximum of 61.5p so this element vested at 90.8%. The relative TSR performance against the comparator group vested at 30.6%, meaning overall vesting of the PSP is 60.7%, compared with 19.3% vesting in 2022. The ESOP performance uses the same EPS measure as the PSP and therefore vests at 90.8%, whereas in 2022 the performance condition was not met and the options lapsed.

The Committee considered whether the PSP and ESOP outcomes should be adjusted in light of overarching business performance and the experience of shareholders, noting that adjusted ROIC increased from 16.4% in 2022 to 17.9% in 2023. After due consideration the Committee is of the view that the formulaic outcomes are fair and appropriate. No discretion was exercised in relation to the PSP or ESOP awards.

The application of policy in 2024

As it did last year, the Committee continues to monitor the impact of the cost of living crisis and takes that into account in its deliberations when setting rewards. It also ensures the company has remuneration capacity to both retain its best talent and attract new talent.

The key points to highlight are as follows:

- The annual salary increase for all of Britvic's employees is effective from 1 January. 50% of the UK workforce will receive an increase of 6.0% and a further 15% will receive at least 7.0%. The CEO's salary will increase by 2.5%, significantly below the increase afforded to the wider workforce, and the CFO will not receive an increase
- The Chair and Executive Directors reviewed the Non-Executive Directors fees and recommended increases of 2.5% for the basic fee and the Senior Independent Director fee. The Chair of Committee fees will increase by £1,000. The Committee recommended an increase of 2.5% for the Chair
- The bonus opportunity for the CEO and the CFO will remain at 175% and 150% of salary respectively. The annual bonus performance measures will be unchanged and include profit before taxation and amortisation (PBTA), net revenue, free cash flow and strategic and ESG measures

- Awards of performance shares will be made after the final results announcement with awards levels unchanged at 250% of salary for the CEO and 175% for the CFO. The Committee has decided that EPS and relative TSR remain the best measures for the long-term share plans, equally weighted. The relative TSR metric will continue to be measured against the FTSE 250 (excluding investment trusts). The Remuneration Committee also assesses ROIC at the end of the three-year performance period

The remainder of the Directors' remuneration report comprises:

- The KPIs and a summary of the remuneration outcomes for 2023 on page 106
- The Annual report on remuneration, which is subject to an advisory shareholder vote at the January 2024 AGM and sets out the details of payments made to Directors in respect of the year ended 30 September 2023 on pages 109-119

Conclusion

The Remuneration Committee carefully considered the experiences of all key stakeholders, as well as overall Group performance, when making decisions on executive pay. It believes that the 2023 outcomes on pay are a fair reflection of the company performance.

Simon Litherland, his senior leadership team and all our employees are once again to be commended for their commitment and contribution.

Finally, it is my intention to step down from the Board during 2024. As I come to the end of my time with Britvic, it has been a pleasure and privilege to serve on the Board and I wish the Group every success in the future.

I hope that you will support the Annual report on remuneration. If you have any questions on executive remuneration, please feel free to contact me at investors@britvic.com.

Sue Clark

Remuneration Committee Chair

21 November 2023



Annual report on remuneration

Summary of remuneration for Rebecca Napier – Chief Financial Officer

Element	Implementation
Base salary	£480,000 per annum.
Annual bonus	Maximum bonus of 150% of annual basic salary, with one-third of any bonus earned deferred for two years in Britvic shares.
PSP	Annual grant of 175% of annual salary, subject to performance conditions with a two-year holding period post vesting.
Pension	Company contribution of 7.5% per annum in line with the wider workforce.
Benefits	Car allowance of £13,000 per annum, private healthcare and 4x annual salary life insurance. Also able to participate in the SIP including receiving free shares up to £3,600 per annum.

Replacement awards

To replace the value of share awards forgone when leaving British Airways, Rebecca will receive:

- In respect of her 2019 PSP vesting, due to be available to her on 1 January 2024, a cash payment of £21,108 will be made in her January 2024 payroll
- In respect of her 2020 PSP, which had already vested and was in deferment, Rebecca was awarded replacement awards in Britvic shares with a value equal to the award forgone and with a vesting date that aligns with the original award made. Shares with a value of £59,899 were awarded and will vest on 1 January 2025
- In respect of her Restricted Share Plan awards of 2021, 2022 and 2023, Rebecca was awarded replacement awards in Britvic shares with a value equal to the awards forgone and with vesting dates that align with the original awards made. Shares with a value of £212,808, £385,361 and £365,427 were granted and will vest in June 2024, March 2025 and March 2026 respectively
- In respect of her 2021 Full Potential Incentive Plan, the Committee determined that part compensation was appropriate, taking into account the likelihood of performance targets being met. An award was made to the value of £283,721 with a vesting date of February 2025, aligned to the vesting date of the original award
- All of the share awards would be forfeited should Rebecca depart the company before the shares have vested

Our remuneration principles

The Directors' Remuneration Policy is designed to support our overall vision to become the most dynamic soft drinks company, creating a better tomorrow. The principal objective of the Policy is to support a performance-based culture that will help drive the successful execution of our business strategy.

We aim to provide competitive levels of remuneration opportunity for our senior executives and leadership team, a significant portion of which is in the form of variable pay in order to attract, engage and retain the very best talent from across our global sector.

To determine the shape, size and variability of each element of pay the Committee follows five key remuneration principles:

Competitive market positioning and opportunity	To attract, retain and engage the executive talent we need to realise our vision and deliver our strategy and plans, our remuneration arrangements need to be sufficiently competitive but not excessive.
Pay aligned with sustainable long-term performance	<p>The mix between both fixed and variable pay, as well as the balance between rewarding short versus long-term performance, is critical to ensuring that we reward those behaviours that will lead to the realisation of our long-term vision without compromising short-term gain.</p> <p>All forms of variable pay are only fully delivered in return for performance materially above the standards required by Britvic and our shareholders – in other words, the superior pay opportunity available can only be realised in return for superior performance.</p>
Incentive metrics aligned with our strategy and key performance indicators	The performance measures selected to determine both our annual bonus and PSP have been carefully considered to focus on a simple and effective selection of those key drivers of our strategy and long-term value creation for our shareholders.
Alignment of executive and shareholder interests	To ensure the continued alignment of executive and shareholder interests, the greatest potential pay opportunity for executives is via our PSP. Share-based awards are dependent on a balance of absolute and relative growth in long-term value creation for shareholders, and executives are only rewarded for superior market performance and the realisation of our vision. This is further reinforced by meaningful shareholding guidelines, coupled with bonus deferral for executives so that their long-term wealth remains tied to Britvic's sustained long-term success.
Mindful of our wider stakeholder responsibilities	In support of our vision, our Executive Directors' pay arrangements are not only focused on financial returns but also mindful of performance against our wider long-term stakeholder goals and the environment. The Committee takes great care to set appropriate targets across a range of measures. Both malus and clawback provisions are in place to address potentially inappropriate actions or risk taking when determining incentive plan payouts.



Annual report on remuneration continued

2024 Directors' Remuneration Policy

When implementing the policy the Remuneration Committee considered the company's remuneration principles and the six factors listed under Provision 40 of the UK Corporate Governance Code.

The table opposite summarises the company's Directors' Remuneration Policy approved at the 2022 AGM and its application in 2024. The full policy wording is set out in the 2021 Annual Report which is available on the company's website.

Clarity – The policy has been summarised clearly and simply with implementation disclosed in the Annual Report.

Simplicity – By having a single Long-Term Incentive Plan, the PSP, incentives are in line with market norms, while providing the necessary alignments to performance, strategy and wider stakeholder interests.

Risk – The Committee has considered talent and behavioural risks when designing the policy and setting performance targets. The pay decisions made in the year took into account the exposure to operational and strategic risks if the policy and its implementation fail to reward performance and to retain.

Predictability – Incentive awards are capped as a percentage of salary which limits the scope for unanticipated pay outcomes.

Proportionality – The policy takes into account the performance of the Executive Directors and this has been summarised in the Directors' remuneration report.

Cultural alignment – The incentive arrangements for the Executive Directors and the measures and targets are cascaded throughout the business. The design of incentives is intended to reinforce a strong performance and inclusive culture, to reward value-creating outcomes which are also achieved in accordance with our people, planet and performance strategy. The use of the ESG scorecard aligned to our Healthier People, Healthier Planet agenda is a good example of this, and 20% of annual bonus opportunity for our top c.100 leaders is aligned to these measures.

Statement of implementation of the Directors' Remuneration Policy in 2024

The full Directors' Remuneration Policy can be found in the 2021 Annual Report, available on the Britvic website at britvic.com.

	Policy element	Simon Litherland (CEO)	Rebecca Napier (CFO)
FIXED PAY	Base salary	£720,118 2.5% increase	£480,000 0.0% increase.
	Pension	Employer contribution of 7.5% of salary per annum in line with pension provision for the wider UK employee workforce. Part paid as employer contributions to pension and part paid as cash in lieu.	
	Benefits	Car allowance of £13,000, family private medical insurance and 4 x basic salary life insurance. Participation in the all-employee SIP.	
ANNUAL BONUS	Annual bonus opportunity	Target 87.5% of salary to maximum 175% of salary.	Target 75% of salary to maximum 150% of salary.
	Annual bonus measures	For 2024, the following performance metrics and weightings apply to the bonus: 30% adjusted PBTA, 20% total net revenue, 20% adjusted free cash flow and 30% on strategic and non-financial measures. One third of any bonus earned (subject to a de minimis level) will be deferred into shares for two years. These shares will count towards Britvic's shareholding policy. Payment for threshold performance: 0% of maximum will be awarded.	
LONG-TERM INCENTIVE	Performance Share Plan (PSP)	Maximum 250% of salary with a two-year post-vest holding period.	Maximum 175% of salary with a two-year post-vest holding period.
	PSP Measures	50% based on EPS targets. Threshold performance will be 63.1p increasing on a straight-line basis to 100% vesting at 72.1p. 50% based on relative TSR with threshold performance requiring median ranking against the FTSE 250 (excluding investment trusts) comparator group, increasing on a straight-line basis to 100% vesting for upper quartile performance or better. The Committee will also consider underlying return on invested capital (ROIC) over the performance period to ensure that it remains appropriate relative to the EPS delivered. The performance period will remain as three years. 20% of maximum will be awarded for threshold performance.	
	Malus and clawback	Malus and clawback may be applied to annual bonus and PSP awards in certain conditions where the payment of the bonus resulted from a material misstatement in the company's accounts, an error in the assessment of the satisfaction of a performance condition or in cases of material corporate failure.	
	Shareholding requirement	200% of basic salary. Post-cessation, the lower of an Executive Director's shareholding and 200% of basic salary at cessation of employment for the first year after ceasing to be a Director and 100% of basic salary for the second year. Vested share awards from future incentive grants and future purchases will count towards the post-cessation guideline.	



Annual report on remuneration continued

Statement of implementation of the Directors' Remuneration Policy in 2024 continued

Base salary and fees

Implemented in line with policy.

The company is mindful of the impact of the cost of living. In the UK over 15% of the workforce will receive an increase of 7.0% and in total over 65% of the workforce will receive an increase of at least 5.0%. The CEO will receive a salary increase of 2.5%, effective 1 January 2024, to maintain market alignment. The CFO will not receive an increase.

The Remuneration Policy summarised on page 110 will be implemented as follows:

	2024 base salary £'000	2023 base salary £'000	Increase
Simon Litherland	720.1	702.6	2.5%
Rebecca Napier	480.0	480.0	n/a
Joanne Wilson	n/a	415.0	0.0%

The Chair and Executive Directors reviewed the Non-Executive Directors fees and recommended increases of 2.5% for the basic fee and the Senior Independent Director fee. The Chair of Committee fees will increase by £1,000. The Committee recommended an increase of 2.5% for the Chair. All increases to be effective 1 January 2024.

Benefits and pension

Implemented in line with policy.

Annual bonus

Implemented in line with policy.

The target award amounts for Simon Litherland and Rebecca Napier are 87.5% and 75% of base salary respectively, with corresponding maximum award values of 175% and 150% of base salary.

The Committee reviewed the annual bonus measures in the context of the company's short-term aims and their alignment to the strategic goals. The Committee is satisfied that the 2024 annual bonus will continue to include a strategic/non-financial element to incorporate objectives relating to our Healthier People, Healthier Planet strategy.

Accordingly, the bonus measures¹ and weightings for 2023/24 are:

- Adjusted PBTA (30%)
- Total net revenue (20%)
- Adjusted free cash flow (20%)
- Non-financial and strategic measures (30%)

1. Performance measures are defined as follows:

Adjusted profit before tax and amortisation (PBTA) – measured before adjusting items on a constant budgeted currency basis.

Total net revenue – measured on a constant budgeted currency basis.

Adjusted free cash flow – measured excluding movements in borrowings, dividend payments and adjusting items.

Non-financial and strategic measures include net revenue from innovation on a constant budgeted currency basis based on a specific set of brands and sub-brands identified as being critical product launches or in early phases of growth. ESG measures are aligned to our Healthier People, Healthier Planet strategy.

The Committee is of the view that the performance targets under the bonus plan are commercially sensitive and that it would be detrimental to the interests of the company to disclose them before the start of the financial year. The threshold, target and stretching maximum for each measure, together with the performance against them, will be disclosed in the Directors' remuneration report following the end of the financial year.

Performance Share Plan (PSP)

The PSP awards to be made in December 2023 in respect of 2024 for the CEO will comprise an award of 250% of salary and the CFO 175% of salary.

Before finalising the awards, the Committee will consider the share price at the time of the award. The Remuneration Committee will ensure that any gains at the end of the three-year performance period are proportionate and aligned to shareholder value creation.

Half the PSP awards will be subject to an EPS measure and the other half of the PSP will be subject to a relative TSR condition (measured against the constituents of the FTSE 250 excluding investment trusts).

The EPS targets at threshold performance will be 63.1p increasing on a straight-line basis to 100% vesting at 72.1p.

The relative TSR threshold performance will require median ranking against the FTSE 250 (excluding investment trusts) comparator group, increasing on a straight-line basis to 100% vesting for upper quartile performance or better.

Awards vesting under the PSP will be subject to a two-year post-vest holding period.



Annual report on remuneration continued

Alignment of the Directors' Remuneration Policy to the wider workforce

The application of the Directors' Remuneration Policy described earlier applies specifically to Executive Directors. Where possible, principles set out in the policy have been applied to all employees to achieve alignment as per the table below.

Element	Alignment of policy to the wider workforce
Base salary	Paid in cash and reviewed annually, normally taking effect 1 January. Salaries are set with reference to internal pay levels, as well as local market competitiveness compared with roles of a similar nature and size of responsibility.
Benefits	Britvic provides local market typical benefits focused on employee health and well-being. The majority of UK employees participate in the company's flexible benefits plan.
Pension	Subject to local market practice and regulations. Great Britain employees have rights under the Great Britain legacy defined benefit pension arrangement, which is now closed to future accrual (the plan was closed to executives at the same time). A defined contribution pension scheme was introduced following the closure of the defined benefit pension scheme in which UK employees are entitled to participate, with the wider workforce having a maximum employer contribution of 7.5%.
Annual bonus	Approximately 250 leaders and senior managers participate in bonus arrangements with measures aligned to those of the Executive Directors. Typically, employees are eligible to receive a bonus linked to profit and revenue, as well as their individual performance.
Long-term incentives	The PSP is awarded to approximately 100 leaders globally each year. Performance conditions for the awards are linked to those of the Executive Directors.
All-employee share plans	Where possible, in the UK and Ireland and some other international locations, we offer employees annual free share awards linked to company performance as well as the opportunity to purchase Britvic shares. In some locations, alternative local profit-sharing arrangements are available, depending on local market practices and legislation.

The value of each element that the employee may receive will vary according to their seniority and level of responsibility.

The Remuneration Committee

The Committee has had the opportunity to understand the remuneration of the wider workforce and has been provided with an overview and related policies, as well as the alignment of incentives and rewards with culture. Information provided to the Committee includes bonus design and targets, the PSP, share ownership and Britvic's all-employee share plans. This is to ensure all decisions on Executive Directors' pay take account of decisions across the Group.

The Chair of the Board and the Chair of the Remuneration Committee have engaged in conversation with the Employee Involvement Forum to discuss both employee and executive remuneration. The Committee is satisfied that the company's remuneration policies are aligned with those of the Executive Directors, with an appropriate cascade throughout the organisation.

Remuneration Committee membership

The Remuneration Committee is composed of three independent Non-Executive Directors, plus the Chair of the Board who was independent on appointment. The company Chair is not present when his own remuneration is discussed. Attendees at each meeting comprised Committee members and, by invitation, as appropriate, the CEO, CFO, Chief People Officer and Director of Reward.

External advisors are also invited to attend as and when appropriate.

Role and responsibilities

The Committee's terms of reference are in line with the 2018 UK Corporate Governance Code and can be found at britvic.com/committees. The revised Code came into effect from January 2019.

The Committee has responsibility for the following:

- Reviewing executives' remuneration in terms of the pay policy of the company as a whole, pay and conditions elsewhere in the Group, and the overall cost on behalf of shareholders
- Determining, within agreed terms of reference, and taking into account corporate performance on environmental, social and governance issues, the remuneration of the Chair and specific remuneration packages for each of the Executive Directors and other members of the Executive team, including pension rights, any compensation payments and benefits
- Reviewing workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Director remuneration
- Engaging as required with the wider workforce and shareholders on executive pay structures, and how executive remuneration aligns with wider company pay policy
- Approving the design and operation of the company's incentive arrangements, both short and long term. This includes agreeing the targets that are applied to awards made to senior executives
- Responsibility for all of the company's employee share plans and the share dilution position
- Ensuring, via regular reviews, that the company's pay policies remain appropriate and relevant



Annual report on remuneration continued

The Remuneration Committee continued

Committee meetings

The attendance of members for each meeting during the year can be found on page 106. The key agenda items the Committee discussed during the year included:

- Reviewed and approved the 2022 Directors' remuneration report
- Reviewed and approved outcomes of the 2022 annual bonus
- Approved the measures for the 2023 annual bonus scheme and the 2023 PSP awards
- Received an update on Executive Directors' and Executive Committee members' shareholding requirement in line with policy
- Approved the 2023 salary reviews for the Executive Directors and Executive Committee members
- Considered the impact of the Brazil financing on the cash bonus metric and exercised its discretion taking it into account
- Ran a competitive tender process in order to appoint new advisors to the Committee
- Approved the terms for the appointment of the new CFO

Advisors

Willis Tower Watson (WTW) was appointed as the independent advisor to the Committee in May 2023 following a competitive tender process, replacing FIT. WTW also provides services to the company on pensions and benefits and acts as our corporate insurance broker. WTW is a member of the Remuneration Consultants Group (the professional body for executive remuneration consultants). The advisors charged their fees partly on a fixed fee basis and partly on a time and expenses basis. WTW's fees in respect of advice to the Committee in the year under review were £25,910 and FIT's fees were £26,441.

During the year, Addleshaw Goddard LLP was also engaged by the Committee to provide legal advice on contractual arrangements and share schemes. Addleshaw Goddard also provide advice to the company on a range of other matters.

Unless otherwise stated, these advisors have no other connection with the company. The Committee, based on its experience, is satisfied that the advice it received from these organisations was objective and independent.

Committee evaluation

Questions on the performance of the Committee were included in the questionnaire circulated as part of the full Board performance review. These included topics such as the amount of time allowed for debating important topics, interaction with stakeholders and style of chairing and presentations. The Directors commented that the Committee was well chaired and held useful and challenging debates. The Committee acted promptly outside formal meetings when required, as had been needed with the various appointments made during the year. A more comprehensive evaluation will be conducted in 2024 as part of the external Board performance review due at that time.

Single total figure of Directors' remuneration (subject to audit)

Chair and Non-Executive Directors

The table below details the total fees paid to Non-Executive Directors and the Chair for the year under review and the prior year. The Non-Executive Directors received an increase of 4.0% to their basic fees effective on 1 January 2023.

	Basic £'000		Remuneration Committee Chair £'000		Audit Committee Chair £'000		Senior Independent Director £'000		Total fees paid £'000	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Ian Durant	108.2	—	—	—	—	—	—	—	108.2	—
John Daly ¹	172.3	250.6	—	—	—	—	—	—	172.3	250.6
Sue Clark	61.6	59.5	12.0	11.8	—	—	—	—	73.6	71.3
William Eccleshare ²	61.6	59.5	—	—	—	—	11.0	5.5	72.6	65.0
Euan Sutherland	61.6	59.5	—	—	—	—	—	—	61.6	59.5
Emer Finnan ³	61.6	44.9	—	—	12.0	4.7	—	—	73.6	49.6
Hounaida Lasry ⁴	61.6	0.5	—	—	—	—	—	—	61.6	0.5

1. John Daly retired from the Board on 31 May 2023.

2. William Eccleshare was appointed SID on 1 April 2022.

3. Emer Finnan was appointed Chair of the Audit Committee on 11 May 2022.

4. Hounaida Lasry commenced on 29 September 2022.

Executive Directors

The table below sets out the total and a breakdown of the remuneration received by each Executive Director during the year under review and the prior year.

	Simon Litherland (CEO)		Rebecca Napier		Joanne Wilson (CFO)	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Salary	695.8	671.4	36.9	0.0	213.1	412.5
Benefits ¹	21.1	20.9	1.1	0.0	7.3	18.4
Pension	80.9	164.3	2.9	0.0	15.1	27.4
Total fixed pay	797.8	856.6	40.9	0.0	235.5	458.3
Annual bonus ²	1,093.1	911.8	0.0	0.0	0.0	480.2
LTIP ^{3,4}	969.4	164.2	0.0	0.0	0.0	69.0
Total performance related pay	2,062.5	1,076.2	0.0	0.0	0.0	549.2
Other - replacement awards ⁵	0.0	0.0	1,307.2	0.0	0.0	0.0
Grand total	2,860.3	1,932.6	1,348.1	0.0	235.5	1,007.5
LTIP value from share price growth	329.0	(30.4)	n/a	n/a	n/a	(12.8)

1. Simon Litherland received £4,250 in total in free and matching shares through the all-employee SIP.

2. One-third of the annual bonus will be deferred into shares with a two-year deferral period to vest in December 2025.

3. 2022 LTIP values restated based on the share price at vesting of 811.30p on 4 December 2022.

4. 2023 LTIP values based on the average share price over the last quarter of 2023 of 866.05p.

5. Rebecca Napier was awarded replacement awards as described on page 109.



Annual report on remuneration continued

Single total figure of Directors' remuneration (subject to audit) continued

i) Base salary – corresponds to the amounts earned during the year

During the year under review, Simon Litherland received a salary increase of 4.0%, below the level of the wider workforce, and Joanne Wilson did not receive an increase.

ii) Benefits – corresponds to the taxable value of all benefits paid in respect of the year

Benefits comprise a car allowance, private medical assurance, life assurance and free and matching shares under the Share Incentive Plan.

iii) Pension

The table below sets out the value of the defined contribution pension contributions and the cash allowances earned by Directors for the year under review.

	Value of cash allowance paid £'000	Value of defined pension contributions £'000	Total value in total single figure table
Simon Litherland	80.9	0.0	80.9
Rebecca Napier	2.3	0.6	2.9
Joanne Wilson	13.6	1.5	15.1

- Simon Litherland received a cash allowance of 24.5% of pensionable pay (base salary only) up to 31 December 2022. From 1 January 2023 his cash allowance was reduced to 7.5% of pensionable salary in line with the wider UK workforce
- Rebecca Napier is entitled to a pension contribution of 7.5% of salary in line with the wider UK workforce. Rebecca receives part of the contribution through company contributions into the defined contribution arrangement and the remainder as a cash payment
- Joanne Wilson contributed to the defined contribution section of the Britvic Pension Plan up to the HMRC annual pension allowance per scheme. The balance of her entitlement was paid as a cash allowance

iv) Annual bonus – corresponds to the total bonus earned under the bonus plan in respect of 2023 performance

The table below sets out the bonus outcomes that apply to the CEO, and the respective performance targets and actual achieved performance. Bonuses are paid two thirds in cash and one third converted into shares with a two-year deferral period.

Performance measure ¹	Weighting % of bonus maximum	Performance required for threshold payout (0%) £m	Performance required for target payout (50%) £m	Performance required for maximum payout (100%) £m	Actual performance £m	% maximum achieved of measure
Adjusted PBTA	30	171.0	183.0	193.0	194.8	30.0
Net revenue	20	1,670.4	1,706.3	1,763.1	1,733.4	14.8
Adjusted free cash flow ²	20	105.0	125.0	145.0	154.0	20.0
Innovation revenue	10	39.3	42.9	46.6	50.7	10.0
Healthier People, Healthier Planet	20	Strategic objectives			See page 123	15.0

1. Definitions of measures are on page 111.

2. As described on pages 107-108, the Committee exercised its discretion to amend the adjusted free cash flow of £137.0 million to take account of the £17 million cash injection into the Brazil entity. Had discretion not been exercised, the % of maximum achieved for this measure would have been 16.0%.

Performance measure	2023 maximum bonus opportunity % of salary		2023 bonus earned % of salary		2023 bonus earned £'000
	CEO	CEO	CEO	CEO	CEO
Adjusted PBTA		52.5		52.5	365.3
Net revenue		35.0		25.9	180.2
Adjusted free cash flow		35.0		35.0	243.5
Innovation revenue		17.5		17.5	121.8
Healthier People, Healthier Planet objectives		35.0		26.2	182.3
Total		175.0		157.1	1,093.1



Annual report on remuneration continued

Single total figure of Directors' remuneration (subject to audit) continued

Healthier People, Healthier Planet scorecard assessment (20% of bonus opportunity)

The table below highlights the activities and their achievement that have led the Committee to make its assessment that 75% of the maximum bonus opportunity against the Healthier People, Healthier Planet objectives have been achieved. In reaching this judgement the Committee considered that calories per serve had exceeded the target, maintaining our leading position in healthier consumer choices and that the projects identified on reducing carbon emissions and improving water efficiency and stewardship had all been delivered. However, the Committee also considered overall carbon reduction and water ratio. It noted that on carbon emissions, all plants have reduced Scope 1 emissions, and all countries, except UK who have been impacted by Rugby, have also reduced Scope 2 emissions. The Scope 3 reductions target was also significantly over-delivered. The water ratio has improved on an exit run-rate basis, although measured over the year has moved backwards.

Deliverable	Financial year 2023 target	Result
Ensure Britvic continues to own and lead in providing healthier consumer choices.	Range set of between 28-25 calories per serve, as an average across portfolio.	Average of 21.6 calories per serve achieved. Exceeded.
Achieve 2025 science-based targets on carbon.	Projects identified with a combined Scope 3 estimated benefit of between 30,000-39,000 CO ₂ e tonnes annualised carbon reduction. Power purchase agreements negotiated to reduce reliance on Renewable Energy Guarantees of Origin to 80% max. Ballygowan Hint of Fruit production move fully scoped with capital expenditure secured.	Scope 3 reduction of estimated 46,000 CO ₂ e tonnes delivered. Exceeded. Power purchase agreements in place. Ballygowan plan approved and capital expenditure in budget for 2024 with completion estimated in Q2. Both achieved.
Achieve 2025 water stewardship target.	Progress water stewardship improvement projects in Brazil: <ul style="list-style-type: none"> Alliance for Water Stewardship certification for Astolfo Dutra facility Phase 2 of effluent reuse programme in Araguari Adapt Aracati facility by reusing wastewater Deliver against The Rivers Trust wetland projects in Great Britain.	Brazilian water projects: Certification in train at Astolfo Dutra, the effluent reuse in Araguari implemented and phases 1-3 at Aracati successfully achieved with remaining phases in budget and planned for 2024. Britvic activities are complete with phase 1 of a multi-year programme near Beckton complete and awaiting local planning consent in Leeds. All achieved.

v) Long-term incentives

Shown below are the outcomes for the January 2021 PSP and January 2021 ESOP:

ESOP				
Measure	% weighting	Threshold	Maximum	% maximum achieved
EPS	100	52.8p	61.5p	90.8
PSP				
Measure	% weighting	Threshold	Maximum	% maximum achieved
EPS	50	52.8p	61.5p	45.4
TSR	50	Median	Upper quartile	15.3
Total	100	0%	100%	60.7



Annual report on remuneration continued

Single total figure of Directors' remuneration (subject to audit) continued

v) Long-term incentives continued

Long-term incentives – corresponds to the vesting outcome of the 2021 ESOP and PSP with three-year performance periods ended 30 September 2023

Jan 2021 ESOP	Performance conditions and targets set ^{1,2}	Performance outcome	Level of award vesting % of maximum	Total value of vesting £'000 ³	Number of shares 000's
Simon Litherland	Threshold vesting for EPS of 52.8p. Maximum vesting for EPS of 61.5p. Vesting is on a straight-line basis between threshold and maximum. Exercise price for the options is 763.00p.	60.5p	90.8	242.5	235.3

Jan 2021 PSP	Performance conditions and targets set ^{1,2}	Performance outcome	Level of award vesting % of maximum	Total value of vesting £'000 ³	Number of shares 000's
Simon Litherland	EPS (50% weighting): threshold vesting for EPS of 52.8p. Maximum vesting for EPS of 61.5p. Vesting is on a straight-line basis between threshold and maximum.	60.5p	45.4	543.7	62.8
Simon Litherland	Relative TSR (50% weighting): threshold payout for ranking at median vs the comparator group and maximum payout for ranking at or above the upper quartile.	53rd percentile	15.3	183.2	21.2

1. The relative TSR comparator group was the FTSE 250 (excluding investment trusts).

2. Threshold vesting for this award is set at 20% of maximum for both PSP and ESOP.

3. A share price estimate of 866.05p was used to calculate the value of the above awards which is based on the average closing share price over the last quarter of the financial year.

Scheme interests awarded during the year

The following tables set out the PSP and deferred bonus awards granted to the CEO and the appointment awards granted to the CFO during the year under review (2022/23). All awards are granted as conditional share awards.

Award name	Number of shares ^{1,3}	Face value of awards £'000	Date of award	Performance conditions and targets set ^{1,2}	Performance period	% of vesting at threshold	
Simon Litherland	PSP	207,048	1,688.8	12 December 2022	EPS (50% weighting): threshold vesting for EPS of 57.2p with straight-line vesting to 66.3p, at which 100% of the shares shall vest. Relative TSR (50% weighting): threshold payout for ranking at median and 100% of maximum payout for ranking at or above the upper quartile.	3 years ending 30 September 2024	20
	Deferred bonus	37,260	303.9	12 December 2022	None.	Two-year deferral	n/a
	Replacement award	24,191	212.8	7 September 2023	None.	23 June 2024	n/a
	Replacement award	6,809	59.9	7 September 2023	None.	1 January 2025	n/a
Rebecca Napier	Replacement award	43,806	385.4	7 September 2023	None.	21 March 2025	n/a
	Replacement award	32,252	283.7	7 September 2023	None.	28 February 2025	n/a
	Replacement award	41,540	365.4	7 September 2023	None.	13 March 2026	n/a

1. The share price used to determine the award levels for the PSP was 815.70p based on the average of the preceding three days prior to grant. The Committee will also consider underlying ROIC over the performance period when assessing the vesting of the PSP to ensure that it remains satisfactory.

2. The relative TSR comparator group was the FTSE 250 (excluding investment trusts).

3. The share price used to determine the replacement awards was 879.70p based on the preceding three days prior to grant.



Annual report on remuneration continued

Single total figure of Directors' remuneration (subject to audit) continued

Directors' shareholding requirements and interests in shares

The table below sets out the shareholdings of Directors and connected persons and requirements as at 30 September 2023. A shareholding requirement of 200% of salary for the CEO and 200% for the CFO applies. Under the shareholding requirement both Executive Directors may not sell any vested shares from company awards (except to settle taxes and the payment of exercise prices or following approval by the Committee) until their shareholding requirement has been satisfied.

The CEO was appointed on 14 February 2013 and currently has a shareholding of 487% of salary. The CFO was appointed on 4 September 2023 and currently has a shareholding of 0% of salary.

Executive Directors are required to retain the lower of their holding or a holding of 200% of salary for the first year after they leave Britvic and 100% for the second year.

Interest in shares in the company as of 30 September 2023

	Ordinary shares		Performance shares		Share options		Shares without performance conditions	
	Total shares	% of salary ¹	Subject to performance conditions	Subject to performance conditions	Vested but unexercised	Exercised in the period	Subject to service conditions	
Ian Durant	3,075	—	—	—	—	—	—	
Simon Litherland	393,548	487 ¹	555,252	259,131	559,973	—	38,640	
Rebecca Napier	—	—	—	—	—	—	148,598	
Sue Clark	17,428	—	—	—	—	—	—	
William Eccleshare	—	—	—	—	—	—	—	
Euan Sutherland	—	—	—	—	—	—	—	
Emer Finnan	—	—	—	—	—	—	—	
Hounaida Lasry	—	—	—	—	—	—	—	
John Daly	20,000	—	—	—	—	—	—	
Joanne Wilson ²	35,458	—	—	—	—	—	—	

1. Based on 12-month average share price of 835.23p and salaries as at 30 September 2023 of £702,554 for the CEO and £480,000 for Rebecca Napier.

2. Joanne Wilson's post termination shareholding requirement applied only to shares acquired from awards granted after January 2021, all of which lapsed upon her cessation of employment.

As at the date of this report, Simon Litherland had acquired a further 48 shares through the Share Incentive Plan since the year end.

Outside appointments

Executive Directors are allowed external appointments with the permission of the Board. Simon Litherland was a Non-Executive Director of Persimmon plc until 26 April 2023. Joanne Wilson was a Non-Executive Director of Informa plc during her tenure up until 18 April 2023. They received fees of £37,129 and £37,538 respectively in the year to 30 September 2023. Rebecca Napier does not hold any external appointments.

Payments made for loss of office (subject to audit)

No payments for loss of office were made during the year.

Payments made to past Directors (subject to audit)

No payments were made to past Directors during the year.

Directors' contracts

Details of the Executive Directors' service contracts and the Non-Executive Directors' letters of appointment are set out below. All Directors' service contracts and letters of appointment are available for inspection at the company's registered office and at the AGM up until the start of the meeting.

Director	Date of appointment	Unexpired term (approx. months) as at date of this report
Ian Durant ¹	1 February 2023	26
Simon Litherland	14 February 2013	12
Rebecca Napier	4 September 2023	12
Sue Clark	29 February 2016	15
William Eccleshare ²	29 November 2017	0
Euan Sutherland	29 February 2016	15
Emer Finnan	1 January 2022	13
Hounaida Lasry	29 September 2022	22

1. Independence met on appointment.

2. William's contract will be renewed on 29 November 2023.

Executive Directors' contracts operate on a 12-month rolling notice basis. Non-Executive Directors' contracts are for fixed periods of three years, which may be renewed for up to a maximum of nine years in total.



Annual report on remuneration continued

Single total figure of Directors' remuneration (subject to audit) continued

Remuneration history for the CEO from 2013 to 2023

£'000	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Simon Litherland total single figure of remuneration	1,964.3	3,075.2	1,734.5	2,086.3	2,147.4	3,747.9	1,059.6	2,290.1	1,932.6	2,860.3
Bonus (% of maximum)	72.2%	53.3%	80.6%	82.1%	88.9%	46.9%	0.0%	84.9%	77.6%	89.8%
LTIP (% of maximum)	63.6% (ESOP 69.0%, PSP 50%)	100% (ESOP 100%, PSP 100%)	91.0% (ESOP 100%, PSP 65.8%)	59.4% (ESOP 61.1%, PSP 56.2%)	37.5% (ESOP 33.3%, PSP 50.0%)	78.0% (ESOP 76.0%, PSP 82.0%)	8.3% (ESOP 0.0%, PSP 25.0%)	38.9% (ESOP 33.33%, PSP 50.0%)	6.4% (ESOP 0.0%, PSP 19.3%)	80.8% (ESOP 90.8%, PSP 60.7%)

Percentage change in remuneration of the Directors

The table below shows how the percentage change in the Directors' salaries, benefits and bonuses between 2020 and 2023 compared with the percentage change in the weighted average of each of those components for all full-time equivalent employees based in Great Britain. The Great Britain employee workforce was chosen as a suitable comparator group as the Directors are based in Great Britain (albeit with a global role and responsibilities) and pay changes across the Group vary widely depending on local market conditions.

	Base salary/fees % ^{1,2}				Taxable benefits %				Bonus %			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Simon Litherland	3.6	2.5	2.5	2.5	1.0	16.8	1.1	(21.1)	19.8	17.2	n/a	(100.0)
Rebecca Napier	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Joanne Wilson	(48.3)	2.5	1.9	n/a	(60.3)	19.5	0.3	n/a	(100)	17.2	n/a	n/a
Ian Durant	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
John Daly	(31.2)	1.9	0.6	1.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sue Clark	3.2	2.7	1.2	3.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
William Eccleshare	11.7	11.3	0.5	1.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Euan Sutherland	3.5	1.9	0.5	1.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emer Finnan	48.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hounaida Lasry	12220.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GB employees	6.6	2.5	2.8	2.5	0.2	23.1	1.6	(55.9)	33.0	10.2	1,385	(62.4)

Notes:

The Executive Directors' salaries were increased by the same level as the general workforce.

1. Joanne Wilson ceased employment with Britvic on 18 April 2023, John Daly resigned from the Board effective 31 May 2023 and Ian Durant became Chair of the Board on 1 June 2023. William Eccleshare's fees included six months as SID in 2022. Emer Finnan's fees included Chair of Audit fees for five months in 2022. Hounaida Lasry joined on 29 September 2022 with one day's pay in 2022 compared to a full year in 2023.
2. The base salary increase for the GB workforce relates to the impact of higher base salary increases awarded to lower paid workers in the annual salary review effective 1 January 2023.



Annual report on remuneration continued

Single total figure of Directors' remuneration (subject to audit) continued

Statement of voting outcomes at the Annual General Meeting

The following chart sets out the result from the advisory vote on the Annual statement and Annual report on remuneration for the past three years at the relevant AGMs and the binding vote on the Directors' Remuneration Policy at the 2022 AGM.

Report/policy	Votes for	%	Votes against	%	Votes withheld
2023 Remuneration report	190,413,985	90.4	20,244,024	9.6	35,899
2022 Remuneration Policy	206,798,781	91.6	18,847,778	8.4	639,791
2022 Remuneration report	152,427,246	68.3	70,782,829	31.7	3,077,898

CEO pay ratio

The company has decided to use the prescribed Option B methodology when calculating the pay ratios. The table below sets out the comparisons between the 25th, median and 75th percentile employees in the UK with reference to the Gender Pay Gap calculations, adjusted for earnings due for the performance to 30 September 2023, and the CEO's single figure total of remuneration. It is envisaged that the ratio will fluctuate year on year and may not always coincide with the underlying performance of the business in a single year.

	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2023 total remuneration	77:1	55:1	40:1
2022 total remuneration	57:1	43:1	26:1
2021 total remuneration	67:1	56:1	35:1
2020 total remuneration	31:1	28:1	20:1
2023 salary	22:1	16:1	13:1
2022 salary	24:1	18:1	13:1
2021 salary	22:1	18:1	13:1
2020 salary	20:1	18:1	13:1

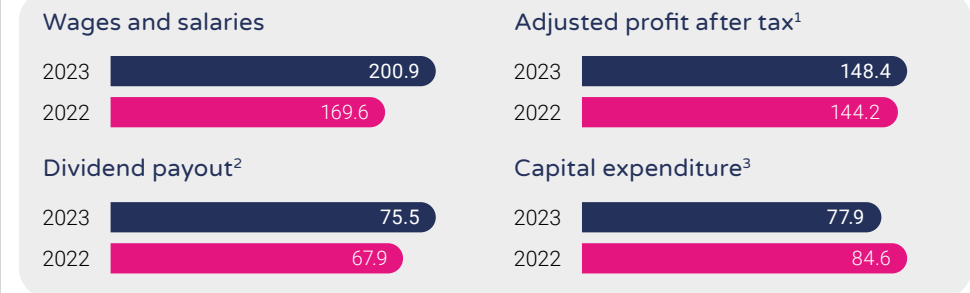
	Salary	Total remuneration
2023		
25 th percentile employee	£31,251	£37,042
Median employee	£42,337	£51,863
75 th percentile employee	£53,021	£71,918

The increase in the total remuneration ratio in 2023 compared with 2022 is driven by the CEO's variable pay when compared to employees. The salary gap has decreased at 25th percentile and median due to the January 2023 salary review providing higher percentage increases to those on lower salaries. The company believes the ratio is consistent with pay and progression for employees and reflects the principle of the CEO having a much greater proportion of his pay at risk.

Relative importance of spend on pay

The following chart sets out this information as it applies to the company, comparing figures for the year under review and the previous year. Profit after tax and capital expenditure are also shown below for context:

Distribution statement (£m)



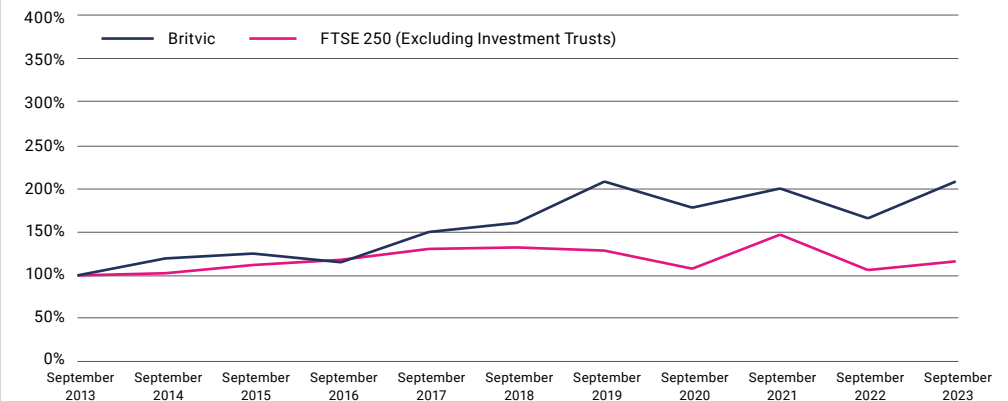
- Adjusted profit after tax is before the deduction of adjusting items.
- In 2023 £74.8 million was returned to shareholders by way of the share buyback.
- Capital expenditure is defined as net cash flow from the purchase and sale of both tangible and intangible assets.

Britvic's historical TSR performance growth in the value of a hypothetical £100

The Committee considers the FTSE 250 (excluding investment trusts) is a relevant index for total shareholder return as it represents a broad equity index in which the company is a constituent member.

The graph below shows the TSR for Britvic plc and the FTSE 250 excluding investment trusts over the 10-year period ended 30 September 2023. The table on the opposite page shows total remuneration for the CEO over the same period.

Total shareholder return 2013-2023





Directors' report

The Directors present their report and the audited consolidated financial statements of the company and the Group for the year ended 30 September 2023.

Additional disclosures

Other information that is relevant to this report is incorporated by reference, including information required in accordance with the UK Companies Act 2006 and associated regulations, Listing Rules and Disclosure Guidance and Transparency Rules (DTRs). For the purpose of DTR 4.1.8 R the management report comprises the Strategic report and the relevant parts of this Directors' report. The Corporate governance statement required under DTR 7.2.1 comprises the content on pages 82–119.

The following sets out where items required to be included in this report under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, which are not located in the Directors' report, can be found as follows.

Indication of future developments	Strategic report	Pages 2–81
Financial risk management	CFO's review Note 25 to the accounts	Pages 68–71 Pages 166–169
Employment of disabled persons	Sustainable business	Pages 39–40
Employee engagement	Sustainable business Governance statement s.172 statement	Pages 40–41 Page 92 Pages 31–33
Engagement with suppliers and customers	Stakeholder engagement Sustainable business	Page 29 Pages 51–52
Greenhouse gas emissions	Sustainable business	Pages 65–66
Energy consumption	Sustainable business	Page 66
Energy efficiency action	Sustainable business	Page 65
Acquisition of own shares	Note 19 to the accounts	Pages 157–158

The following sets out where items required under Listing Rule 9.8.4, which are not located in the Directors' report, can be found:

Directors' interests	Remuneration report	Page 117
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Operations and performance

Dividends and dividend waiver

The Group's profit before taxation attributable to the equity shareholders amounted to £156.8 million (2022: £175.1 million) and the profit after taxation amounted to £124.0 million (2022: £140.2 million). An interim dividend of 8.2p (2022: 7.8p) per ordinary share was paid on 5 July 2023.

Subject to shareholder approval, the Directors have proposed a final dividend of 22.6p (2022: 21.2p) per ordinary share payable on 7 February 2024 to shareholders on the register at the close of business on 22 December 2023, giving a total dividend in respect of 2023 of 30.8p (2022: 29.0p), an increase of 6.2% on the previous year. The trustees of the Britvic Share Incentive Plan and the nominee company that runs the Britvic Global Nominee service have elected to waive dividends payable during the year on shares held under trust. A shareholder responsible for managing forward hedging activities related to the Performance Share Plan has also elected to waive dividends payable during the year on shares held under trust.

Research and development

The Group carries out research and development necessary to support its principal activities as a manufacturer and distributor of soft drinks.

Events since the balance sheet date

On 2 October 2023, the Group acquired 100% of the issued share capital of Globalbev Comércio de Bebidas Ltda. See note 35 to the accounts for further information.

Environmental reporting

The Directors have a responsibility to consider the impact on the environment and the likely consequences of any business decisions in the long term. Disclosures in respect of this are included in the Strategic report on pages 46–67 and in our Section 172 statement on pages 31–33.

Shares and shareholders

Share capital

The company's issued share capital comprised a single class of shares divided into ordinary shares of 20p each (ordinary shares). As at 30 September 2023, the company's issued share capital comprised 254,268,497 ordinary shares.



Directors' report continued

Rights and restrictions attaching to shares

On a show of hands at a general meeting of the company, every holder of ordinary shares present in person and entitled to vote shall have one vote, and on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. Any notice of general meeting issued by the company will specify deadlines for exercising voting rights and in appointing proxy or proxies in relation to resolutions to be proposed at the general meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the general meeting and published on the company's website after the meeting.

There are no restrictions on the transfer of ordinary shares in the company other than:

- Certain restrictions which may from time to time be imposed by laws and regulations (for example, insider trading laws)
- Pursuant to the Listing Rules of the Financial Conduct Authority and Britvic's share dealing code whereby certain employees of the Group require the approval of the company to deal in its ordinary shares

The company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Shares held in employee benefit trusts

Under the rules of the Britvic Share Incentive Plan (the Plan) eligible employees are entitled to acquire shares in the company. Plan shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the Trustees). Voting rights are exercised by the Trustees on receipt of participants' instructions. If a participant does not submit an instruction to the Trustees no vote is registered. In addition, the Trustees do not vote on any unawarded shares held under the Plan as surplus assets. As at 30 September 2023, the Trustees held 1.22% (2022: 1.09%) of the issued share capital of the company.

Similarly, if IQ EQ (Jersey) Limited, as Trustee of the Britvic Employee Benefit Trust (the Trustee), holds ordinary shares on trust for the benefit of the Executive Directors, senior executives and managers of the Group, a dividend waiver is in place. The Trustee is not permitted to vote on any unvested shares held in the trust unless expressly directed to do so by the company. The Trustee held 0.86% (2022: 0.41%) of the issued share capital as at 30 September 2023.

Major shareholders

At 30 September 2023, the company had been notified, in accordance with the Disclosure Guidance and Transparency Rules, of the following interests amounting to 3% or more of the voting rights in the issued ordinary share capital of the company. No further disclosures were received in the period to 16 November 2023.

	Number of ordinary shares	Percentage of voting rights
The Goldman Sachs Group, Inc	20,652,282	8.12%
Invesco Ltd	14,169,572	5.57%
Incentive AS	13,781,830	5.42%
NN Group N.V.	13,383,912	5.26%
FMR LLC	12,859,081	5.06%
BNP Paribas	7,952,461	3.13%
Norges Bank	7,783,324	3.06%
BlackRock, Inc.	Not disclosed	Below 5%
M&G plc	Not disclosed	Below 5%

Governance

Articles of association

The company's articles may only be amended by a special resolution at a general meeting of shareholders. The articles were last updated in January 2109. A resolution to amend the articles of association to incorporate current best practice and legal and governance standards is being proposed at the 2024 AGM.

Compliance

Britvic has a global compliance function responsible for overseeing the compliance agenda, including working with policy owners to ensure that individual policies form a coherent framework across the business. Objectives of this function include ensuring that policies remain relevant, identifying and addressing new policy areas and advising on implementation and monitoring. New employees are required to read and complete training on key policies, and the compliance function runs a rolling programme of updates in order that the workforce, including contractors, review relevant policies at regular intervals.



Directors' report continued

Governance continued

Anti-bribery and corruption

Britvic has an anti-bribery and corruption policy that applies across the Group. Training is provided to employees through an e-learning platform.

Face to face training is also deployed to relevant areas of the business, including to the Executive team and the Board. Training includes details of the rules and limits around giving and receiving gifts and hospitality and how to record these. Central records are kept by the Company Secretary and reviewed annually. Bribery and corruption risks are addressed within the Group risk management framework under the legal and regulatory principal risk (see page 79).

Britvic also provides a confidential mySpeakup whistleblowing hotline, operated by an independent third party, enabling employees, contractors, suppliers and anyone associated with Britvic to report suspected wrongdoing. The Audit Committee reviews the process in place for reporting to ensure it is fit for purpose, and all reports received, and follow up actions, are reported to the Board.

A number of awareness raising activities were carried out during the year including posters in offices and manufacturing facilities globally, desktop background banners and intranet articles. This has resulted in a welcome increase in employees feeling empowered to report their concerns.

Five mySpeakup reports related to anti-bribery and corruption were received in 2023, of which one was concerned with a potential non-disclosure of conflicts of interest. These were all investigated and found to be unsubstantiated.

Going concern and viability

The Directors consider that the Group and the company have adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements. In making this assessment, the Directors have considered the Group's balance sheet position, forecast earnings and cash flows for the period from the date of approval of these financial statements to 30 September 2025. Please refer to note 3 for our basis of preparation accounting policy.

The UK Corporate Governance Code 2018 requires the Directors to assess and report on the prospects of the Group over a longer period. This longer-term viability statement is set out on page 81.

Branches

As a global Group, interests and activities are held or operated through subsidiaries and branches which are established in, and subject to the laws and regulations of, various different jurisdictions.

Political donations

No political donations were made by the Group and its subsidiaries during the financial year (2022: nil).

Annual General Meeting

The 2024 AGM will be held on Thursday 25 January 2024 at 11.00am at the offices of Linklaters LLP, 1 Silk Street, London EC2Y 8HQ. Details of the resolutions to be proposed at the AGM are set out in the separate circular which has been sent to all shareholders and is available on the Britvic website at britvic.com/aggm.

Directors

The following were Directors of the company during the year: Ian Durant (joined on 1 February 2023 and acted as Chair from 1 July 2023), John Daly (resigned on 30 June 2023), Simon Litherland, Joanne Wilson (submitted her resignation on 8 November 2022 but remained as CFO and an Executive Director until the end of her notice period in April 2023), Rebecca Napier (joined on 4 September 2023 as CFO), Sue Clark, William Eccleshare, Emer Finnan, Euan Sutherland and Hounaïda Lasry.

The biographical details of the Directors are set out on pages 84–85 of this report. The service contracts of the Executive Directors and letters of appointment of the Non-Executive Directors are available for inspection at the company's registered office.

Data on the diversity of the individuals on the Board and Executive team as required by Listing Rule 9.8.6R(10) is set out below, as at a reference date of 30 September 2023. Data is collected by self-disclosure directly from the individuals concerned.

Gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	4	50%	3	7	64%
Women	4	50%	1	4	36%
Not specified/ prefer not to say	—	—	—	—	—

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	7	87.5%	4	10	91%
Mixed/Multiple Ethnic Groups	—	—	—	—	—
Asian/Asian British	—	—	—	1	9%
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	1	12.5%	—	—	—
Not specified/prefer not to say	—	—	—	—	—



Directors' report continued

Governance continued

Directors' powers

Subject to company law and the company's articles, the Directors may exercise all of the powers of the company and may delegate their power and discretion to committees. The Executive team is responsible for the day to day management of the Group. The articles give the Directors power to appoint and replace Directors. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the Board.

The company's articles require that each Director retires at the end of each AGM of the company unless elected or re-elected at the meeting, and that a Director who has been appointed by the Board during the year retires at the next AGM following their appointment.

Contracts of significance

No Director has any other interest in any shares or loan stock of any Group company other than those disclosed in the Remuneration Committee report on page 117. No Director was or is materially interested in any contract, other than under their service contract or letter of appointment, which was subsisting during the year or existing at the end of year and which was significant in relation to the Group's business. There are procedures in place to deal with any conflicts of interest and these have operated effectively during the year.

Directors' liabilities

During the year and as at the date of this report, customary indemnities are in place under which the company has agreed, to the extent permitted by law and the company's articles, to indemnify:

- The Directors, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the company or any of its subsidiaries
- Directors of associated companies, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of such companies

There are several companies in the Group that act as corporate trustees for group pension schemes, and the directors of those companies are indemnified under the relevant pension plan rules and are also covered by indemnity insurance.

Change of control provisions

There are no agreements between the company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. The company's banking arrangements are terminable upon a change of control of the company. Certain other indebtedness becomes repayable if a change of control leads to a downgrade in the credit rating of the company. The company's agreements with PepsiCo are terminable upon a change of control.

Disclaimer

The purpose of this Annual Report and Accounts is to provide information to the members of the company, and it has been prepared for, and only for, the members of the company as a body, and no other persons. The company, its Directors and employees, agents and advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed. A cautionary statement in respect of forward-looking statements contained in this Annual Report appears on the inside front cover of this document.

The Directors' report was approved by the Board on 21 November 2023.

By Order of the Board

Mollie Stoker

General Counsel and Company Secretary

Company No. 5604923



Statement of Directors' responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Under that law the Directors are required to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The Directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group and the company for that period.

In preparing the parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and/or the Group will continue in business

In preparing the Group financial statements, the Directors are required to:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' declaration in relation to relevant audit information

Each of the Directors whose names and functions are set out on pages 84–85 confirm that to the best of their knowledge:

- There is no relevant audit information of which the company's auditor is unaware
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information

Directors' responsibility statement

The Directors whose names and functions are set out on pages 84–85 confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit of the company and undertakings included in the consolidation taken as a whole
- The management report, comprising the Strategic report and the relevant parts of the Directors' Report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- The Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy

This responsibility statement was approved by the Board of Directors on 21 November 2023 and is signed on its behalf by:

Simon Litherland
Chief Executive Officer

Rebecca Napier
Chief Financial Officer



Independent Auditor's Report to the members of Britvic plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- The financial statements of Britvic Plc (the 'company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2023 and of the group's profit for the year then ended
- The group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards
- The company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- The Consolidated income statement
- The Consolidated statement of comprehensive income
- The Consolidated balance sheet
- The Consolidated statement of changes in equity
- The Consolidated cash flow statement
- The related notes to the consolidated financial statements 1 to 35
- The company balance sheet
- The company statement of changes in equity
- The related notes to the company financial statements 1 to 16

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and company for the year are disclosed in note 7 to the consolidated financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Accruals for revenue rebates; and
- Impairment of goodwill and intangible assets

Materiality

The materiality that we used for the group financial statements was £9.8m which was determined on the basis of 5% of adjusted pre-tax profit.

Scoping

The group is organised into five operating divisions, each of which has multiple trading entities, that we have identified as separate components, as well as a head-office function. Three components were subject to full scope audits, with the other three components subject to an audit of specified account balances. Full scope components account for 87% of the group's revenue, 91% of the profit before tax and adjusting items and 56% of net assets.

Significant changes in approach in comparison with the predecessor auditor

Based on our risk assessment, we have concluded that inappropriate revenue recognition through manual journal entries is no longer a key audit matter.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment and understanding the process undertaken in relation to the going concern assumptions
- Assessing how management have incorporated the potential impact of the wider macro-economic environment in the going concern model by consideration of the current and forecast performance of the group and the impact of the current period of high inflation
- Challenging assumptions used in the going concern model by assessing management's assumptions against market data
- Assessing the group's financing facilities including the nature of the facilities, repayment terms, maturity dates and compliance with loan covenants
- Evaluating the mathematical accuracy of the model used to prepare the group's going concern assessment through the use of data analytics
- Assessing management's sensitivity analyses and performing our own independent sensitivities
- Evaluating identified potential mitigating actions and the appropriateness of the inclusion of these in the going concern assessment
- Assessing the historical accuracy of forecasts
- Assessing the appropriateness of the going concern disclosures in the financial statements

Independent Auditor's Report to the members of Britvic plc continued

Report on the audit of the financial statements continued

4. Conclusions relating to going concern continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Accruals for revenue rebates

Key audit matter description

The group has £123.8m (FY22: £137.0m) of accrued customer rebates as at the balance sheet as shown in Note 23b. Those agreements with customers whereby long-term, promotional or account specific rebates are given in connection to the sale of goods to those customers. As such the group recognises a reduction in revenue as a result of the amounts given to those customers.

The volume and complexity of these arrangements means that management are required to make judgements and estimates with respect to the performance conditions associated with the rebate accrual. As such the variety and number of selling arrangements with customers can make it complex to determine the performance conditions associated with the rebate accrual, giving rise to a requirement for management judgement and estimation. As such we consider that there is a potential for fraud through possible manipulation of the rebate accrual, specifically in relation to long-term discounts and promotional discounts and have therefore identified a key audit matter in relation to the accrual of these rebates.

Refer to pages 100 and 101 of the Audit Committee report and note 4 (financial disclosures including the related critical accounting judgements and key sources of estimation uncertainty).

How the scope of our audit responded to the key audit matter We performed the following procedures in respect of this key audit matter:

- Obtained an understanding of group policy and standard terms through discussions with financial and operational management and inspection of the accounting policy and contractual documentation.
- Held meetings with management to obtain an understanding of the negotiation process for agreeing customer rebates, requirements of the Competition Act, underlying systems used for customer rebates and how management monitor customer rebate deals in terms of meeting conditions or performance criteria.
- Obtained an understanding of the relevant internal controls associated with the processing of customer rebates.
- Assessed the ageing of the customer rebate liabilities balance and challenged management for analysis and explanation of aged accruals maintained as at the balance sheet date.
- For a sample of customer rebate liabilities, sought confirmation directly from the customer to assess whether the terms, timing and mechanics of the customer rebate deals as recognised by the group were accurate. We performed completeness procedures via asking customers to confirm rebate deals in place with the group. Where responses from customers were not received, we completed alternative procedures such as agreement to underlying contractual arrangements and other third-party data.
- Challenged management on the estimates by testing the accuracy for a sample of customer rebate liabilities and the amount recognised via recalculating the accrual based on customer terms. Where available we used third party customers' information, and challenged management on the appropriateness of their forecasts by comparing with external data sources.
- Tested the completeness of the customer rebate liabilities balance through tracing debit notes issued either side of the year end date to the listings provided by management.
- Assessed the appropriateness of disclosures provided in the financial statements about the key sources of estimation uncertainty.

Key observations

Based on the audit procedures performed, we are satisfied that the accruals for revenue rebates and related disclosures are appropriate. We made recommendations to management to improve controls in this area: refer to section 7.2 for more details.

We observed a level of prudence in the estimate when assessing against our own independent expectations, in accordance with the requirements of IFRS15 revenue from contracts with customers to limit the risk of significant reversal of revenue.

Independent Auditor's Report to the members of Britvic plc continued

Report on the audit of the financial statements continued

5. Key audit matters continued

5.2 Impairment of goodwill and intangible assets

Key audit matter description

At 30 September 2023, the group held £212.4m (FY22: £204.3m) of goodwill and £221.9m (£212.1m) of intangible assets.

Under IAS 36 'Impairment of assets', the group is required to review goodwill and intangible assets for impairment at least annually by assessing the recoverable amount of each cash-generating unit, or group of cash-generating units, to which goodwill relates.

Impairment of goodwill and intangible assets has been identified as a key audit matter as a result of the high level of judgement in forecasting future cash flows, determining future growth rates and estimating the discount rate to be applied.

As outlined in notes 4 and 15 management have made judgements and assumptions including:

- The selection of the appropriate methodology (fair value less costs to sell or value in use) in determining the recoverable amount for each group of cash generating units ('CGUs')
- Determination of the appropriate discount and growth rates to be used in the model
- The mitigating actions taken by management in response to the inflationary pressure in France as well as the marginal contribution, advertising and promotional spend
- The assumptions in relation to the long-term supply chain benefits and cost structure

Further details in relation to impairment of goodwill and intangible assets, are included in note 15 to the Financial Statements, Note 4 Critical accounting judgements and key sources of estimation uncertainty in the Audit Committee report on page 102.

How the scope of our audit responded to the key audit matter

We performed the following procedures in respect of this key audit matter:

- Obtained an understanding of the relevant controls in place over the key inputs and assumptions used in the valuation of the goodwill and intangible assets.
- Held discussions with key individuals from the senior leadership team, divisional leadership and key personnel involved in the forecasting process to discuss and evaluate evidence to support future sales growth rates and profitability assumptions.
- Evaluated assumptions applied in estimating sales forecasts including the impact resulting from ongoing global macroeconomic volatility. We benchmarked the group's assumptions against external data for specific market segments.
- Challenged the assumptions in relation to the long-term cost benefits in France and cost structure and considered the impact of climate change on the long-term projects of the business.
- We worked with our valuation specialists to benchmark the discount rates, this involved consideration of the impact of territory-specific risk adjustments to the discount rate. We reviewed the appropriateness of EBITDA multiple applied in the French CGU model and compared against the fair value calculation.
- Evaluate the appropriateness of management's sensitivities on discount rates and long-term growth rates performed by management.
- Assessed the appropriateness of disclosures provided in the financial statements about the key sources of estimation uncertainty.

Key observations

Based on the audit procedures performed, we are satisfied that the reported values of goodwill and intangible assets and related disclosures are appropriate.

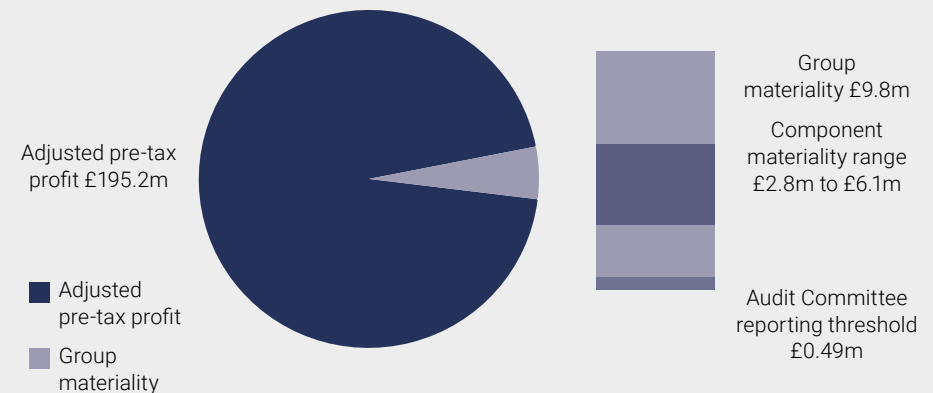
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£9.8m	£9.7m
Basis for determining materiality	Approximately 5% of adjusted profit before tax. For further details on adjusting items and management's reconciliation of this alternative performance measure to the group's statutory measure refer to Note 5.	Materiality was determined using a benchmark of net assets and a factor of 1.5% and capped at 99% of group materiality.
Rationale for the benchmark applied	We concluded that adjusted profit before tax is the most relevant measure of the underlying financial performance of the group. Whilst, not an IFRS measure, adjusted profit before tax is one of the key metrics used by stakeholders. This is consistent with the approach taken in the previous year by the predecessor auditor.	We consider that net assets is the most appropriate measure given the company is an investment holding company with no revenue. This is consistent with the approach taken in the previous year by the predecessor auditor.



Independent Auditor's Report to the members of Britvic plc continued

Report on the audit of the financial statements continued

6. Our application of materiality continued

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% of group materiality	70% of company materiality

Basis and rationale for determining performance materiality In determining performance materiality, we considered the following factors:

- This is our first reporting period as auditors of the group;
- Our risk assessment, including our assessment of the group's overall control environment; and
- nature of the misstatements identified in prior periods.

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.49m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

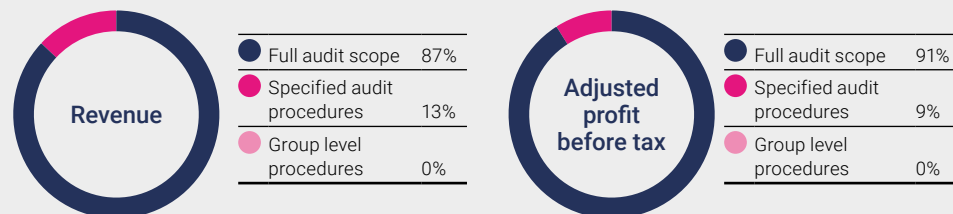
7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group wide controls, and assessing the risks of material misstatement at the group level. The group operates predominantly in Europe and South America. We performed full scope audits on three components (Great Britain, France and Brazil). Three further components were subject to audit of specified account balances (Ireland, International and Head-office).

As each of the local finance functions maintains separate financial records, we have engaged component auditors from the Deloitte member firms in France and Brazil, with the UK firm performing procedures in relation to the Irish component. This approach also allows us to engage local auditors who have appropriate knowledge of local regulations to perform the audit work under a common Deloitte audit approach. Our full scope and specified audit procedures covered 100% of group revenue, 100% of adjusted profit before tax and 71% of net assets.

The contribution of components to group totals are shown below:



7.2 Our consideration of the control environment

Our controls approach was principally designed to inform our risk assessment, to allow us to test the design and implementation of certain relevant controls in order to address the risks of material misstatement. In our controls scope we also included relevant entity level controls.

During our initial assessment of controls, we did not plan to rely on controls. We obtained an understanding of relevant controls throughout the group and identified certain weaknesses, particularly in relation to the controls over promotional discounts, and the information used in the controls. We reported all of our findings and observations on internal controls to the Audit Committee, together with recommendations for improvement.

The group operates a range of IT systems which underpin the financial reporting process. These vary by business and/or geography. We performed an assessment of the controls associated with those financially relevant systems and through our IT audit work we identified control deficiencies associated with privileged user access controls across the group.

Where control deficiencies were identified during the course of the audit, we reconsidered our risk assessment and the nature, timing and extend of our audit procedures.

7.3 Our consideration of climate-related risks

The group is exposed to the impacts of climate change on its business and operations as highlighted in the Task Force on Climate-Related Financial Disclosures (TCFD) report on pages 53–67 viability statement on page 81, the principal risks on page 77, and in Note 4 of the financial statements.

We have engaged with both the central finance and sustainability functions to gain an understanding of the assessment of, and the process undertaken to both identify and quantify, the group's climate-related risks. We have involved our climate specialists in our assessment to consider broader industry and market-wide practice. We completed an independent climate-based risk assessment in order to consider the potential impact of climate change on the group's financial statements, incorporating both business specific knowledge and wider industry awareness, including the extent to which they have been included in the group's forecast financial information. We used this to assess the completeness of the group's identified risks and to develop audit procedures to respond to these risks, in particular as part of our work in relation to goodwill and intangible assets impairment, going concern and long-term viability, as well as considering climate-related risks throughout our risk assessments on each financial statement account balance.



Independent Auditor's Report to the members of Britvic plc continued

Report on the audit of the financial statements continued

7. An overview of the scope of our audit continued

7.3 Our consideration of climate-related risks continued

Consistent with the previous year, the group has identified that the most significant impacts of climate change on its operations in the future will be due to:

- Increasing water stress or scarcity impacting the group's ability to manufacture and sell soft drinks
- Extreme weather events disrupting the supply of ingredients and production facilities
- Increased costs from emerging regulation such as carbon taxation
- Changing consumer preferences leading to greater demand for lower emission products

The details regarding these impacts are provided on pages 53–67 of the Task Force for Climate-related Financial Disclosures and on page 77 of the principal risks and uncertainties, which are included in the "Other Information" section rather than the audited financial statements. We read these disclosures to consider whether they are materially inconsistent with the financial statements and our knowledge obtained in the audit.

Our audit focused on evaluating whether management's assessment of the impact of climate risk, both physical and transition, and the effects of material climate risks disclosed on page 77 have been accurately reflected in asset values and associated disclosures where values are determined through modelling future cash flows. This includes the goodwill and intangible assets impairment assessment (note 15) and the recoverability of deferred tax assets (note 10). We also assessed the Directors' considerations of climate change in their assessment of going concern (note 3) and viability, along with the associated disclosures.

In considering the disclosures presented as part of the Strategic Report, we involved our climate specialists to assess compliance with the TCFD requirements and the recommendations made by both the Task Force and FRC as set out in their thematic reviews.

7.4 Working with other auditors

The engagement partner and group audit team visited the Brazilian and French component auditors, following the issue of appropriate referral instructions to the component auditors. During this pre-year end visits we attended key meetings with component management and the component auditor and reviewed key audit documentation. Additionally, the group engagement team reviewed key audit documentation remotely during the reporting stage of the audit. We attended component audit closing calls and other key meetings with management throughout the FY23 audit process.

Additionally, the component audit teams attended group planning meetings in April 2023 prior to commencement of our detailed audit work. The purpose of this planning meeting was to ensure a good level of understanding of the group's businesses, its core strategy and a discussion of the significant risks and workshops of our planned audit approach. Those components not selected for full audit procedures or audits of specified account balances or classes of transactions were subject to analytical procedures performed by the group team.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Independent Auditor's Report to the members of Britvic plc continued

Report on the audit of the financial statements continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets
- Results of our enquiries of management, internal audit, internal legal counsel, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector
- Any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- The matters discussed among the audit engagement team, including significant component audit teams and relevant internal specialists, including tax, climate change, valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: accruals for revenue rebates. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included environmental and health and safety regulations.

11.2 Audit response to risks identified

As a result of performing the above, we identified accruals for revenue rebates as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements
- Enquiring of management, the Audit Committee, in-house and external legal counsel concerning actual and potential litigation and claims
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.



Independent Auditor's Report to the members of Britvic plc continued

Report on other legal and regulatory requirements continued

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 136
- The directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 81
- The directors' statement on fair, balanced and understandable set out on page 124
- The board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 103
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 103
- The section describing the work of the audit committee set out on page 100

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit
- Adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us
- The company financial statements are not in agreement with the accounting records and returns

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the shareholders at the Annual General Meeting held on 26 January 2023 to audit the financial statements for the year ending 30 September 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is one year, covering the year ending 30 September 2023.

15.2 Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these Financial Statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Georgina Robb FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London,

22 November 2023



Consolidated income statement

	Note	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Revenue	5	1,748.6	1,618.3
Cost of sales		(1,049.1)	(952.4)
Gross profit		699.5	665.9
Selling and distribution expenses		(271.1)	(266.8)
Administration expenses		(246.9)	(206.7)
Operating profit	6	181.5	192.4
Finance income	9	1.1	0.9
Finance costs	9	(25.8)	(18.2)
Profit before tax		156.8	175.1
Income tax expense	10	(32.8)	(34.9)
Profit for the year attributable to the equity shareholders		124.0	140.2
Earnings per share			
Basic earnings per share	11	48.3p	52.6p
Diluted earnings per share	11	47.9p	52.5p

All activities relate to continuing operations.

Consolidated statement of comprehensive income

	Note	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Profit for the year attributable to the equity shareholders		124.0	140.2
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss			
Remeasurement losses on defined benefit pension plans	22	(55.5)	(2.1)
Current tax on pension contributions	10a	—	0.1
Deferred tax on defined benefit pension plans	10a	13.4	2.3
		(42.1)	0.3
Items that may be subsequently reclassified to profit or loss			
(Losses)/gains in respect of cash flow hedges	26	(34.3)	56.6
Amounts reclassified to the income statement in respect of cash flow hedges	26	(4.6)	(23.8)
Current tax in respect of cash flow hedges accounted for in the hedging reserve	10a	(0.2)	0.5
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	10a	7.3	(6.8)
Exchange differences reclassified to profit or loss on disposal of foreign operations	20	(0.3)	(0.8)
Exchange differences on translation of foreign operations	20	(3.4)	28.9
Tax on exchange differences accounted for in the translation reserve	10a	(0.6)	0.5
		(36.1)	55.1
Other comprehensive (loss)/income for the year, net of tax		(78.2)	55.4
Total comprehensive income for the year attributable to the equity shareholders		45.8	195.6



Consolidated balance sheet

	Note	30 September 2023 £m	Restated* 30 September 2022 £m	Restated* 1 October 2021 £m
Non-current assets				
Property, plant and equipment	13	535.3	513.9	472.4
Right-of-use assets	24	61.1	68.7	71.7
Goodwill and intangible assets	14	434.3	416.4	406.5
Other receivables		8.1	6.0	5.8
Derivative financial instruments	26	16.0	45.9	22.2
Deferred tax assets	10f	4.2	4.4	4.0
Retirement benefit assets	22	74.0	138.9	141.2
		1,133.0	1,194.2	1,123.8
Current assets				
Inventories	16	209.8	172.0	135.0
Trade and other receivables	17	425.6	445.2	376.1
Current income tax receivables	10c	5.3	10.9	7.2
Derivative financial instruments	26	17.4	38.9	4.0
Interest-bearing deposits	18	10.9	11.5	—
Cash and cash equivalents	18	79.2	85.9	97.1
Other current assets		—	3.1	—
		748.2	767.5	619.4
Assets held for sale	33	16.8	16.8	16.8
		765.0	784.3	636.2
Total assets		1,898.0	1,978.5	1,760.0
Current liabilities				
Trade and other payables	23a	(533.6)	(508.8)	(417.8)
Commercial rebate liabilities	23b	(123.3)	(137.0)	(122.3)
Lease liabilities	24	(7.5)	(8.6)	(8.9)
Interest-bearing loans and borrowings	21	(50.9)	(42.2)	(2.2)
Derivative financial instruments	26	(8.3)	(11.2)	(1.4)
Current income tax liabilities	10c	(0.1)	(0.2)	(1.4)
Overdrafts		(48.9)	(9.8)	(26.0)
Provisions	27	(0.7)	(1.9)	(5.3)
Other current liabilities	28	(8.4)	(11.1)	(5.5)
		(781.7)	(730.8)	(590.8)

	Note	30 September 2023 £m	Restated* 30 September 2022 £m	Restated* 1 October 2021 £m
Non-current liabilities				
Lease liabilities	24	(59.8)	(65.3)	(66.2)
Interest-bearing loans and borrowings	21	(551.0)	(563.1)	(576.9)
Deferred tax liabilities	10f	(111.1)	(123.1)	(98.5)
Retirement benefit obligations	22	(1.4)	(1.4)	(9.6)
Derivative financial instruments	26	(0.3)	(0.4)	(0.6)
Provisions	27	(1.0)	(0.9)	(0.5)
Other non-current liabilities	28	—	(5.5)	(6.2)
		(724.6)	(759.7)	(758.5)
Total liabilities		(1,506.3)	(1,490.5)	(1,349.3)
Net assets		391.7	488.0	410.7
Equity				
Issued share capital	19	50.9	52.7	53.5
Share premium account		157.2	157.2	156.2
Own shares reserve	19	(21.4)	(7.2)	(1.5)
Other reserves	20	78.8	106.0	53.7
Retained earnings		126.2	179.3	148.8
Total equity		391.7	488.0	410.7

* Comparative figures for interest-bearing deposits, overdrafts and cash and cash equivalents have been restated as set out in Note 3.

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2023. They were signed on its behalf by:

Simon Litherland **Rebecca Napier**



Consolidated statement of cash flows

	Note	Year ended 30 September 2023 £m	Restated* Year ended 30 September 2022 £m
Cash flows from operating activities			
Profit before tax		156.8	175.1
Net finance costs	9	24.7	17.3
Other financial instruments		(0.6)	0.8
Depreciation of property, plant and equipment	13	44.8	40.9
Depreciation of right-of-use assets	24	10.1	10.9
Amortisation	14	15.6	15.6
Loss on disposal of property, plant and equipment and intangible assets		3.2	0.9
Impairment of property, plant and equipment		3.8	–
Share-based payments charge		9.3	4.2
Net pension charge less contributions	22	9.4	(7.6)
Net foreign exchange differences		0.1	2.0
Exchange differences reclassified to profit or loss from other comprehensive income	20	(0.3)	(0.8)
Increase in inventories		(37.8)	(26.0)
Decrease/(increase) in trade and other receivables		16.3	(56.4)
Increase in trade, other payables and commercial rebate liabilities		5.8	84.3
Decrease in provisions		(0.9)	(3.2)
Income tax paid		(21.9)	(18.4)
Net cash flows from operating activities		238.4	239.6
Cash flows from investing activities			
Purchases of property, plant and equipment		(69.8)	(72.9)
Government grants towards purchase of equipment		1.3	–
Purchases of intangible assets		(8.1)	(11.7)
Investments in interest-bearing deposits		(11.2)	(11.8)
Proceeds from interest-bearing deposits		11.8	0.3
Interest received		0.5	0.2
Acquisition of subsidiaries, net of cash acquired	34	(24.8)	–
Net cash flows used in investing activities		(100.3)	(95.9)

	Note	Year ended 30 September 2023 £m	Restated* Year ended 30 September 2022 £m
Cash flows from financing activities			
Interest paid, net of related derivative financial instruments		(21.1)	(14.8)
Net movement on revolving credit facility	21	45.5	–
Repayment of other loans		(1.9)	–
Payment of principal portion of lease liabilities	24	(9.0)	(9.3)
Payment of interest portion of lease liabilities	24	(1.9)	(2.1)
Repayment of private placement notes, net of related derivative financial instruments	21	(27.8)	–
Other net derivative cashflows		(0.2)	(0.8)
Issue costs paid	21	–	(0.3)
Proceeds from employee share incentive schemes		2.3	1.0
Purchase of own shares related to share schemes		(20.3)	(9.0)
Share buyback programme		(73.7)	(36.7)
Dividends paid to equity shareholders	12	(75.5)	(67.9)
Net cash flows used in financing activities		(183.6)	(139.9)
Net (decrease)/ increase in cash and cash equivalents		(45.5)	3.8
Cash and cash equivalents at the beginning of the year		76.1	71.1
Net foreign exchange differences on cash and cash equivalents		(0.3)	1.2
Cash and cash equivalents at the end of the year		30.3	76.1

* Comparative figures restated for reclassification of interest-bearing deposits separate from cash and cash equivalents; see Note 3.

Presented in the balance sheet as:

Cash and cash equivalents ¹	18	79.2	85.9
Overdrafts ^{1,2}	18	(48.9)	(9.8)
Cash and cash equivalents at the end of the year		30.3	76.1

1. Comparative figures for overdrafts and cash and cash equivalents have been restated as set out in note 3.

2. Bank overdrafts are included in the cash and cash equivalents presented in the statement of cash flows because they form an integral part of the Group's cash management.



Consolidated statement of changes in equity

	Note	Issued share capital £m	Share premium account £m	Own shares reserve £m	Other reserves				Retained earnings £m	Total £m
					Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m		
At 1 October 2021		53.5	156.2	(1.5)	—	4.5	(38.1)	87.3	148.8	410.7
Profit for the year		—	—	—	—	—	—	—	140.2	140.2
Other comprehensive income		—	—	—	—	26.5	28.6	—	0.3	55.4
Total comprehensive income		—	—	—	—	26.5	28.6	—	140.5	195.6
Issue of shares		0.1	1.0	(1.1)	—	—	—	—	—	—
Share buyback programme	19,20	(0.9)	—	(1.1)	0.9	—	—	—	(36.7)	(37.8)
Own shares purchased for share schemes		—	—	(9.0)	—	—	—	—	3.2	(5.8)
Own shares utilised for share schemes		—	—	5.5	—	—	—	—	(12.5)	(7.0)
Movement in share-based schemes		—	—	—	—	—	—	—	4.1	4.1
Current tax on share options exercised	10a	—	—	—	—	—	—	—	0.3	0.3
Deferred tax on share options granted to employees	10a	—	—	—	—	—	—	—	(0.5)	(0.5)
Transfer of cash flow hedge reserve to inventories		—	—	—	—	(3.7)	—	—	—	(3.7)
Payment of dividend	12	—	—	—	—	—	—	—	(67.9)	(67.9)
At 30 September 2022		52.7	157.2	(7.2)	0.9	27.3	(9.5)	87.3	179.3	488.0
Profit for the year		—	—	—	—	—	—	—	124.0	124.0
Other comprehensive loss		—	—	—	—	(31.8)	(4.3)	—	(42.1)	(78.2)
Total comprehensive (loss)/ income		—	—	—	—	(31.8)	(4.3)	—	81.9	45.8
Share buyback programme	19,20	(1.8)	—	(1.7)	1.8	—	—	—	(73.7)	(75.4)
Own shares purchased for share schemes		—	—	(20.1)	—	—	—	—	9.8	(10.3)
Own shares utilised for share schemes		—	—	7.6	—	—	—	—	(5.3)	2.3
Movement in share-based schemes		—	—	—	—	—	—	—	9.3	9.3
Current tax on share-based payments	10a	—	—	—	—	—	—	—	0.2	0.2
Deferred tax on share-based payments	10a	—	—	—	—	—	—	—	0.2	0.2
Transfer of cash flow hedge reserve to inventories		—	—	—	—	7.1	—	—	—	7.1
Payment of dividend	12	—	—	—	—	—	—	—	(75.5)	(75.5)
At 30 September 2023		50.9	157.2	(21.4)	2.7	2.6	(13.8)	87.3	126.2	391.7



Notes to the consolidated financial statements

1. General information

Britvic plc (the company) is a company incorporated in the United Kingdom under the Companies Act 2006. It is a public company limited by shares domiciled in England and Wales and its ordinary shares are traded on the London Stock Exchange. The address of the registered office is Britvic plc, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire HP2 4TZ. Britvic plc and its subsidiaries (together the Group) operate in the soft drinks manufacturing and distribution industry, principally in the United Kingdom, Republic of Ireland, France and Brazil.

The financial statements were authorised for issue by the Board of Directors on 21 November 2023.

2. Statement of compliance

The financial statements have been prepared in accordance with the Companies Act 2006 and UK-adopted International Accounting Standards.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis except where measurement of balances at fair value is required as explained in the policies below. The financial statements of the Group are presented in pounds sterling, which is also the functional currency of the company, and all values are rounded to the nearest £0.1m except where otherwise indicated.

Going concern

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist which could cause significant doubt with respect to this assessment. In making this assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 30 September 2025. Further details of the Directors' assessment are set out below.

The business has faced the challenges posed by a prolonged period of high inflation and has been able to successfully respond by implementing revenue growth management actions, including price increases, and optimising promotions. As inflation rates stabilise, the level of uncertainty in the cost base of the business has reduced; however, the lasting impact of inflation and the ongoing cost of living crisis pose a risk to demand for the Group's products.

As part of the going concern assessment, volume demand scenarios have been combined with the potential impact of key risks that could reasonably arise in the period. The Group has modelled both a base case scenario and a severe but plausible downside scenario, to assess the extent to which mitigating actions would be required, all of which are within management's control. Mitigating actions can be initiated as they relate to discretionary and investment spend, without significantly impacting the ability to meet demand.

At 30 September 2023, the Group was operating within the banking covenants related to its revolving credit facility and private placement notes. The consolidated balance sheet reflects a net asset position of £391.7m and the liquidity of the Group remains strong. In 2022, the Group successfully secured a one-year extension of its £400.0m revolving credit facility with six of the seven participating banks. As a result, £366.7m of this facility now matures in February 2027, with the remaining £33.3m maturing in February 2025. As of 30 September 2023, £44.7m was drawn on the revolving credit facility. The Group's next debt maturity is in February 2024 when £39.2m of private placement notes mature, net of derivative financial instruments. Both the Group's revolving credit facility and private placement notes have a net debt/EBITDA covenant limit of 3.5x, excluding IFRS 16 impact. Based on adjusted net debt of £538.1m and adjusted EBITDA of £276.7m for the preceding 12 months, the adjusted net debt/adjusted EBITDA ratio at 30 September 2023 was 1.9x and well within the covenant limit.

Under all the scenarios modelled, including the impact of the share buyback programme, and after taking available mitigating actions, our forecasts did not indicate a covenant breach or any liquidity shortages.

On the basis of these reviews, the Directors consider it is appropriate for the going concern basis to be adopted in preparing the Annual Report and Accounts.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial information of the company and the entities controlled by the company (its subsidiaries) in accordance with IFRS 10 'Consolidated Financial Statements'. Control is achieved when the company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The financial statements of subsidiaries are prepared using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date when the company ceases to control the subsidiary.

New standards, amendments and interpretations adopted in the current year

With effect from 1 October 2022, the Group applied for the first time the standards and amendments as set out below. These amended standards and interpretations have not had a significant impact on the Group's financial statements.

Onerous Contracts: Cost of Fulfilling a Contract – Amendments to IAS 37

Property, Plant and Equipment: Proceeds Before Intended Use – Amendments to IAS 16

Annual Improvements to IFRS Standards 2018-2020

Reference to the Conceptual Framework – Amendments to IFRS 3

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the consolidated financial statements continued

3. Accounting policies continued

Restatement of overdrafts and cash and cash equivalents

The Group has identified that the balance sheet presentation of its notional cash pooling arrangements did not comply with the requirements of IAS 32 'Financial Instruments: Presentation'. The Group has previously presented cash and overdraft balances subject to notional cash pooling arrangements on a net basis within cash and cash equivalents. However, following a review of this facility and guidance issued by the IFRS Interpretations Committee, it was determined that the balances did not meet all of the criteria in IAS 32 for offset. The prior period balance sheets have therefore been restated to show cash and overdraft balances on a gross basis. The impact is to increase both cash and cash equivalents and overdrafts by £9.8m at 30 September 2022 and by £26.0m at 30 September 2021. There is no impact to the Group's net debt position, income statement or earnings per share for the affected periods. There is also no impact on the previously presented statement of cash flows, as the overdrafts are repayable on demand and form an integral part of the Group's cash management and are therefore included in the cash and cash equivalents presented in the statement of cash flows.

The above prior period misstatement came to the company's attention when responding to an enquiry from the Corporate Reporting Review team at the Financial Reporting Council (FRC). The FRC carried out a review of the Britvic Annual Report and Accounts 2022 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC requests that in disclosing this engagement we note the limitations of its review, namely that it was based solely on its reading of the Annual Report and Accounts and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. It also noted that its review provided no assurance that the Annual Report and Accounts are correct in all material respects and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

The Group places surplus cash on deposit with banks to earn a fixed rate of interest over the maturity period, and these deposits have historically been presented within cash and cash equivalents. Following a review of deposit terms, the Group has identified that £11.5m of deposits held at 30 September 2022 did not meet the definition of cash and cash equivalents in IAS 7 'Statement of Cash Flows', as the deposits were not held for the purpose of meeting short-term cash commitments and had contractual maturities in excess of three months. The prior period balance sheet has therefore been restated to show such interest-bearing deposits separately within current assets. There is no impact to the Group's net debt position. The value of cash and cash equivalents shown in the statement of cash flows at 30 September 2022 has been restated to exclude the £11.5m of deposits held, and new lines for "investments in interest-bearing deposits" and "proceeds from interest-bearing deposits" have been included within net cash flows used in investing activities.

The below tables reconcile the restated balances to those previously reported.

	As reported £m	Overdrafts subject to pooling arrangements £m	Deposits previously included in cash and cash equivalents £m	Restated £m
30 September 2022				
Interest-bearing deposits	—	—	11.5	11.5
Cash and cash equivalents	87.6	9.8	(11.5)	85.9
Current assets	774.5	9.8	—	784.3
Total assets	1,968.7	9.8	—	1,978.5
Overdrafts	—	(9.8)	—	(9.8)
Current liabilities	(721.0)	(9.8)	—	(730.8)
Total liabilities	(1,480.7)	(9.8)	—	(1,490.5)
Net assets	488.0	—	—	488.0

	As reported £m	Overdrafts subject to pooling arrangements £m	Deposits previously included in cash and cash equivalents £m	Restated £m
30 September 2021				
Interest-bearing deposits	—	—	—	—
Cash and cash equivalents	71.1	26.0	—	97.1
Current assets	610.2	26.0	—	636.2
Total assets	1,734.0	26.0	—	1,760.0
Overdrafts	—	(26.0)	—	(26.0)
Current liabilities	(564.8)	(26.0)	—	(590.8)
Total liabilities	(1,323.3)	(26.0)	—	(1,349.3)
Net assets	410.7	—	—	410.7

Revenue recognition

The Group principally recognises revenue from the sale of soft drinks to the wholesale market. Other revenue streams are not currently material. Revenue is recognised when the Group satisfies its performance obligations by transferring control of goods to the customer, being when the goods have been delivered. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on-selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Revenue recognition continued

Revenue is the value of sales, excluding transactions with or between subsidiaries, after the deduction of sales related discounts and rebates, value added tax and other sales related taxes. Rebates to customers are deducted from revenue where the amounts paid are sales related or in relation to a good or service which results in an increase in sales in the customer's outlet and therefore is not distinct from the sale of soft drinks to the customer and comprise:

Long-term discounts and rebates

These discounts are typically for months rather than weeks and are usually part of the trading terms agreed with the customer. Long-term discounts fall into three main categories:

- Fixed – a defined amount over a period of time
- Pence per litre/case – a pence per litre/case rebate, based upon volumes sold
- Percentage of net revenue – a percentage of net revenue, which may have associated hurdle rates

Short-term promotional discounts

Promotional discounts consist of many individual rebates across numerous customers and represent the cost to the Group of short-term deal mechanics. The common deals typically include Buy One Get One Free (BOGOF), three for two and half price deals.

Account development fund

The account development fund represents customer promotional activity which promotes Britvic's products in the customer's outlets. The Group agrees to pay the customer various amounts as part of the trading investment. Where these amounts are payable in relation to a good or service which results in an increase in sales in the customer's store only, e.g. in-store promotional activity, management has concluded that this is not distinct, and it is accounted for as a reduction in revenue. Where these amounts are payable in relation to a good or service which results in an increase in Group sales more broadly, e.g. participation in trade shows or market research, management has concluded that the payment is for a distinct good or service. Where amounts paid to customers are deemed to be for a distinct service, these are included as selling and distribution costs in the income statement.

Variable consideration

The Group agrees to pay customers various amounts either in the form of sales related rebates and discounts earned or as part of the trading investment (e.g. sales driving investment, growth override investment, incentives for purchasing full loads, payment for new store openings, and payment for listing new products).

Where the consideration the Group is entitled to will vary because of a rebate, refund incentive or price concession or similar item, or is contingent on the occurrence or non-occurrence of a future event, e.g. the customer meeting certain agreed criteria, the amount payable is deemed to be variable consideration.

The Group uses the most likely method to reflect the consideration that the Group is entitled to. Variable consideration is then only included to the extent that it is highly probable that the inclusion will not result in a significant revenue reversal in the future. Accruals are made for each individual promotion or rebate based on the specific terms and conditions of the customer agreement. Management makes estimates on an ongoing basis to assess customer performance and sales volume to calculate total amounts earned to be recorded as deductions from revenue.

Commercial rebate liabilities

Commercial rebate liabilities are recognised where, as part of a contract with a customer, the Group has received consideration and expects to return part of that consideration in the form of a rebate against current or future sales invoices.

Government grants

Government grants are recognised where there is reasonable certainty that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The income from such grants is presented in the financial statements as a deduction from the expense to which it relates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as a reduction in the carrying value of the asset, and transferred to profit or loss as a reduced depreciation expense over the asset's useful life.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Assets under construction are carried at cost. Depreciation of these assets commences when they are ready for use.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis, over the useful economic life of that asset as follows:

Plant and machinery	3–20 years
Vehicles (included in plant and machinery)	5–7 years
Equipment in retail outlets (included in fixtures, fittings, tools and equipment)	5–15 years
Other fixtures and fittings (included in fixtures, fittings, tools and equipment)	5–15 years

Land is not depreciated.

Freehold properties are depreciated over 50 years.

Leasehold properties are depreciated over 50 years, or over the unexpired lease term when this is less than 50 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are included in the consolidated income statement in the period of derecognition.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual amounts are reviewed annually and where adjustments are required these are made prospectively.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Business combinations and goodwill

While the original acquisition of Britannia Soft Drinks Limited was accounted for under the merger method, business combinations on or after 4 October 2004 have been accounted for under IFRS 3 'Business Combinations' using the acquisition method. The consideration transferred in a business combination is measured at fair value which includes recording deferred consideration at discounted values where the impact of discounting is material.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (discount on acquisition) is credited to the consolidated income statement in the period of acquisition.

Deferred and contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value of deferred and contingent consideration is based on discounted cash flows and is classified as other liabilities in the balance sheet (see note 28).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Intangible assets

Software costs

Software expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. Acquired computer software licences and software developed in-house are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs include resources focused on delivery of capital projects where the choice has been made to use internal resources rather than external resources. These costs are amortised over their estimated useful lives of three to seven years on a straight-line basis.

Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing the company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the company determines whether these services are distinct from each other or not and, therefore, whether configuration and customisations incurred are expensed as the software is configured or

customised (i.e. upfront), or over the SaaS contract term. Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software and are therefore expensed over the SaaS contract term. When implementing SaaS arrangements, costs incurred may include those that relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meet the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least annually and any change accounted for prospectively as a change in accounting estimate.

Trademarks, franchise rights, technology and customer lists

Intangible assets acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation or impairment losses. An intangible asset acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of intangible assets are assessed to be either finite or indefinite. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life.

The carrying values of intangible assets with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets with indefinite useful lives are also tested for impairment annually, either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the CGU to which it belongs.

Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether an indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Research and development

Research costs are expensed as incurred. Development expenditure is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability to use the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Following initial recognition of development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Impairment of goodwill and intangible assets

Goodwill and indefinite life intangible assets are reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired. For all remaining intangible assets the Group assesses at each reporting date whether there is an indication that an asset may be impaired. Where impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount or the recoverable amount of the CGU to which the asset belongs if it does not generate largely independent cash flows.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects senior management's estimate of the cost of capital. Impairment losses of continuing operations are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Goodwill impairment losses cannot subsequently be reversed.

Inventories and work in progress

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing inventories to their present location and condition. Cost is determined using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial assets

Classification

The Group classifies its financial assets at amortised cost only if both the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of principal and interest

Recognition and derecognition

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. A trade receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Trade receivables are generally due for settlement within 30 to 90 days and are therefore all classified as current. Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided below.

Transferred receivables

The Group has certain trade receivables which are subject to a discount factoring arrangement. Under this arrangement, the Group receives a cash advance from the factoring bank for a proportion of the invoice value less a factoring discount. The Group continues to service the trade receivables including collecting the amounts due from the debtor. Subsequent to the invoice due date, the Group transfers all proceeds collected from the debtor to the factoring bank. The factoring bank has no recourse to the Group in the event of non-payment by the debtor and therefore the Group considers it has transferred substantially all of the risks and rewards associated with the receivable to the factoring bank. Accordingly, the Group derecognises trade receivables in the programme to the extent it has received proceeds from the factoring bank. The factoring discount is recognised as interest expense in the income statement. Amounts collected from customers in respect of receivables that have been derecognised are recognised as a payable to the factoring bank until settled.

Fair value of transferred receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Financial liabilities

Financial liabilities at amortised cost, including interest-bearing loans and borrowings, are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Interest-bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet.

The Group has not currently designated any financial liability as at fair value through profit or loss on initial recognition.

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Supply chain financing (reverse factoring) arrangements

The Group participates in a supply chain financing (SCF) programme under which certain of the Group's suppliers can elect, on an invoice-by-invoice basis, to receive a discounted early payment from the SCF agent bank or to be paid by the SCF agent bank in line with the invoice's original terms. For those suppliers in the programme, the Group pays the SCF agent bank the full value of the invoices on the original payment terms regardless of whether the supplier has chosen to factor its invoices.

Balances outstanding under the SCF programme are classified as trade payables, and cash flows are included in operating cash flows, since the financing arrangements are agreed between the supplier and the SCF agent bank, and the Group does not provide additional credit enhancement nor obtain any working capital benefit from the arrangement.

Further details of the amounts outstanding under the programme are provided in note 23a.

Fair value

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate to the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1:	quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2:	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3:	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. All derivative financial instruments are initially recognised and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is appropriate, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the consolidated income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship, as follows:

Cash flow hedges

Hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income/(expense), while the ineffective portion is recognised in the consolidated income statement. Amounts previously recognised in other comprehensive income/(expense) are transferred to the consolidated income statement in the period in which the hedged item affects profit or loss, such as when a forecast sale occurs. However, when the forecast transaction results in the recognition of a non-financial asset or liability, the amounts previously recognised in other comprehensive income/(expense) are included in the initial carrying amount of the asset or liability.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Derivative financial instruments and hedging continued

Cash flow hedges continued

If a forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income/(expense) are transferred to the consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income/(expense) remain in equity until the forecast transaction occurs and are then transferred to the consolidated income statement or included in the initial carrying amount of a non-financial asset or liability as above.

Net investment hedges

Financial instruments are classified as net investment hedges when they hedge the Group's net investment in foreign operations. Some of the Group's foreign currency borrowings qualify as hedging instruments that hedge foreign currency net investment balances. The effective portion of gains or losses on translation of borrowings designated as net investment hedges is recognised in other comprehensive income/(expense). Any ineffective portion is recognised immediately in the consolidated income statement. Upon disposal of the associated investment in foreign operations any cumulative gain or loss previously recognised in other comprehensive income/(expense) is recycled through the consolidated income statement.

Fair value hedges

Hedges of the change in fair value of recognised assets or liabilities are classified as fair value hedges. For fair value hedges, the gain or loss on the fair value of the hedging instrument is recognised in the consolidated income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognised in the consolidated income statement. If the hedge relationship no longer meets the criteria for hedge accounting, the hedged item would no longer be adjusted and the cumulative adjustment to its carrying amount would be amortised to the consolidated income statement based on a recalculated effective interest rate. The fair value gain or loss on the hedging instrument would continue to be recorded in the consolidated income statement.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that, in the opinion of the Directors and based on the best available estimate at that date, will ultimately vest (or in the case of an instrument subject to a market condition, be treated as vesting as described below). The consolidated income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Taxation

The current income tax expense is based on taxable profits for the year, after any adjustments in respect of prior years. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, on all material temporary differences between the tax base of assets and liabilities and their carrying values in the consolidated financial statements.

The principal temporary differences arise from accelerated capital allowances, intangible assets, provisions for pensions and other post-retirement benefits, provisions for share-based payments and unutilised losses incurred in overseas jurisdictions.

Deferred tax assets are recognised to the extent that it is regarded as probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset or liability will be settled based on the tax rates enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same taxable company.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Pensions and post-retirement benefits

The Group operates a number of pension schemes. These include both defined benefit and defined contribution plans.

Defined benefit plans

The defined benefit pension liability or asset in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which it occurs. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in the consolidated income statement in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Pensions and post-retirement benefits continued

Defined benefit plans continued

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, and gains and losses on curtailments and settlements)
- Net interest expense or income; or
- Remeasurement

The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans

Under defined contribution plans, contributions payable for the period are charged to the consolidated income statement as an operating expense.

Employee benefits

Wages, salaries, bonuses and paid annual leave are accrued in the period in which the associated services are rendered by the employees of the Group.

Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment reviews.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate that the Group would have to pay to borrow over a similar

term, and with a similar security, the funds necessary to obtain an asset of similar value. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Interest-bearing deposits

The Group places surplus cash on deposit with banks and other financial institutions. Where such deposits are not held for the purpose of meeting the Group's short-term cash commitments, they are presented as interest-bearing deposits on the balance sheet. Interest-bearing deposits have contractual cash flows that are solely payments of principal and interest, and which are held to collect contractual cash flows. Such deposits are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, on demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, bank overdrafts repayable on demand are a component of cash and cash equivalents.

The Group evaluates the nature of any restrictions on cash held in deposit accounts to determine whether the restriction results in the balance ceasing to be available on demand, highly liquid or readily convertible. Where this is the case, the deposit is classified within other assets in the consolidated balance sheet.

Foreign currencies

Functional and presentation currency

The consolidated financial statements of the Group are presented in pounds sterling. The presentation currency of the consolidated financial statements is the same as the functional currency of the company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.



Notes to the consolidated financial statements continued

3. Accounting policies continued

Foreign currencies continued

Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement, except when hedge accounting is applied and for differences in monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are taken in other comprehensive income until the disposal of the net investment, at which time they are recognised in the consolidated income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Foreign operations

The consolidated income statement and statement of cash flows of foreign operations are translated at the average rate of exchange during the period. The balance sheet is translated at the rate ruling at the reporting date. Exchange differences arising on opening net assets and arising on the translation of results at an average rate compared to a closing rate are both recognised in other comprehensive income. As these exchange differences are non-cash movements in net assets, the changes in working capital presented in the consolidated statement of cash flows will exclude the effect of exchange differences recognised in the consolidated balance sheet. On disposal of a foreign operation, the accumulated exchange differences previously recognised in other comprehensive income are included in the consolidated income statement.

Certain of the Group's financial instruments are classified as net investment hedges when they hedge the Group's net investment in foreign operations (see note 26). See derivative financial instruments and the hedging policy for further detail.

Issued share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Upon cancellation, the nominal values of shares cancelled is transferred from share capital to the capital redemption reserve.

Own shares

Own shares represent the shares of the company that are held by an employee benefit trust for the purpose of satisfying employee share plan awards, or which are purchased and held for cancellation as part of a share buyback programme. The cost of own shares held in employee share trusts and in treasury is deducted from shareholders' equity until the shares are cancelled, reissued or disposed. When own shares are cancelled or are transferred to employees pursuant to share schemes, the cost is transferred from own shares to retained earnings. Where shares are subsequently sold or reissued, the fair value of any consideration received is also included in shareholders' equity.

Assets and liabilities held for sale

The Group classifies assets and liabilities as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Where there are events or circumstances that extend the period to complete the sale beyond one year and those events or circumstances are beyond the Group's control, the Group will continue to classify an asset (or disposal group) as held for sale where there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in note 33.

Adjusting items

Adjusting items are items of expense or income which are not incurred in the ordinary course of business due to their size, frequency or nature. Further details of adjusting items are provided in the non-GAAP reconciliations on pages 191–192

New standards, amendments and interpretations not yet applied

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below:

International Financial Reporting Standards (IFRS)		Effective date – periods commencing on or after
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IAS 1	Non-Current Liabilities with Covenants	1 January 2024
Amendments to IAS 8	Definition of Accounting Estimate	1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

The above standards and amendments are not expected to have a material impact on the Group's financial statements.



Notes to the consolidated financial statements continued

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements.

Critical accounting judgements

Franchise rights

Franchise rights represent franchise agreements acquired as part of the Britvic Ireland business combination which provides long-term rights to distribute certain soft drinks. These agreements were allocated a 35-year useful economic life at the time of acquisition based on a third-party assessment. As at 30 September 2023, these intangible assets have a remaining useful life of 19 years.

As at 30 September 2023, the franchise agreement itself had a remaining contract life of two years, which is less than the useful economic life. Management is required to assess whether the renewal of the franchise agreements is highly probable, or whether the contracts should be amortised over the remaining contractual life. The useful economic life has been determined on the basis of management's judgement that the renewal of the franchise agreements, without significant cost, is highly probable. Evidence to support this conclusion is:

- Significant emphasis on maintaining a strong relationship with Pepsi, strengthened through the addition of PepsiCo products to Britvic's portfolio in recent years
- Lack of alternative suppliers; and
- High barriers to entry to the Irish soft drinks bottling market

This is further supportable by Britvic having signed in 2020, a new and exclusive 20-year franchise bottling agreement with Pepsi for the production, distribution, marketing and sales of its soft drink brands in GB, which provides access to a portfolio of global brands, including Pepsi MAX, 7UP and now Rockstar. The GB agreement runs to December 2040.

Intangible assets with indefinite lives

Management has made a judgement that certain intangible assets relating to brands have indefinite lives.

It is expected that the trademarks with indefinite lives will be held and supported for an indefinite period of time and are expected to generate economic benefits. The Group is committed to supporting its trademarks and invests in significant consumer marketing promotional spend.

Assets held for sale

On 8 October 2020, contracts were exchanged for the sale of Britvic's Norwich production site (jointly owned with Unilever). Management is required to make a judgement as to whether it is appropriate to classify the assets as assets held for sale, or if it is more appropriate to continue to recognise these assets as property, plant and equipment.

The Board considers that the criteria required to be classified as held for sale has been met at the balance sheet date, and the assets relating to the Norwich manufacturing site have been classified as assets held for sale. In making their judgement, the Board considered the following reasons:

- A contract for the sale of the assets has been signed with the buyer;

- The assets are available for immediate sale and can be sold to the buyer in their current condition; and
- Although the sale is not expected to complete within one year, the delay is caused by circumstances beyond the Group's control (such as the time taken for the buyer to obtain certain planning consents) and there is sufficient evidence the Group remains committed to its plan to sell the asset

For more details on the Norwich asset held for sale, refer to note 33.

Key sources of estimation uncertainty

Key sources of estimation uncertainty have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year and are addressed below.

Post-retirement benefits

The determination of the pension and other post-retirement benefits cost and obligation is based on assumptions determined with independent actuarial advice. The assumptions include discount rate, inflation, pension and salary increases, expected return on scheme assets, mortality and other demographic assumptions. The application of other assumptions to the Group's principal pension scheme for GB employees, the Britvic Pension Plan could have a significant impact on the carrying value of scheme assets and liabilities. The key assumptions applied to the GB scheme and a sensitivity analysis are disclosed in note 22.

Impairment of goodwill and intangible assets with indefinite lives

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the recoverable amount of the CGU to which the goodwill or intangible assets have been allocated. The calculation of the recoverable amount requires an estimate of the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The Group has identified the assumptions used to calculate the recoverable amount of Britvic France, Britvic Brazil, and the Plenish brand as key sources of estimation uncertainty. Further details for each of these CGUs are given in note 15.

Other sources of estimation

Long-term discounts and rebates

Amounts provided for discounts at the end of a period require estimation; historical data and accumulated experience are used to estimate the related provision using the most likely amount method and in most instances the discount can be estimated using known facts with a high level of accuracy. See note 3 for further details.

Climate change considerations

The Group has modelled the potential five-year impact of its commitment to achieving net-zero carbon emissions by 2050, and used this analysis as part of the assessment of judgements and estimates in preparing the financial statements. This includes consideration of the following:

- The impact of climate change on the going concern period and viability of the Group over the next three years; and
- The impact of climate change on forecasts of cash flows used in impairment assessments for non-current assets including goodwill

In both cases the impact of climate change assumptions was not material to the final assessment. Governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known.



Notes to the consolidated financial statements continued

5. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the plc Executive team and Board of Directors of the company.

For management purposes, the Group is organised into business units and has five reportable segments:

- GB (United Kingdom excluding Northern Ireland)
- Brazil
- Ireland (Republic of Ireland and Northern Ireland)
- France
- International

These business units sell soft drinks into their respective markets. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on brand contribution. This is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. All other costs, including net finance costs and income taxes, are managed on a centralised basis and are not allocated to reportable segments.

The 'Other International' subtotal comprising the Ireland, France and International reportable segments has been presented to provide linkage to the Chief Financial Officer's review section of this Annual Report and Accounts.

Year ended 30 September 2023	Other International					Subtotal £m	Total £m
	GB £m	Brazil £m	Ireland £m	France £m	International £m		
Revenue from external customers	1,187.7	156.2	160.3	185.0	59.4	404.7	1,748.6
Brand contribution	479.6	36.2	52.3	35.7	11.6	99.6	615.4
Non-brand advertising and promotion ⁽ⁱ⁾							(11.8)
Fixed supply chain ⁽ⁱⁱ⁾							(145.5)
Selling costs ⁽ⁱⁱ⁾							(96.7)
Overheads and other costs ⁽ⁱ⁾							(143.0)
Adjusted EBIT⁽ⁱⁱⁱ⁾							218.4
Net finance costs pre-adjusting items							(23.2)
Adjusting items ⁽ⁱⁱⁱ⁾							(38.4)
Profit before tax							156.8

Year ended 30 September 2022 (restated ^(iv))	GB £m	Brazil £m	Other International			Subtotal £m	Total £m
			Ireland £m	France £m	International £m		
Revenue from external customers	1,100.4	143.0	143.9	179.4	51.6	374.9	1,618.3
Brand contribution ^(iv)	426.0	32.4	49.6	45.9	11.5	107.0	565.4
Non-brand advertising and promotion ⁽ⁱ⁾							(10.3)
Fixed supply chain ⁽ⁱⁱ⁾							(135.7)
Selling costs ⁽ⁱⁱ⁾							(82.0)
Overheads and other costs ⁽ⁱ⁾							(131.4)
Adjusted EBIT⁽ⁱⁱⁱ⁾							206.0
Net finance costs pre-adjusting items							(17.3)
Adjusting items ⁽ⁱⁱⁱ⁾							(13.6)
Profit before tax							175.1

(i) Included within 'administration expenses' in the consolidated income statement. 'Overheads and other costs' relate to central expenses including salaries, IT maintenance, depreciation and amortisation (excluding acquisition related amortisation).

(ii) Included within 'selling and distribution costs' in the consolidated income statement.

(iii) See non-GAAP reconciliations on pages 191–192 for further details on adjusting items.

(iv) The Group has restated the classification of certain prior period costs in Brazil within the segmental reporting note. For the year ended 30 September 2022, £9.7m of costs that are fixed in nature previously included within brand contribution have been reclassified to fixed supply chain. There has been no impact of this disclosure change on the consolidated income statement.

Geographic information

Revenues from external customers

The analysis below is based on the location where the sale originated.

	2023 £m	2022 £m
United Kingdom	1,247.7	1,152.8
Republic of Ireland	129.1	116.8
France	185.1	187.0
Brazil	156.2	143.0
Other	30.5	18.7
Total revenue	1,748.6	1,618.3



Notes to the consolidated financial statements continued

5. Segmental reporting continued

Geographic information continued

Non-current operating assets

	2023 £m	2022 £m
United Kingdom	648.3	614.0
Republic of Ireland	122.1	122.0
France	77.6	79.6
Brazil	181.4	182.1
Other	1.3	1.3
Total	1,030.7	999.0

Non-current operating assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

6. Operating profit

This is stated after charging/(crediting):

	2023 £m	2022 £m
Cost of inventories recognised as an expense	1,033.3	915.3
Including write-down of inventories to net realisable value	5.7	1.9
Research and development expense	5.9	8.5
Net foreign currency exchange differences	0.2	—
Depreciation of property, plant and equipment	44.8	40.9
Depreciation of leased assets	10.1	10.9
Amortisation of intangible assets	15.7	15.6
Impairment of property, plant and equipment	3.8	—
Loss on disposal of property, plant and equipment and intangible assets	3.2	0.9
Government grants*	(9.0)	(5.7)
Costs of configuring or customising a Software as a Service (SaaS) arrangement	—	7.5
Gain on disposal of subsidiary**	(0.3)	(0.8)

* Government grants relate to presumed tax credit incentives available in certain states of Brazil, whereby the Group can benefit from a reduction in sales taxes. Disclosed in the income statement within cost of sales.

** Gain relates to amounts reclassified to profit or loss from other comprehensive income upon disposal of Britvic India Manufacturing Private Limited in 2023 and on liquidation of Counterpoint Wholesale (Ireland) Ltd in 2022.

7. Auditor's remuneration

	2023 £m	2022 £m
Audit of the consolidated and parent company financial statements	0.5	0.3
Audit of the company's subsidiaries	0.9	0.8
Total audit services	1.4	1.1
Audit-related assurance services	0.2	0.2
Total non-audit services	0.2	0.2
Total fees	1.6	1.3

8. Staff costs

	2023 £m	2022 £m
Wages and salaries	200.9	169.6
Social security costs	25.1	23.7
Net defined benefit pension expense/(income) (note 22)	15.2	(1.5)
Defined contribution pension expense	9.8	13.4
Expense of share-based compensation (note 29)	9.3	4.2
	260.3	209.4

	2023 £m	2022 £m
Directors' emoluments	2.8	3.2
Aggregate gains made by Directors on exercise of options	—	—

No Directors accrued benefits under defined benefit pension schemes in either the current or prior year.

Further information relating to Directors' remuneration for the year ended 30 September 2023 is shown in the Directors' Remuneration Report on pages 106–108.

The average monthly number of employees during the year was made up as follows:

	2023 No.	2022 No.
Distribution	472	332
Production	2,158	2,106
Sales and marketing	1,345	1,314
Administration	563	527
	4,537	4,279



Notes to the consolidated financial statements continued

9. Finance income and costs

	2023 £m	2022 £m
Finance income		
Bank deposits	1.1	0.7
Hedge ineffectiveness	–	0.2
Total finance income	1.1	0.9
Finance costs		
Bank loans, overdrafts and loan notes	(22.1)	(15.8)
Interest on lease liabilities	(1.9)	(2.1)
Total interest expense	(24.0)	(17.9)
Other finance costs	(0.3)	(0.3)
Hedge ineffectiveness	(1.5)	–
Total finance costs	(25.8)	(18.2)
Net finance costs	(24.7)	(17.3)

10. Income tax

a) Tax on profit

	2023 £m	2022 £m
Income statement		
Current income tax:		
Current tax charge	(31.1)	(20.0)
Amounts over provided in previous years	2.5	4.7
Total current tax charge	(28.6)	(15.3)
Deferred income tax:		
Origination and reversal of temporary differences	(3.3)	(16.7)
Impact of change in tax rates	(0.1)	(1.3)
Amounts under provided in previous years	(0.8)	(1.6)
Total deferred tax charge	(4.2)	(19.6)
Total tax charge in the income statement	(32.8)	(34.9)

	2023 £m	2022 £m
Statement of comprehensive income/(expense)		
Current tax on additional pension contributions	–	0.1
Deferred tax on defined benefit plans	13.4	2.3
Deferred tax on cash flow hedges accounted for in the hedging reserve	7.3	(6.8)
Current tax on cash flow hedges accounted for in the hedging reserve	(0.2)	0.5
Tax on exchange differences accounted for in the translation reserve	(0.6)	0.5
Total tax credit/(charge) in the statement of comprehensive income	19.9	(3.4)

	2023 £m	2022 £m
Statement of changes in equity		
Current tax on share options exercised	0.2	0.3
Deferred tax on share options granted to employees	0.2	(0.5)
Total tax credit/ (charge) in the statement of changes in equity	0.4	(0.2)

b) Reconciliation of the total tax charge

The tax expense in the consolidated income statement is lower (2022: higher) than the standard rate of UK corporation tax of 22.0% (2022: 19.0%). As a consequence of the UK corporation tax rate increasing to 25% from 1st April 2023, the 22% rate for financial year 2023 comprises 6 months at 19% and 6 months at 25%.

The differences are reconciled below:

	2023 £m	2022 £m
Profit before taxation	156.8	175.1
Profit multiplied by the UK average rate of corporation tax of 22%/19%	(34.5)	(33.3)
Non-deductible expenses	(3.7)	(2.5)
Non-taxable income and other beneficial items	3.8	3.8
Impact of change in tax rates on deferred tax liability	(0.1)	(1.3)
Current tax/deferred tax rate differential	(0.6)	(3.4)
Tax over provided in previous years	1.6	3.1
Overseas tax rate differences	1.2	(0.4)
Utilisation of DTA not previously recognised	–	–
Movement in deferred tax not recognised	(0.5)	(0.9)
	(32.8)	(34.9)
Effective income tax rate	20.9%	19.9%



Notes to the consolidated financial statements continued

10. Income tax continued

b) Reconciliation of the total tax charge continued

The total tax charge in 2023 of £32.8m is lower than the tax charge in 2022 despite the increase in tax rates in the UK from 19% in 2022 to 25% from 1 April 2023. This is mainly due to the profit mix in overseas jurisdictions and the reduced impact of tax rate changes on deferred tax balances.

Non deductible expenses increased in 2023 due to the impact of a higher tax rate in the UK and increased non deductible expenditure in Brazil.

The reduction in tax over provided in previous years relates to a release of uncertain tax positions in the prior year where the relevant statute of limitation has passed.

The increase in the overall overseas tax rate difference reflects the changing profit mix in overseas jurisdictions.

Movements in deferred tax not recognised are in respect of changes in unrecognised trading losses in Brazil.

c) Income tax recoverable and payable

	2023 £m	2022 £m
Income tax recoverable	5.3	10.9
Income tax payable	(0.1)	(0.2)
	5.2	10.7

The net income tax receivable has decreased mainly due to lower tax instalment payments and a refund of tax over provided in previous years in the UK.

d) Uncertain tax positions

Where the outcome of jurisdictional tax laws is subject to interpretation, management relies on its best judgement and estimates the likely outcomes to ensure all uncertain tax positions are adequately provided for in the Group financial statements. Settlement of any tax provisions could potentially result in future cash tax payments; however, these would not be expected to result in an increased tax charge as they have been adequately provided for based on management's best estimates of the most likely outcome.

e) Unrecognised tax items

Tax losses and tax credits for which no deferred tax asset was recognised:

	Gross amount 2023 £m	Tax affected 2023 £m	Gross amount 2022 £m	Tax affected 2022 £m
Tax losses available indefinitely	27.3	8.4	29.1	8.1

No deferred tax asset has been recognised in respect of losses from current and prior periods and other temporary differences in overseas jurisdictions, which at current exchange rates amounts to £27.3m (2022: £29.1m). The reduction relates to lower unrecognised trading losses in Ireland partially offset by an increase in unrecognised losses in Brazil.

All existing tax losses may be carried forward indefinitely. However, in Brazil, losses may only be utilised to the extent of 30% of taxable profit in each year and there is no consolidated tax grouping available. In Brazil, a deferred tax asset on losses is only recognised to the extent that it is probable that there will be sufficient future taxable profits in excess of those arising from the reversal of existing taxable temporary differences.

The Group considers that there will be no direct or withholding tax consequences of future remittances of distributable earnings from overseas subsidiaries and therefore no temporary differences arise in respect of its overseas investments. Accordingly, there is no amount of deferred tax provided or unprovided in respect of investments in subsidiaries.

f) Deferred tax

The net deferred tax included in the balance sheet is as follows:

	Accelerated capital allowances £m	Intangible assets £m	Post- employment benefits £m	Employee incentive plan £m	Tax losses £m	Other £m	Total £m
At 1 October 2021	(28.7)	(27.6)	(46.0)	4.3	3.6	(0.1)	(94.5)
(Charged)/credited to the income statement	(15.3)	0.2	(0.7)	(0.6)	(1.0)	(2.2)	(19.6)
Credited/ (charged) to other comprehensive income	–	–	2.3	–	–	(6.5)	(4.2)
Charged to equity	–	–	–	(0.5)	–	–	(0.5)
Other movements	(2.1)	–	–	(0.1)	–	2.2	–
Effect of foreign exchange rate changes	(0.5)	0.4	–	–	–	0.2	0.1
At 1 October 2022	(46.6)	(27.0)	(44.4)	3.1	2.6	(6.4)	(118.7)
(Charged)/credited to the income statement	(10.4)	(1.0)	3.7	1.9	(0.2)	1.9	(4.1)
Credited to other comprehensive income	–	–	13.4	–	–	7.0	20.4
Credited to equity	–	–	–	0.2	–	–	0.2
Other movements	–	(4.8)	–	–	–	–	(4.8)
Effect of foreign exchange rate changes	–	0.1	–	–	–	–	0.1
At 30 September 2023	(57.0)	(32.7)	(27.3)	5.2	2.4	2.5	(106.9)

In accordance with IAS12 all balances giving rise to deferred tax liabilities are recognised in full, whereas deferred tax assets are only recognised to the extent at which they recoverable. The increase in deferred tax on accelerated capital allowance claims is due to the super deduction and full expensing capital allowance claims in the UK. The increase in intangibles relates to the acquisition of brands in the UK. The decrease in post-employment benefits relates to a decrease in the surplus in the UK pension fund following lower asset performance over the year and an increase in liabilities of the scheme (following a change in the rate for setting pension increases). The change from a deferred tax liability to a deferred tax asset on other items relates to the future unwinding of derivative transactions.



Notes to the consolidated financial statements continued

10. Income tax continued

f) Deferred tax continued

The deferred tax charge in the income statement has reduced to £4.2m in 2023 (2022: £19.6m). This is predominantly related to lower accelerated capital allowance claims in the UK following the end of the super deduction tax relief, an increase in liabilities in the UK Pension scheme following a change in the rate for setting pension increases, and an increase in deferred tax on employee incentive plans due to the increase in the share price.

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023 £m	2022 £m
Net deferred tax assets	4.2	4.4
Net deferred tax liabilities	(111.1)	(123.1)
	(106.9)	(118.7)

In June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception under the IAS 12 amendment to not recognise or disclose any information about deferred tax assets and liabilities related to top-up income taxes.

11. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the ordinary equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	2023	2022
Basic earnings per share		
Profit for the year attributable to equity shareholders (£m)	124.0	140.2
Weighted average number of ordinary shares in issue for basic earnings per share	256.9	266.5
Basic earnings per share (pence)	48.3p	52.6p
Diluted earnings per share		
Profit for the year attributable to equity shareholders (£m)	124.0	140.2
Effect of dilutive potential ordinary shares – share schemes	1.9	0.5
Weighted average number of ordinary shares in issue for diluted earnings per share	258.8	267.0
Diluted earnings per share (pence)	47.9p	52.5p

The Group has granted share options to employees which have the potential to dilute basic earnings per share in the future which have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented (see note 29).

12. Dividends paid and proposed

	2023 £m	2022 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2022: 21.2p per share (2021: 17.7p per share)	54.5	47.2
Interim dividend for 2023: 8.2p per share (2022: 7.8p per share)	21.0	20.7
Dividends paid	75.5	67.9
Proposed		
Final dividend for 2023: 22.6p per share (2022: 21.2p per share)	57.4	55.8

13. Property, plant and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Net carrying amount						
At 1 October 2022 (restated)*	120.5	26.9	255.0	65.5	46.0	513.9
Exchange differences	(0.3)	(0.2)	(0.7)	(0.1)	(0.1)	(1.4)
Additions	0.6	0.1	7.5	12.1	54.2	74.5
Reclassification	15.6	1.7	32.2	0.9	(50.4)	—
Disposals at cost	(0.2)	(0.5)	(7.7)	(26.7)	—	(35.1)
Depreciation eliminated on disposals	0.1	0.4	6.8	24.6	—	31.9
Depreciation charge	(4.3)	(1.3)	(23.8)	(15.4)	—	(44.8)
Acquisition of subsidiary	—	—	—	0.1	—	0.1
Impairment	—	—	(0.2)	(3.6)	—	(3.8)
At 30 September 2023	132.0	27.1	269.1	57.4	49.7	535.3
At 30 September 2023						
Cost (gross carrying amount)	182.3	48.5	518.1	222.5	49.7	1,021.1
Accumulated depreciation and impairment	(50.3)	(21.4)	(249.0)	(165.1)	—	(485.8)
Net carrying amount	132.0	27.1	269.1	57.4	49.7	535.3



Notes to the consolidated financial statements continued

13. Property, plant and equipment continued

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Net carrying amount						
At 1 October 2021	120.6	30.9	227.3	60.1	33.5	472.4
Exchange differences	2.8	0.2	3.6	0.7	0.6	7.9
Additions	0.2	0.1	11.2	3.9	60.0	75.4
Reclassification	0.5	0.1	44.4	22.4	(67.4)	—
Disposals at cost	(0.1)	(0.1)	(3.0)	(6.0)	—	(9.2)
Depreciation eliminated on disposals	—	0.1	2.9	5.3	—	8.3
Depreciation charge	(3.5)	(1.4)	(22.2)	(13.8)	—	(40.9)
At 30 September 2022 (as previously reported)	120.5	29.9	264.2	72.6	26.7	513.9
Adjustment – cost*	—	(3.9)	(43.9)	(6.3)	19.3	(34.8)
Adjustment – accumulated depreciation and impairment	—	0.9	34.7	(0.8)	—	34.8
At 30 September 2022 (restated)*	120.5	26.9	255.0	65.5	46.0	513.9
At 30 September 2022 (restated)*						
Cost (gross carrying amount)	167.0	47.4	488.0	236.5	46.0	984.9
Accumulated depreciation and impairment	(46.5)	(20.5)	(233.0)	(171.0)	—	(471.0)
Net carrying amount	120.5	26.9	255.0	65.5	46.0	513.9

* Following a review of the Group's fixed asset registers, cost and accumulated depreciation and impairment at 30 September 2022 has been adjusted to appropriately reflect an historical asset disposal of fully depreciated assets and also to correct the categorisation of assets between assets under construction and other asset categories. There has been no impact of either of these adjustments to the total net carrying value of property, plant and equipment in the balance sheet at 30 September 2022 or the income statement for the year ended 30 September 2022.

14. Goodwill and intangible assets

	Trademarks £m	Franchise rights £m	Customer lists £m	Software costs £m	Goodwill £m	Other £m	Total £m
Net carrying amount							
At 1 October 2022	147.0	14.8	19.7	28.4	204.3	2.2	416.4
Exchange differences	(2.0)	(0.1)	(0.3)	(0.1)	(1.8)	—	(4.3)
Additions	—	—	—	8.3	—	—	8.3
Acquisitions	19.6	—	—	—	9.9	—	29.5
Disposals and write-offs at cost	—	—	—	(3.7)	—	—	(3.7)
Amortisation eliminated on disposals and write-offs	—	—	—	3.7	—	—	3.7
Amortisation charge	(4.0)	(0.8)	(3.3)	(7.3)	—	(0.2)	(15.6)
At 30 September 2023	160.6	13.9	16.1	29.3	212.4	2.0	434.3
At 30 September 2023							
Cost (gross carrying amount)	188.8	25.7	75.6	119.7	270.2	4.0	684.0
Accumulated amortisation and impairment	(28.2)	(11.8)	(59.5)	(90.4)	(57.8)	(2.0)	(249.7)
Net carrying amount	160.6	13.9	16.1	29.3	212.4	2.0	434.3



Notes to the consolidated financial statements continued

14. Goodwill and intangible continued

	Trademarks £m	Franchise rights £m	Customer lists £m	Software costs £m	Goodwill £m	Other £m	Total £m
Net carrying amount							
At 1 October 2021 (restated)	145.3	15.3	22.3	23.7	197.5	2.4	406.5
Exchange differences	5.2	0.2	1.4	0.1	6.8	–	13.7
Additions	–	–	–	11.8	–	–	11.8
Disposals and write-offs at cost*	–	–	(5.3)	(5.1)	(4.2)	(0.1)	(14.7)
Amortisation eliminated on disposals and write-offs*	–	–	5.3	5.1	4.2	0.1	14.7
Amortisation charge	(3.5)	(0.7)	(4.0)	(7.2)	–	(0.2)	(15.6)
At 30 September 2022	147.0	14.8	19.7	28.4	204.3	2.2	416.4
At 30 September 2022							
Cost (gross carrying amount)	171.5	26.0	76.7	115.5	262.8	4.0	656.5
Accumulated amortisation and impairment	(24.5)	(11.2)	(57.0)	(87.1)	(58.5)	(1.8)	(240.1)
Net carrying amount	147.0	14.8	19.7	28.4	204.3	2.2	416.4

* During the year ended 30 September 2022 the Group wrote off the cost and accumulated impairment and amortisation of intangibles related to Counterpoint Wholesale (Ireland) Ltd.

Trademarks

Britvic Ireland and Britvic France: £114.9m (2022: £116.4m)

Trademarks in Ireland and France have been allocated an indefinite life and are subject to an impairment review at each reporting date in accordance with IAS 36 'Impairment of assets'. Further detail is provided in note 15. A list of the trademarks held in respect of the Britvic Ireland and Britvic France segments is shown in note 15.

Britvic Brazil: £14.6m (2022: £17.1m)

Trademarks in Brazil have been allocated useful economic lives of 14.3 to 14.8 years. As at 30 September 2023 these intangible assets have an average remaining useful life of 7 years.

Plenish: £11.8m (2022: £13.5m)

The Plenish trademark was acquired on 1 May 2021 and has been allocated a useful economic life of 10 years. At 30 September 2023, this intangible asset had a remaining useful life of 8 years.

Jimmy's Iced Coffee: £19.3m (2022: £nil)

The Jimmy's trademark was acquired on 1 August 2023 and has been allocated a useful economic life of 10 years. At 30 September 2023, this intangible asset had a remaining useful life of 9.8 years.

Franchise rights: £13.9m (2022: £14.8m)

Franchise rights represent franchise agreements acquired as part of the Britvic Ireland business combination, which provides long-term rights to distribute certain soft drinks. These agreements were allocated a 35-year useful economic life at the time of acquisition based on a third-party assessment.

As at 30 September 2023 these intangible assets have a remaining useful life of 19 years. As at 30 September 2023 the franchise agreement itself had a remaining contract life of 2 years, which is less than the useful economic life. The useful economic life has been determined on the basis that the renewal of the franchise agreements, without significant cost, is highly probable. Evidence to support this conclusion is:

- Significant emphasis on maintaining a strong relationship with Pepsi, strengthened through the addition of PepsiCo products to Britvic's portfolio in recent years
- Lack of alternative suppliers
- High barriers to entry to the Irish soft drinks bottling market

This is further supportable by Britvic having signed in 2020, a new and exclusive 20-year franchise bottling agreement with Pepsi for the production, distribution, marketing and sales of its soft drink brands in GB, which provides access to a portfolio of global brands, including Pepsi MAX, 7UP and now Rockstar. The GB agreement runs to December 2040.

Customer lists

Britvic France: £11.6m (2022: £13.5m)

Customer lists recognised on the acquisition of Britvic France relate to those customer relationships acquired. These intangible assets have been allocated useful economic lives of 20 years.

At 30 September 2023 these intangible assets have a remaining useful life of 7 years.

Britvic Ireland: £1.4m (2022: £1.8m)

Customer lists represent those customer relationships acquired which are valued in respect of the grocery and wholesale businesses. These customer lists have been allocated useful economic lives of between 10 and 20 years. At 30 September 2023 these intangible assets have a remaining useful life of up to 4 years.

Britvic Brazil: £1.6m (2022: £2.8m)

Customer lists recognised on acquisitions in Britvic Brazil relate to those customer relationships acquired. These intangible assets have been allocated useful economic lives of between 4 and 9 years. At 30 September 2023 these intangible assets have a remaining useful life of up to 2 years.

Aqua Libra Co: £1.5m (2022: £1.6m)

Customer lists recognised on acquisition of Aqua Libra Co relate to those customer relationships acquired. These intangible assets have been allocated useful economic lives of 14 years. At 30 September 2023 these intangible assets have a remaining useful life of 11 years.

Software costs: £29.3m (2022: £28.4m)

Software is capitalised at cost. As at 30 September 2023 these intangible assets have a remaining useful life of up to 7 years.

Notes to the consolidated financial statements continued

14. Goodwill and intangible continued

Other: £2.0m (2022: £2.2m)

The 'Other' category of intangibles mainly comprises technology recognised on the acquisition of Aqua Libra Co and has an estimated total useful economic life of 14 years. As at 30 September 2023, the technology asset has a carrying value of £2.0m (2022: £2.2m) and a remaining useful economic life of 11 years.

Goodwill: £212.4m (2022: £204.3m)

Goodwill is subject to an impairment review at each reporting date in accordance with IAS 36 'Impairment of Assets'. Further detail is provided in note 15.

15. Impairment testing of intangible assets

Carrying amount of goodwill and trademarks with indefinite lives

The Group typically treats each brand, or family of brands, as a separate cash-generating unit (CGU) for the impairment testing of intangible assets. Goodwill is either tested for impairment as part of a CGU where it is directly allocable, or as part of a group of CGUs when it is not possible to allocate goodwill to individual CGUs on a reasonable basis, so long as the group of CGUs represents the lowest level at which goodwill is monitored and is not larger than an operating segment.

The carrying amount of goodwill acquired through business combinations and trademarks with indefinite lives recognised as part of fair value exercises on acquisitions is attributable to the following CGUs or group of CGUs:

	2023 £m	2022 £m
Goodwill:		
Britvic GB CGUs:		
Orchid	6.0	6.0
Tango	8.9	8.9
Robinsons	38.6	38.6
Britvic Soft Drinks	7.8	7.8
Aqua Libra Co	4.7	4.7
Plenish	10.6	10.6
Jimmy's Iced Coffee (note 34)	9.9	—
Britvic Ireland group of CGUs	17.1	17.4
Britvic France group of CGUs	82.8	83.9
Britvic Brazil group of CGUs	26.0	26.4
	212.4	204.3

	2023 £m	2022 £m
Trademarks with indefinite lives		
Britvic Ireland CGUs:		
Britvic	4.3	4.4
Cidona	5.8	5.8
MiWadi	8.9	9.0
Ballygowan	22.8	23.1
Club	14.7	14.9
Total Ireland	56.5	57.2
Britvic France CGUs:		
Teisseire	49.7	50.4
Moulin de Valdonne	4.1	4.1
Pressade	4.7	4.7
Total France	58.5	59.2
Total trademarks with indefinite lives	115.0	116.4

Goodwill amounts for Britvic GB were recognised on acquisitions made by the GB business. Trademarks with indefinite lives were recognised as part of the fair value exercises relating to the 2007 acquisition of Britvic Ireland and the 2010 acquisition of Britvic France. They were allocated by management to the CGUs for impairment testing as shown in the table above. Goodwill in Brazil comprises goodwill relating to the acquisition of Bela Ischia Alimentos Ltda (Bela Ischia) and Empresa Brasileira de Bebidas e Alimentos SA (Ebba). Management tests Brazil goodwill for impairment as part of a group of CGUs based on the integration of Bela Ischia into the overall Britvic Brazil business.

Impairment testing

Goodwill and intangible assets with indefinite lives

Impairment reviews of goodwill and intangible assets with indefinite lives are undertaken by management annually, or more frequently if events or circumstances indicate that their carrying amount may not be recoverable. Recoverable amounts are generally calculated based on value in use although consideration is also given to fair value less costs of disposal, when there is an expectation that this is higher.

Assumptions used in the calculation of value in use

The recoverable amounts for Britvic GB, Ireland and Brazil at 30 September 2023 and 30 September 2022 are based on value in use. The recoverable amount for Britvic France at 30 September 2023 is based on fair value less costs of disposal (see further below) whereas at 30 September 2022 it was based on value in use.

Value in use calculations are performed for each CGU using cash flow projections based on the budget for the forthcoming financial year and strategic plans for the forthcoming three years, both of which are subject to review by senior management and the Board of Directors. Cash flows are extrapolated up to five years using expected growth rates in line with management's best estimates and beyond five years based on estimated long-term average growth rates. Long-term growth rates for each country are based on economic forecasts by recognised bodies.



Notes to the consolidated financial statements continued

15. Impairment testing of intangible assets continued

Impairment testing continued

Assumptions used in the calculation of value in use continued

Management expectations are formed in line with performance to date and experience, as well as available external market data, and reflect the best estimate of future performance after considering the impact of risks, including those of climate change, on the business.

Discount rates reflect management's estimate of the pre-tax cost of capital adjusted where necessary to reflect the different risks of different countries in which the Group operates. The estimated pre-tax cost of capital is the benchmark used by management to assess operating performance and to evaluate future capital investment proposals. The Group has considered the impact of the current economic climate in determining the appropriate discount rate to use in impairment testing. Assumptions are determined at the reportable segment level as management has not identified risks related to individual CGUs that are different to the reportable segment.

The pre-tax discount rates used to measure value in use are as follows:

	At 30 September 2023	At 30 September 2022
Britvic GB	11.9%	10.7%
Britvic Ireland	10.0%	9.2%
Britvic France	n/a	10.7%
Britvic Brazil	18.5%	16.9%

The estimated long-term growth rates used to extrapolate cash flows beyond management's five-year forecast are as follows:

	At 30 September 2023	At 30 September 2022
Britvic GB	1.2%	2.1%
Britvic Ireland	1.6%	2.5%
Britvic France	n/a	2.0%
Britvic Brazil	1.5%	2.0%

The estimated long-term growth rates used to extrapolate cash flows beyond management's five-year forecast are as follows:

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Volume growth rates – reflect management expectations of volume growth based on growth achieved to date, current strategy and expected market trends, and will vary according to each CGU.

Marginal contribution – being revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Key assumptions are made within these budgets about pricing, discounts and costs based on historical data, current strategy and expected market trends.

Advertising and promotional spend – financial budgets are used to determine the value assigned to advertising and promotional spend. This is based on the planned spend for year one and strategic intent thereafter.

Raw materials price, production and distribution costs, selling costs and other overhead inflation – the basis used to determine the value assigned to inflation is the forecast increase in consumer price indices in the relevant market. This has been used in all value in use calculations performed.

Assumptions used in the calculation of fair value less costs of disposal

The recoverable amount for the Britvic France group of CGUs is based on fair value less costs of disposal. Fair value less costs of disposal is measured using discounted cash flow projections taking into account a market participant's ability to generate economic benefits from the highest and best use of the assets. The fair value measurement is categorised at level 3 of the IFRS 13 fair value hierarchy: level 3 inputs comprise unobservable inputs, including the Group's own data and forecasts, adjusted to reflect assumptions market participants would use in the circumstances.

The trading performance of Britvic France has experienced a deterioration during the year ended 30 September 2023 (see note 5), primarily as a result of high cost inflation which has been only partly mitigated by sales price increases. The level of inflation experienced during the year ended 30 September 2023 is considered to be exceptional and is expected to return to more normalised levels. A degree of recovery is expected in the year ahead with a full year of benefit of the price rises executed during the year as well as increased investment in advertising and promotion to drive recovery of core brands Teisseire, Moulin de Valdonne and Pressade. The Teisseire and Moulin de Valdonne brands continue to hold the top two positions by market share in the syrups category in France and remain strong family favourites. While recoverable amount has historically been based on value in use, the Group estimates that fair value is currently higher as fair value takes into account actions that a market participant acting in their economic best interest would be expected to take to improve the profitability of the business but to which the Group is not yet committed.

Cash flows have been forecast for a five-year period. Cash flows for the subsequent years after the forecast period are extrapolated based on a terminal growth rate, which is a rate that does not exceed the long-term economic growth rate expected in France. Key assumptions include:

	At 30 September 2023
Post-tax discount rate	8.5%
Terminal growth rate	1.3%
Net revenue compound annual growth rate (CAGR) for the period 2023-2028	3.2%

Results and conclusions

During the current year there has been no impairment to goodwill or intangible assets with indefinite lives. The Group has carried out sensitivity analyses on reasonably possible changes in key assumptions in the impairment tests. Other than as set out below in respect of the Britvic France group of CGUs and the Plenish CGU, the Directors do not consider that there are reasonably possible changes in assumptions that, would result in any impairment.

Notes to the consolidated financial statements continued

15. Impairment testing of intangible assets continued

Britvic France

During the year ended 30 September 2023, Britvic France has been challenged by cost inflation as well as a decrease in sales volumes, resulting in a decrease in brand contribution compared to the prior year (see note 5). The five-year cash flow forecasts used to assess the recoverable amount assume that Britvic France is able to grow revenue and improve operating margins. The recoverable amount of the Britvic France group of CGUs exceeds its carrying amount of £181.2m by £33.9m at 30 September 2023. We set out below the changes in key assumptions that would eliminate this headroom and the reasonably possible changes in assumption that could result in a material change to the carrying value of Britvic France:

Key assumption	Assumption %	Change to eliminate headroom	Reasonably possible change	Impact to carrying value of reasonably possible change
Post-tax discount rate	8.5%	+1.2%	+2.0%	£18.9m
Terminal growth rate	1.3%	-1.5%	n/a*	n/a*
Net revenue CAGR for the period 2023-2028	3.2%	-1.5%	-2.0%	£12.0m

* Management do not consider that there is a reasonably possible change in terminal growth rate that could result in a material impairment.

Britvic Brazil

During the year ended 30 September 2023, although Britvic Brazil has improved brand contribution (see note 5), sales volumes were slightly lower than the prior year. Brazil remains a growth market and some of the categories that Britvic Brazil participate in continue to show high growth, however, growth in some of the business's traditional categories is now expected to be more modest. The five-year cash flow forecasts used to assess the recoverable amount assumes that Britvic Brazil is able to grow revenue and improve operating margins. The recoverable amount of the Britvic Brazil group of CGUs exceeded its carrying amount of £102.6m by £7.7m at 30 September 2023. We set out below changes in key assumptions that would eliminate this headroom and the reasonably possible changes in assumption that could result in a material change to the carrying value of Britvic Brazil:

Key assumption	Assumption %	Change to eliminate headroom	Reasonably possible change	Impact to carrying value of reasonably possible change
Pre-tax discount rate	18.5%	+1.2%	+2.7%	£8.6m
Terminal growth rate	1.5%	-1.3%	n/a*	n/a*
Net revenue CAGR for the period 2023-2028	9.6%	-0.6%	-3.0%	£26.5m

* Management do not consider that there is a reasonably possible change in terminal growth rate that could result in a material impairment.

The impact of climate change has also been considered, with the unmitigated effects of the Stated government policy pathway reducing the recoverable amount by £6.3m, which still exceeds the carrying amount. The Stated government policy emissions pathway is the outcome of actions to limit warming to 2.5°C in line with RCP4.5 as outlined by the IPCC. For further information on the pathway, please see the Task Force for Climate-related Financial Disclosures section on page 56.

Plenish

During the year ended 30 September 2023, the Plenish brand continued its integration into Britvic portfolio, with revenues continuing to rise, which has accompanied a similar rise in costs. The five-year cash flow forecasts used to assess the value in use of the Plenish business assumes that Plenish is able to continue to grow revenue and operating margins. The recoverable amount of the Plenish CGU exceeded its carrying amount of £22.5m by £4.7m at 30 September 2023. We set out below the changes in key assumptions that would eliminate this headroom and the reasonably possible changes in assumption that could result in a material change to the carrying value of Plenish:

Key assumption	Assumption %	Change to eliminate headroom	Reasonably possible change	Impact to carrying value of reasonably possible change
Pre-tax discount rate	11.0%	+1.5%	+2.4%	£2.1m
Terminal growth rate	1.2%	-1.7%	n/a*	n/a*
Net revenue CAGR for the period 2023-2028	32.0%	-3.1%	-5.0%	£2.6m

* Management do not consider that there is a reasonably possible change in terminal growth rate that could result in a material impairment.

Intangible assets with finite lives

Impairment tests for intangible assets with finite lives are performed whenever there are indicators an asset may be impaired. No impairments were recognised in either the current or prior financial year.

16. Inventories

	2023 £m	2022 £m
Raw materials	85.0	78.2
Finished goods	107.8	77.5
Consumable stores	15.8	15.1
Returnable packaging	1.2	1.2
Total inventories at lower of cost and net realisable value	209.8	172.0

17. Trade and other receivables (current)

	2023 £m	2022 £m
Trade receivables	376.9	399.0
Other receivables	18.7	18.5
Prepayments	30.0	27.7
	425.6	445.2

Trade receivables are non-interest bearing and are generally on credit terms usual for the markets in which the Group operates.



Notes to the consolidated financial statements continued

17. Trade and other receivables (current) continued

Other receivables include the current portion of net investments in finance leases of £0.4m (2022: £0.6m); see note 24 for further details.

Trade receivables are stated net of allowance for expected credit losses. Movements in the allowance for expected credit losses were as follows:

	Expected credit losses £m
At 1 October 2021	7.7
Exchange differences	0.8
Charge for period	2.2
Utilised	(1.4)
Unused amounts reversed	(0.9)
At 30 September 2022	8.4
Exchange differences	(0.1)
Charge for period	1.2
Utilised	(0.8)
Unused amounts reversed	(0.1)
At 30 September 2023	8.6

The Group takes the following factors into account when considering expected credit losses for trade receivables:

- Payment performance history
- External information available regarding credit ratings
- Future expected credit losses
- Offset of rebate liabilities outstanding to customers

The Group has considered its customer base and portfolio, and uses a provision matrix to evaluate credit risk exposure on the Group's trade receivables. The ageing analysis and allowance for expected credit loss of trade receivables at 30 September 2023 is as follows:

	Days past due						
	Total £m	Not past due £m	<30 days £m	30–60 days £m	61–90 days £m	91–180 days £m	>180 days £m
Gross carrying amount	385.5	339.4	23.1	3.4	2.6	5.1	11.9
Expected credit loss	(8.6)	(0.2)	(0.4)	(0.3)	(0.1)	(1.6)	(6.0)
Net carrying amount	376.9	339.2	22.7	3.1	2.5	3.5	5.9
Average expected credit loss rate	2.2%	0.1%	1.7%	8.8%	3.8%	31.4%	50.4%

The ageing analysis and allowance for expected credit loss of trade receivables at 30 September 2022 was as follows:

	Days past due						
	Total £m	Not past due £m	<30 days £m	30–60 days £m	61–90 days £m	91–180 days* £m	>180 days* £m
Gross carrying amount	407.4	361.2	16.9	7.2	3.6	7.5	11.0
Expected credit loss	(8.4)	(2.0)	(0.1)	—	(0.1)	(1.0)	(5.2)
Net carrying amount	399.0	359.2	16.8	7.2	3.5	6.5	5.8
Average expected credit loss rate	2.1%	0.6%	0.5%	0.4%	2.3%	13.8%	46.8%

* The Group has changed its presentation of balances more than 90 days due. As a result, the ageing analysis of balances more than 90 days past due at 30 September 2022 has been restated to be comparable with the current year. This restatement only affects the above disclosure with no further impact to the amounts recognised within the financial statements.

Refer to note 25 for details of the Group's credit risk policy. The Group monitors the credit quality of trade receivables by reference to credit ratings available externally. Expected credit losses on other financial instruments are immaterial.

18. Cash and cash equivalents, interest-bearing deposits and overdrafts

	2023 £m	Restated* 2022 £m	Restated* 2021 £m
Cash at bank and in hand	57.5	81.5	86.1
Short-term deposits maturing within three months	21.7	4.4	11.0
Cash and cash equivalents	79.2	85.9	97.1

* Restated for presentation of overdrafts subject to cash pooling arrangements and interest-bearing deposits as set out in Note 3.

Cash and cash equivalents comprise cash at bank and in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. The fair value of cash and cash equivalents is equal to the book value.

The Group operates in territories from which it is difficult to extract cash in a timely manner. Included in cash and cash equivalents is £5.6m (2022: £3.6m) of cash balances that are not available for use by the Group, but which are available for use in the relevant subsidiary's day-to-day operations.

	2023 £m	Restated* 2022 £m	Restated* 2021 £m
Short-term deposits maturing after three months	10.9	11.5	—
Interest-bearing deposits	10.9	11.5	—

* Restated for presentation of overdrafts subject to cash pooling arrangements and interest-bearing deposits as set out in Note 3.



Notes to the consolidated financial statements continued

18. Cash and cash equivalents, interest-bearing deposits and overdrafts continued

The Group also holds certain interest-bearing deposits which have remaining maturity of less than one year and an original maturity of more than three months. These deposits are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. The Group presents these deposits in the balance sheet as current interest-bearing deposits, as they are not held for the purpose of meeting short-term cash commitments. The fair value of interest-bearing deposits is not materially different to their book value.

	2023 £m	Restated* 2022 £m	Restated* 2021 £m
Bank overdrafts	(48.9)	(9.8)	(26.0)
Overdrafts	(48.9)	(9.8)	(26.0)

* Restated for presentation of overdrafts subject to cash pooling arrangements and interest-bearing deposits as set out in Note 3.

Bank overdrafts are repayable on demand and include £48.9m (2022: £9.0m) held under a notional cash pooling facility. The overdrafts do not meet the criteria to be offset against the cash held under the facility and are therefore separately presented in the balance sheet. The carrying amount of these liabilities is approximately equal to their fair value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as shown above, net of the outstanding bank overdrafts under the cash pooling facility which form an integral part of the Group's cash management.

19. Share capital and own shares reserve

The movements in the company's issued share capital were as follows:

Issued, called up and fully paid ordinary shares	No. of shares	Nominal value £m
At 1 October 2021	267,314,637	53.5
Shares issued relating to incentive schemes for employees	445,546	0.1
Shares cancelled pursuant to share buyback	(4,459,302)	(0.9)
At 30 September 2022	263,300,881	52.7
Shares cancelled pursuant to share buyback	(9,032,384)	(1.8)
At 30 September 2023	254,268,497	50.9

The issued share capital is wholly comprised of ordinary shares carrying one voting right each.

The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

The movements in the company's own shares reserve were as follows:

	Value £m
At 1 October 2021	1.5
Shares issued/purchased for share schemes	10.1
Shares used to satisfy share schemes	(5.5)
Shares purchased pursuant to share buyback	37.7
Shares cancelled pursuant to share buyback	(36.6)
At 30 September 2022	7.2
Shares issued/purchased for share schemes	20.1
Shares used to satisfy share schemes	(7.6)
Shares purchased pursuant to share buyback	74.8
Shares cancelled pursuant to share buyback	(73.1)
At 30 September 2023	21.4

The own shares reserve represents shares in the company purchased from the market and held by an employee benefit trust to satisfy share awards under the Group's share schemes (see note 29) as well as shares purchased for cancellation as part of the share buyback programme (see below). Shares purchased for cancellation are included in the own shares reserve until cancellation, at which point the consideration paid is transferred to retained earnings and the nominal value of the shares is transferred from share capital to the capital redemption reserve.

Of the issued and fully paid ordinary shares, 2,179,294 shares (2022: 720,838 shares) are own shares held by an employee benefit trust. This equates to £435,859 (2022: £144,168) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes detailed in note 29.

Share buyback programme

On 23 May 2022, the company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The purpose of the programme was to reduce the company's share capital and therefore the shares purchased pursuant to the programme were subsequently cancelled. The programme took place within the limitations of the authority granted to the Board at the company's Annual General Meeting held on 27 January 2022, pursuant to which the maximum number of shares that could be bought back by the company is 26,736,653. During the year ended 30 September 2023, the company purchased 5,015,350 ordinary shares under the programme (2022: 4,612,302) at an average price of 769.0p per share (2022: 816.4p) and an aggregate cost of £37.6m including £0.2m of transaction costs (2022: £37.8m including £0.1m of transaction costs).

On 24 May 2023, the company commenced a second share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The programme takes place within the limitations of the authority granted to the Board at the company's last annual general meeting, held on 26 January 2023, pursuant to which the maximum number of shares that can be bought back by the company is 26,081,857. During the year ended 30 September 2023, the company purchased 4,327,964 ordinary shares under the programme at an average price of 865.0p per share and an aggregate cost of £37.5m (including £0.1m of transaction costs).



Notes to the consolidated financial statements continued

19. Share capital and own shares reserve continued

Share buyback programme continued

A financial liability of £2.8m (2022: £1.1m) in respect of shares to be delivered under a share repurchase agreement with an external bank is included in other current liabilities (note 28). During the year ended 30 September 2023, the company cancelled 9,032,384 ordinary shares that had been purchased pursuant to the buyback (2022: 4,459,302).

An explanation of the Group's capital management process and objectives is set out in note 25.

20. Other reserves

	Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Total £m
At 1 October 2021	—	4.5	(38.1)	87.3	53.7
Gains in the year in respect of cash flow hedges	—	56.6	—	—	56.6
Amounts reclassified to the income statement in respect of cash flow hedges	—	(23.8)	—	—	(23.8)
Current tax in respect of cash flow hedges	—	0.5	—	—	0.5
Deferred tax in respect of cash flow hedges	—	(6.8)	—	—	(6.8)
Exchange differences reclassified to profit or loss on disposal of foreign operations	—	—	(0.8)	—	(0.8)
Exchange differences on translation of foreign operations (note 26)	—	—	28.9	—	28.9
Tax on exchange differences accounted for in the translation reserve	—	—	0.5	—	0.5
Movements included within other comprehensive income	—	26.5	28.6	—	55.1
Transfer of cash flow hedge reserve to inventories	—	(3.7)	—	—	(3.7)
Shares cancelled pursuant to share buyback	0.9	—	—	—	0.9
At 30 September 2022	0.9	27.3	(9.5)	87.3	106.0
Losses in the year in respect of cash flow hedges	—	(34.3)	—	—	(34.3)
Amounts reclassified to the income statement in respect of cash flow hedges	—	(4.6)	—	—	(4.6)
Current tax in respect of cash flow hedges	—	(0.2)	—	—	(0.2)
Deferred tax in respect of cash flow hedges	—	7.3	—	—	7.3
Exchange differences reclassified to profit or loss on disposal of foreign operations	—	—	(0.3)	—	(0.3)
Exchange differences on translation of foreign operations (note 26)	—	—	(3.4)	—	(3.4)
Tax on exchange differences accounted for in the translation reserve	—	—	(0.6)	—	(0.6)
Movements included within other comprehensive income	—	(31.8)	(4.3)	—	(36.1)
Transfer of cash flow hedge reserve to inventories*	—	7.1	—	—	7.1
Shares cancelled pursuant to share buyback	1.8	—	—	—	1.8
At 30 September 2023	2.7	2.6	(13.8)	87.3	78.8

* Basis adjustment for commodity contracts relating to purchases of aluminium, sugar and PET that are designated as cash flow hedges.

The translation reserve includes cumulative net gains of £2.2m (2022: £0.9m) which relate to gains and losses in respect of borrowings and derivatives designated as a net investment hedge of the Group's foreign operations: £0.8m of this relates to borrowings that were outstanding at the balance sheet date and £1.4m relates to borrowings and derivatives that have reached maturity (2022: £(0.8)m related to borrowings and derivatives outstanding at the balance sheet date and £1.7m related to borrowings and derivatives that had reached maturity).

Share premium account

The share premium account is used to record the excess of proceeds over the nominal value on the issue of shares



Notes to the consolidated financial statements continued

20. Other reserves continued

Own shares reserve

Own shares represent the shares of the company that are held by an employee benefit trust for the purpose of satisfying employee share plan awards, or which are purchased and held for cancellation as part of the share buyback programme. The cost of own shares is deducted from shareholders' equity in the own shares reserve until the shares are transferred to employees or are cancelled, at which point they are transferred to retained earnings.

Capital redemption reserve

The capital redemption reserve relates to the repurchase and cancellation of shares of the company pursuant to the share buyback programme (see note 19). Upon cancellation, the nominal value of shares cancelled is transferred from share capital to the capital redemption reserve.

Hedging reserve

The hedging reserve records the effective portion of movements in the fair value of commodity contracts, forward exchange contracts and interest rate and cross currency swaps that have been designated as part of a cash flow hedge relationship.

Translation reserve

The translation reserve includes cumulative net exchange differences on translation into the presentational currency of items recorded in Group entities with a non-sterling functional currency net of amounts recognised in respect of net investment hedges.

Merger reserve

The merger reserve arose as a result of the non-pre-emptive share placement which took place on 21 May 2010. It was executed using a structure which created a merger reserve under Sections 612 to 613 of the Companies Act 2006.

21. Interest-bearing loans and borrowings

	2023 £m	2022 £m
Current		
Private placement notes	(51.1)	(42.9)
Less: unamortised issue costs	0.2	0.7
Total current	(50.9)	(42.2)
Non-current		
Bank loans	(44.7)	–
Private placement notes	(508.1)	(565.0)
Less: unamortised issue costs	1.8	1.9
Total non-current	(551.0)	(563.1)
Total interest-bearing loans and borrowings	(601.9)	(605.3)

Total interest-bearing loans and borrowings comprise the following:

	2023 £m	2022 £m
2010 notes	–	(39.4)
2014 notes	(108.5)	(117.2)
2017 notes	(175.0)	(175.0)
2018 notes	(119.7)	(120.1)
2020 notes	(151.9)	(152.7)
Bank loans	(44.7)	–
Accrued interest	(4.1)	(3.5)
Unamortised issue costs	2.0	2.6
Total interest-bearing loans and borrowings	(601.9)	(605.3)

Analysis of changes in interest-bearing loans and borrowings

	2023 £m	2022 £m
At the beginning of the year	(605.3)	(579.1)
Net drawdown on revolving credit facility	(45.5)	–
Other loans acquired	(1.9)	–
Other loans repaid	1.9	–
Repayment of private placement notes*	36.6	–
Issue costs	–	0.3
Amortisation of issue costs and write-off of financing fees	(0.6)	(0.6)
Net translation gain and fair value adjustment	13.5	(25.2)
Accrued interest	(0.6)	(0.7)
At the end of the year	(601.9)	(605.3)
Derivatives hedging balance sheet debt**	22.6	42.9
Debt translated at contracted rate	(579.3)	(562.4)

* During the year ended 30 September 2023, the Group repaid £36.6m of the 2010 private placement notes. £7.8m was also received on maturity of derivatives hedging the 2010 notes and £1.0m was received in respect of the firm commitment for the 2010 notes, resulting in net cash outflows presented in the consolidated statement of cash flows of £27.8m.

** Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in interest-bearing loans and borrowings.

At 30 September 2023, the Group had committed borrowing facilities available of £400.0m (2022: £400.0m), of which £355.3m was undrawn (2022: £400.0m). All conditions precedent for these facilities had been met. £33.3m of the borrowing facilities mature in February 2025 with the remaining £366.7m maturing in February 2027.

Notes to the consolidated financial statements continued

21. Interest-bearing loans and borrowings continued

Private placement notes

The Group holds loan notes with coupons and maturities as shown in the following table:

Year issued	Maturity date	Amount	Interest terms
2014	February 2024	£15m	UK£ fixed at 3.92%
2014	February 2024–February 2026	\$114m	US\$ fixed at 4.09% – 4.24%
2017	February 2025–February 2032	£120m	UK£ fixed at 2.31% – 2.76%
2017	February 2027–February 2032	£55m	SONIA plus 1.32% – 1.36%
2018	June 2028–June 2033	£65m	UK£ fixed at 2.66% – 2.88%
2018	June 2030	£20m	SONIA plus 1.06%
2018	June 2028	€40m	EURIBOR plus 0.65%
2020	May 2030–May 2032	£70m	UK£ fixed at 2.09% – 2.19%
2020	May 2032	€35m	EUR fixed at 1.15%
2020	May 2035	£30m	SONIA plus 1.45%
2020	May 2035	€25m	EURIBOR plus 1.15%

The Group entered into a number of cross currency swap agreements in relation to the loan notes to manage any foreign exchange risk on interest rates or on the repayment of the principal borrowed. These swaps expire in line with the loan notes and are discussed in note 26.

See note 26 for an analysis of the interest rate profile and the maturity of the borrowings and related interest rate swaps.

22. Retirement benefit schemes

Net asset/(liability) by scheme

	2023				
	GB £m	ROI £m	NI £m	France £m	Total £m
Present value of benefit obligation	(431.4)	(61.8)	(20.8)	(1.4)	(515.4)
Fair value of plan assets	491.0	69.8	27.2	–	588.0
Net asset/(liability)	59.6	8.0	6.4	(1.4)	72.6
Pension asset	59.6	8.0	6.4	–	74.0
Pension liability	–	–	–	(1.4)	(1.4)
Net asset/(liability)	59.6	8.0	6.4	(1.4)	72.6

	2022				
	GB £m	ROI £m	NI £m	France £m	Total £m
Present value of benefit obligation	(446.4)	(65.9)	(21.8)	(1.4)	(535.5)
Fair value of plan assets	565.2	75.8	32.0	–	673.0
Net asset/(liability)	118.8	9.9	10.2	(1.4)	137.5
Pension asset	118.8	9.9	10.2	–	138.9
Pension liability	–	–	–	(1.4)	(1.4)
Net asset/(liability)	118.8	9.9	10.2	(1.4)	137.5

GB schemes

The Group's principal pension scheme for GB employees, the Britvic Pension Plan (BPP), has both a final salary defined benefit section and a defined contribution section.

BPP defined benefit scheme

The defined benefit section was closed to new members from 1 August 2002 and closed to future accrual for active members from 1 April 2011, with active members moving to the defined contribution section for future service benefits.

The BPP is a limited partner of Britvic Scottish Limited Partnership (Britvic SLP), which in turn is a limited partner in both Britvic Property Partnership (Britvic PP) and Britvic Brands LLP. Britvic SLP, Britvic PP and Britvic Brands LLP are all consolidated by the Group. The investment held by BPP does not represent a plan asset for accounting purposes and is therefore not included in the fair value of the Plan assets.

Certain properties and Group brands have been transferred to Britvic PP and Britvic Brands LLP respectively, all of which are leased back to Britvic Soft Drinks Limited. The Group retains operational flexibility over the properties and brands, including the ability to substitute the properties and brands held by Britvic PP and Britvic Brands LLP respectively. The BPP is entitled to a share of the profits in Britvic SLP until 2026. At the end of this period, the partnership capital allocated to the BPP will be changed to an amount equal to any funding deficit of the BPP at this time, up to a maximum of £105m.

Contributions are ordinarily paid into the defined benefit section of the BPP as determined by the Trustee, agreed by the company and certified by an independent actuary in the Schedule of Contributions. No deficit funding payments were paid during the year except for the £5.0m annual partnership payment which will continue until 2025. The triennial valuation as of 31 March 2022 was finalised in April 2023: this did not result in any change to the Schedule of Contributions. Demographic assumptions consistent with the triennial valuation were adopted by the company in the scheme valuation at 30 September 2023.



Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

BPP defined benefit scheme continued

In August 2023, the company and trustee of the BPP finalised an amendment of the scheme rules related to pension increases. The amendment clarified that the company does not have the power to set alternative rates of pension increase and certain annual increases will be based on the RPI measure of inflation. The previous valuation of the scheme at 30 September 2022 was based on the assumption that that certain members would receive pension increases based on the CPI measure of inflation, which is lower than RPI. As a result, the pension surplus at 30 September 2023 has decreased by £20.5m. As the change in valuation arises as a result of a change in the scheme rules, this has been recognised in the income statement as a past service cost. The triennial valuation as of 31 March 2022 agreed in April 2023 already adopted the assumption that pension increases would be based on RPI and this did not result in any change to the company's required contributions to the scheme.

Accounting standards require all companies to discount their projected cash flows at a standard rate based on high quality corporate bonds and not to allow for prudence when calculating the value of the liabilities. This is in contrast to the funding valuation where prudence is a requirement when assessing the value of the liabilities. This, in combination with the Plan being invested in relatively low risk assets as part of the funding strategy agreed, results in the funding valuation being expected to show a higher deficit than the accounting valuation. The benefits of adopting a low risk approach to funding is that there is less volatility expected in the company's future contribution requirements.

BPP defined contribution scheme

The amount recognised as an expense in relation to the BPP defined contribution scheme in the consolidated income statement for 2023 was £8.8m (2022: £12.4m).

The Britvic Executive Top Up Scheme

Britvic's business in GB also has a secured unfunded, unregistered retirement benefit scheme called The Britvic Executive Top Up Scheme (BETUS), which provides benefits for members who have historically exceeded the earnings cap or the lifetime allowance while members of the defined benefit section of the BPP. BETUS closed to future accrual on 10 April 2011, which coincided with the closure of the defined benefit section of the BPP.

Republic of Ireland scheme

The Britvic Ireland Pension Plan (BIPP) is a defined benefit pension plan. Following legislative changes made in 2012, no deficit recovery contributions are currently required. The Trustee has been undertaking investment de-risking to protect the ongoing funding position achieved as a result of the 2012 changes. The latest triennial valuation was carried out as at 1 January 2021. The scheme remains open to future accrual for current members.

The amount recognised as an expense in relation to the Irish defined contribution scheme in the consolidated income statement for 2023 was £0.8m (2022: £0.7m).

Northern Ireland scheme

The Britvic Northern Ireland Pension Plan (BNIPP) is a defined benefit pension plan which was closed to new members on 28 February 2006 and to future accrual from 31 December 2018. Since this date all employees have been eligible to join a stakeholder plan with Legal & General. The latest formal actuarial valuation for contribution purposes was carried out as at 31 December 2020.

Contributions are paid into the BNIPP as determined by the Trustee, agreed by the company and certified by an independent actuary in the Schedule of Contributions. During the year ended 30 September 2023 additional contributions of £nil were paid (2022: £nil).

The amount recognised as an expense in relation to the Northern Ireland defined contribution scheme in the consolidated income statement for 2023 was £0.1m (2022: £0.1m).

France schemes

Britvic France operates two defined benefit schemes. In the first, employees receive long-service cash payments at various stages throughout their careers. In the second, employees receive a lump sum at retirement. Payment amounts are dependent upon salary and service with the company. The schemes are unfunded; therefore these benefits are paid directly as they fall due.

All Group pension schemes are administered by trustees who are independent of the Group's finances, except for the Britvic France schemes which are operated directly by the company.

IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

The rules of the GB Plan were updated in February 2010 to clarify that any surplus remaining on the death or leaving of the final member of the Plan may be returned directly to the company without prior trustee approval and a mechanism was provided within the rules for this to occur. As a result, the asset ceiling has not been applied to date. Similarly to the GB plan, for BIPP and BNIPP any surplus remaining on the death or leaving of the final member of the Plan may be returned directly to the company without prior trustee approval and a mechanism is provided for this to occur. Potential trustee rights under the Plans to augment additional benefit have been assessed by management and their actuarial specialists in measuring the net defined benefit asset but are not considered a material risk to the company as the rules of the Plans which provide for augmentation (benefit increases) require employer consent. These two points mean that IFRIC 14 does not have any practical impact on the GB Plan, BIPP or BNIPP and so no allowance for it (and, in particular, no allowance for the asset ceiling) has been made in the calculated figures. BETUS is treated as unfunded for the purposes of IAS 19, so IFRIC 14 is not applicable.

Defined contribution pension expense

The total defined contribution pension expense for the year ended 30 September 2023 is £9.8m (2022: £13.4m) and includes £0.1m which relates to schemes for entities within the Group in addition to those mentioned above (2022: £0.2m).

Net defined benefit pension (expense)/benefit

	2023 Total £m	2022 Total £m
Current service cost	(0.6)	(1.4)
Net interest on net defined benefit asset/(liability)	5.9	2.9
Past service cost	(20.5)	—
Net (expense)/benefit	(15.2)	1.5

Other than stated below, the net (expense)/benefit detailed above is recognised in arriving at operating profit and is included within cost of sales, selling and distribution costs and administration expenses.



Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Taken to the statement of comprehensive income

	2023 Total £m	2022 Total £m
Actual return on scheme assets	(63.9)	(311.0)
Less: amounts included in net interest expense	(32.1)	(19.7)
Return on plan assets (excluding amounts included in net interest expense)	(96.0)	(330.7)
Gains/(losses) due to demographic assumptions	19.6	(0.5)
Gains due to financial assumptions	39.3	349.5
Experience losses	(18.4)	(20.4)
Remeasurement losses taken to the statement of comprehensive income	(55.5)	(2.1)

Movements in present value of benefit obligation:

	2023				
	GB £m	ROI £m	NI £m	France £m	Total £m
At 1 October 2022	(446.4)	(65.9)	(21.8)	(1.4)	(535.5)
Exchange differences	–	0.8	–	–	0.8
Current service cost	–	(0.5)	–	(0.1)	(0.6)
Past service cost	(20.5)	–	–	–	(20.5)
Member contributions	–	(0.2)	–	–	(0.2)
Interest cost on benefit obligation	(22.6)	(2.3)	(1.2)	(0.1)	(26.2)
Benefits paid	23.0	2.1	1.0	0.2	26.3
Remeasurement gains	35.1	4.2	1.2	–	40.5
At 30 September 2023	(431.4)	(61.8)	(20.8)	(1.4)	(515.4)
Weighted average duration of the liabilities	14 years	17 years	14 years	12 years	

2022

	GB £m	ROI £m	NI £m	France £m	Total £m
At 1 October 2021	(739.2)	(101.3)	(35.0)	(2.0)	(877.5)
Exchange differences	–	(0.7)	–	(0.1)	(0.8)
Current service cost	–	(1.2)	–	(0.2)	(1.4)
Member contributions	–	(0.2)	–	–	(0.2)
Interest cost on benefit obligation	(14.9)	(1.2)	(0.7)	–	(16.8)
Benefits paid	29.5	1.9	1.2	–	32.6
Remeasurement gains	278.2	36.8	12.7	0.9	328.6
At 30 September 2022	(446.4)	(65.9)	(21.8)	(1.4)	(535.5)
Weighted average duration of the liabilities	14 years	18 years	15 years	11 years	

Movements in fair value of plan assets:

	2023			
	GB £m	ROI £m	NI £m	Total £m
At 1 October 2022	565.2	75.8	32.0	673.0
Exchange differences	–	(0.9)	–	(0.9)
Interest income on plan assets	27.7	2.7	1.7	32.1
Administration expenses	–	–	(0.1)	(0.1)
Return on scheme assets excluding interest income	(84.0)	(6.6)	(5.4)	(96.0)
Employer contributions	5.1	0.7	–	5.8
Member contributions	–	0.2	–	0.2
Benefits paid	(23.0)	(2.1)	(1.0)	(26.1)
At 30 September 2023	491.0	69.8	27.2	588.0



Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Movements in fair value of plan assets continued:

	2022			
	GB £m	ROI £m	NI £m	Total £m
At 1 October 2021	864.3	93.7	51.1	1,009.1
Exchange differences	–	1.2	–	1.2
Interest income on plan assets	17.5	1.1	1.1	19.7
Return on scheme assets excluding interest income	(292.5)	(19.2)	(19.0)	(330.7)
Employer contributions	5.4	0.7	–	6.1
Member contributions	–	0.2	–	0.2
Benefits paid	(29.5)	(1.9)	(1.2)	(32.6)
At 30 September 2022	565.2	75.8	32.0	673.0

There have been a reduction in the overall surplus in the year ended 30 September 2023 on an IAS 19 basis. This is a consequence of asset performance being lower than expectations over the previous year, inflation being higher than expected over the previous year and an increase in liabilities as a result of the agreement reached to set pension increases for post 31 March 2003 leavers at a rate no lower than RPI. This has been offset to an extent by the impact of changes in financial market conditions and updated demographic assumptions, which led to a reduction in the value placed on the liabilities.

Principal assumptions

The assets and liabilities of the pension schemes were valued on an IAS 19 (revised) basis at 30 September 2023, by Willis Towers Watson (for the BPP and the French schemes), Invesco (for the BIPP) and Buck (for the BNIPP).

Financial assumptions

	2023			
	GB %	ROI %	NI %	France %
Discount rate	5.70	4.20	5.65	4.15
Rate of compensation increase	–	2.50	–	3.00–4.00
Pension increases	2.00–3.05	–	2.10–5.00	–
Inflation assumption	3.25	2.50	2.80	2.00
Indexation	RPI and CPI	CPI	CPI	ECB*

	2022			
	GB %	ROI %	NI %	France %
Discount rate	5.25	3.60	5.35	3.75 – 3.80
Rate of compensation increase	–	2.00	–	2.00 – 3.00
Pension increases	2.05 – 3.30	–	2.15 – 5.00	–
Inflation assumption	3.65	2.40	3.05	2.00
Indexation	RPI and CPI	CPI	CPI	ECB*

* The France scheme is linked to the long-term interest rate of the European Central Bank (ECB).

Demographic assumptions

The most significant non-financial assumption is the assumed rate of longevity. This is based on standard actuarial tables, which for the BPP are known as SAPS Series 3. An allowance for future improvements in longevity has also been included. The following life expectancy assumptions have been used:

	2023 GB Years	2023 ROI Years	2023 NI Years	2022 GB Years	2022 ROI Years	2022 NI Years
Current pensioners (at age 65) – males	21.0	22.2	20.6	21.7	22.2	21.0
Current pensioners (at age 65) – females	24.0	24.4	23.5	24.6	24.4	23.9
Future pensioners currently aged 45 (at age 65) – males	22.3	24.5	21.8	23.1	24.5	22.3
Future pensioners currently aged 45 (at age 65) – females	25.5	26.3	24.9	26.0	26.3	25.4



Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Sensitivities

Changes in assumptions used for determining retirement benefit costs and obligations may have a material impact on the consolidated income statement and balance sheet. The main assumptions are the discount rate, the rate of inflation and the assumed mortality rate. The following table provides an estimate of the potential impact of each of these variables on the principal pension plans.

Assumption	Change in assumption	Impact on GB liabilities	Impact on ROI liabilities	Impact on NI liabilities	Impact on France liabilities
Discount rate	Increase by 0.5%	Decrease by £25.3m	Decrease by £4.9m	Decrease by £1.3m	Decrease by £0.1m
	Decrease by 0.5%	Increase by £27.9m	Increase by £5.5m	Increase by £1.5m	Increase by £0.1m
Inflation rate	Increase by 0.25%*	Increase by £8.0m	Increase by £1.1m	Increase by £0.5m	Increase by £0.04m
	Decrease by 0.25%*	Decrease by £8.0m	Decrease by £1.0m	Decrease by £0.5m	Decrease by £0.04m
Longevity rates	Increase by 1 year	Increase by £14.8m	Increase by £1.2m	Increase by £0.5m	n/a

* The sensitivity to inflation assumption includes corresponding changes to future salary (applicable only to France) and future pension increase assumptions.

Categories of scheme assets as a percentage of the fair value of total scheme assets

	2023				
	GB £m	ROI £m	NI £m	Total £m	Total %
UK equities	—	—	—	—	—
Overseas equities	1.1	14.7	—	15.8	3
Properties	30.7	—	—	30.7	5
Corporate bonds	278.9	34.3	5.3	318.5	54
Diversified funds	—	—	11.1	11.1	2
Liability-driven investments	164.6	—	9.9	174.5	30
Cash and other assets	15.7	20.8	0.9	37.4	6
Total	491.0	69.8	27.2	588.0	100

	2022				
	GB £m	ROI £m	NI £m	Total £m	Total %
UK equities	—	0.6	—	0.6	—
Overseas equities	2.1	12.7	—	14.8	2
Properties	31.5	—	—	31.5	5
Corporate bonds	372.6	40.7	4.9	418.2	62
Diversified funds	—	—	17.9	17.9	3
Liability-driven investments	129.9	—	9.2	139.1	21
Cash and other assets	29.1	21.8	—	50.9	7
Total	565.2	75.8	32.0	673.0	100

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets, whereas the fair values of properties are not based on quoted market prices. The fixed interest and index linked asset classes include leveraged gilt funds.

Liability-driven investments are a portfolio of assets used in the GB scheme to hedge the exposure to changes in interest rates and inflation. It consists of fixed interest gilts and index linked gilts including leveraged gilt funds. The fair value of these assets is derived from quoted market prices of the underlying funds held. These funds are held as part of the strategy by the Trustees of the GB scheme to invest in low risk assets that provide a hedge against interest rates and inflation.

Risks

For defined contribution sections and plans, the Group's liability is limited to the requirement to pay contributions on behalf of each employee. In these arrangements the associated risks are borne by the members.

For defined benefit sections and plans, the Group bears the risks of operation. The main risk that the Group runs in respect of the defined benefit schemes is that additional contributions are required to pay for the benefits if investment returns are not sufficient. The contributions required for the schemes are in general determined at each triennial actuarial funding valuation. The key factors that will affect the need for additional contributions include levels of long-term inflation and interest rates and the assessment of how long members are expected to live, along with the level of investment return achieved. The level of investment return achieved is subject to a range of risks typical of the asset classes held, in particular market risk on equities, credit risk on corporate bonds and exposure to the property market. The discount rates used to calculate the liabilities are set by reference to yields on high quality corporate bonds. There is therefore a mismatch between the assets held and the way that the liabilities are calculated, meaning that the net balance sheet position disclosed under IAS 19 could fluctuate.

For the BPP, the Trustee holds the power to determine the contribution rates that the Group should pay, although the Group fully uses the opportunity to make representation to the Trustee on this point.



Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Risks continued

The Trustee of the BPP has implemented an investment strategy which consists of a diverse range of fixed interest and index linked securities, which provides a significant hedge against inflation and interest rate risk

The funding partnership mitigates the risk that additional cash contributions will be required after 31 March 2026, as the partnership will pay up to £105m to remove any funding deficit at 31 March 2026.

23a. Trade and other payables

	2023 £m	2022 £m
Trade payables	396.0	353.8
Other payables	17.2	9.0
Accruals	67.6	77.5
Other taxes and social security	52.8	68.5
	533.6	508.8

Trade payables are non-interest bearing and are normally settled on 60 to 90-day terms.

The Group participates in supplier financing arrangements with partner financial institutions as follows:

- trade payables include amounts £130.0m (2022: £106.6m) where suppliers can elect on an invoice-by-invoice basis to receive a discounted early payment from the partner financial institution rather than being paid in line with the agreed payment terms; and
- trade payables include amounts of £14.1m (2022: £23.1m) where the Group elects for the partner financial institution to pay the supplier in line with the agreed payment terms and extends the corresponding payment terms it has with the financial institution.

The Group considers that its liabilities under these arrangements are similar in nature and function to trade payables and form part of the working capital used in the Group's normal operating cycle, accordingly they are presented within trade payables. Any financing element is not considered to be significant.

Consistent with classification in the balance sheet as trade payables, cash flows from these arrangements are presented either as cash flows from operating activities or cash flows from investing activities, when related to the acquisition of non-current assets.

23b. Commercial rebate liabilities

The Group has the following liabilities outstanding to customers in respect of commercial rebates:

	2023 £m	2022 £m
Rebate accruals	123.3	137.0

For further information on the Group's accounting policy for rebate liabilities, see the revenue recognition policy within note 3.

24. Leases

The Group has lease contracts for properties, plant and machinery and vehicles. Leases of property have lease terms between 5 and 75 years, plant and machinery generally have lease terms between 5 and 10 years, while motor vehicles generally have lease terms between 2 and 4 years. There are several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Where a lease contract contains an extension or termination option, management uses judgement to determine the lease term when measuring lease liabilities. At 30 September 2023, the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term are not material.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leased property £m	Leasehold plant and machinery £m	Leased vehicles £m	Total £m
Net carrying amount				
At 1 October 2021	63.7	5.4	2.6	71.7
Exchange differences	0.2	—	—	0.2
Additions	4.8	1.0	1.9	7.7
Depreciation charge for the year	(6.6)	(2.7)	(1.6)	(10.9)
At 30 September 2022	62.1	3.7	2.9	68.7
Exchange differences	(0.1)	—	0.1	—
Additions	0.4	0.1	2.1	2.6
Depreciation charge for the year	(6.5)	(2.0)	(1.6)	(10.1)
Disposal	—	—	(0.1)	(0.1)
At 30 September 2023	55.9	1.8	3.4	61.1
At 30 September 2023				
Cost (gross carrying amount)	78.6	13.7	8.8	101.1
Accumulated depreciation and impairment	(22.7)	(11.9)	(5.4)	(40.0)
Net carrying amount	55.9	1.8	3.4	61.1
At 30 September 2022				
Cost (gross carrying amount)	78.7	16.0	7.5	102.2
Accumulated depreciation and impairment	(16.6)	(12.3)	(4.6)	(33.5)
Net carrying amount	62.1	3.7	2.9	68.7

Notes to the consolidated financial statements continued

24. Leases continued

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 £m	2022 £m
At the beginning of the year	73.9	75.1
Exchange differences	(0.1)	0.4
Additions	2.5	7.7
Accretion of interest	1.9	2.1
Payment of principal portion of lease liabilities	(9.0)	(9.3)
Payment of interest portion of lease liabilities	(1.9)	(2.1)
At the end of the year	67.3	73.9
Current	7.5	8.6
Non-current	59.8	65.3
At the end of the year	67.3	73.9

The maturity analysis of lease liabilities is disclosed in the liquidity risk section of note 25. The following are the amounts recognised in the income statement:

	2023 £m	2022 £m
Depreciation of right-of-use assets	10.1	10.9
Interest expense on lease liabilities (note 9)	1.9	2.1
Total amount recognised in profit or loss	12.0	13.0

The Group had total cash outflows for leases of £10.9m during the year ended 30 September 2023 (2022: £11.4m).

Finance lease receivables

The Group enters into finance leasing arrangements as a lessor for tap systems that dispense instant boiling, chilled and sparkling water. The term of finance leases ranges from three to five years, which forms the majority of the expected useful economic life of the tap system and after which the residual value of the equipment is not expected to be material.

The amounts receivable under finance leases were as follows:

	2023 £m	2022 £m
Not later than one year	0.6	0.7
Later than one year and not later than two years	0.5	0.3
Later than two years and not later than three years	0.3	0.2
Later than three years and not later than four years	0.1	0.2
Later than four years and not later than five years	–	–
Later than five years	–	–
Total undiscounted lease payments receivable	1.5	1.4
Less: unearned finance income	(0.2)	(0.2)
Net investment in the lease	1.3	1.2

Net investment in the lease analysed as:

Recoverable within 12 months	0.4	0.6
Recoverable after 12 months	0.9	0.6
Net investment in the lease	1.3	1.2

The following table presents the amounts included in profit or loss:

	2023 £m	2022 £m
Selling profit for finance leases	0.6	0.4
Finance income on the net investment in finance leases	0.1	0.1

25. Financial risk management objectives and policies

Overview

The Group's principal financial instruments comprise derivatives, borrowings and overdrafts, interest-bearing deposits, and cash and cash equivalents. These financial instruments are used to manage interest rate, currency and commodity exposures, funding and liquidity requirements. Other financial instruments which arise directly from the Group's operations include trade receivables and payables (see notes 17 and 23 respectively).

It is, and has always been, the Group's policy that no derivative is entered into for trading or speculative purposes.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Additionally, the Group uses commodity derivatives to manage commodity price risk. The policies for managing these risks are approved by the Board of Directors.

Notes to the consolidated financial statements continued

25. Financial risk management objectives and policies continued

Interest rate risk

The Group's policy is to manage its interest cost by maintaining a mix of fixed and variable rate debt. The Group enters into interest rate swaps and cross currency swaps agreements to hedge underlying debt obligations. At 30 September 2023, after taking into account the effect of these instruments, approximately 71% of the Group's gross debt was at a fixed rate of interest (2022: 76%).

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax (through the impact on floating rate borrowings) and equity (through the change in fair values of applicable derivative and debt instruments).

	Increase/ (decrease) in basis points	Effect on profit before tax £m	Effect on equity £m
2023			
Sterling	200	(1.5)	23.1
	(200)	1.5	(26.5)
Euro	200	(1.1)	4.0
	(200)	1.1	(4.8)
2022			
Sterling	200	(1.6)	28.9
	(200)	1.6	(33.3)
Euro	200	0.6	5.1
	(200)	(0.6)	(5.9)

Interest rate benchmark reform

All external borrowing arrangements (Revolving Credit Facility and US Private Placements) and interest rate derivatives that previously referred to sterling LIBOR transitioned over to applying the Sterling Overnight Index Average (SONIA) rate in the year ended 30 September 2022.

The rebasing of derivatives to risk-free rates did not have an impact upon hedge effectiveness or produce any material financial impact.

Foreign currency risk

Foreign currency risk is primarily in respect of exposure to fluctuations to the sterling-euro, sterling-US dollar and US dollar-Brazilian real rates of exchange. The Group has operations in euro-denominated countries and finances these partly through the use of foreign currency borrowings and cross currency swaps which hedge the translation risk of net investments in foreign operations. Additionally, certain internal flows from euro-denominated operations can be utilised to meet euro payment obligations in sterling denominated companies, providing a natural hedge.

The Group also has transactional exposures arising from purchases of prime materials, capital expenditure and interest costs in currencies other than the functional currency of the individual Group entities. Non-functional currency purchases and interest costs are mainly in the currencies of US dollars and euros. As at 30 September 2023, the Group had hedged 68% (2022: 63%) of forecast net exposures 12 months in advance using forward foreign exchange contracts.

Where funding has been raised in a currency other than the currency ultimately required by the Group, cross currency interest rate swaps have been used to convert the cash flows to the required currency. These swaps have the same duration and other critical terms as the underlying borrowings.

The following table demonstrates what the sensitivity would have been from a reasonably possible change in the US dollar, euro and Brazilian real exchange rates, with all other variables held constant, on the current year's Groups profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of forward exchange contracts).

	Increase/ (decrease) in percentage points	Effect on profit before tax £m	Effect on equity £m
2023			
Sterling/euro	10	3.0	(8.3)
	(10)	(3.0)	8.3
Sterling/US dollar	10	0.9	(2.2)
	(10)	(0.9)	2.2
Euro/US dollar	10	0.2	—
	(10)	(0.2)	—
US dollar/Brazilian real	10	(0.1)	—
	(10)	0.1	—
2022			
Sterling/euro	10	2.8	(6.8)
	(10)	(2.8)	6.8
Sterling/US dollar	10	0.2	(1.0)
	(10)	(0.2)	1.0
Euro/US dollar	10	0.2	—
	(10)	(0.2)	—
US dollar/Brazilian real	10	0.3	—
	(10)	(0.3)	—



Notes to the consolidated financial statements continued

25. Financial risk management objectives and policies continued

Credit risk

The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts is not significant. The maximum exposure is the carrying amount disclosed in note 17. There are no significant concentrations of credit risk within the Group. Where appropriate, the Group insures its trade receivables across GB, Ireland and France with reputable credit insurance companies.

The Group maintains a policy on counterparty credit exposures with banks and financial institutions arising from the use of derivatives and financial instruments. This policy restricts the investment of surplus funds and entering into derivatives to counterparties with a minimum credit rating maintained by either Moody's, Standard & Poor's or Fitch. The level of exposure with counterparties at various ratings levels is also restricted under this policy. The level of exposure and the credit-worthiness of the Group's banking counterparties are reviewed continuously to ensure compliance with this policy. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Commodity price risk

The Group purchases a wide range of commodities and finished goods in the ordinary course of business, with exposure to certain floating market indices including aluminium, PET, sugar, electricity, gas and diesel. To manage commodity price risk, the Group uses both supplier contracts and financial derivatives, in line with a Group approved hedging policy. Where derivative contracts are used, the commodity price risk exposure is typically hedged up to 18 months of forecast volume. The Group applies cash flow hedge accounting to all commodity derivative contracts.

Liquidity risk

The Group monitors its risk of a shortage of funds using rolling cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivable and other financial assets) and projected cash flows from operations. The objective of the Group's liquidity policy is to maintain a balance between continuity of funds and flexibility through the use of bank loans and overdrafts and long-term private placement issuance.

The maturity date of the Group's £400m multi-currency bank facility is February 2027 for £367m of commitments. The remaining £33m of commitment matures in February 2025. As at 30 September 2023, the Group had £44.7m outstanding borrowings under this facility (2022: £nil).

The table below summarises the maturity profile of the Group's financial liabilities at 30 September 2023 based on contractual undiscounted payments and receipts including interest:

	<1 year £m	1-5 years £m	>5 years £m	Total £m
2023				
Bank loans	44.8	—	—	44.8
Private placement notes including coupons	67.1	293.9	316.7	677.7
Derivatives hedging private placement notes – payments	26.7	49.5	—	76.2
Derivatives hedging private placement notes – receipts	(29.3)	(51.4)	—	(80.7)
	109.3	292.0	316.7	718.0
Trade, other payables and rebate liabilities (excluding other taxes and social security)	604.1	—	—	604.1
Lease liabilities	8.1	25.3	52.1	85.5
Other liabilities	8.4	—	—	8.4
Other derivative liabilities	8.3	0.3	—	8.6
	738.2	317.6	368.8	1,424.6
	Less than 1 year £m	1 to 5 years £m	>5 years £m	Total £m
2022				
Bank loans	—	—	—	—
Private placement notes including coupons	55.3	201.9	445.0	702.2
Derivatives hedging private placement notes – payments	32.2	76.1	—	108.3
Derivatives hedging private placement notes – receipts	(33.4)	(79.4)	—	(112.8)
	54.1	198.6	445.0	697.7
Trade, other payables and rebate liabilities (excluding other taxes and social security)	577.3	—	—	577.3
Lease liabilities	10.1	27.5	55.0	92.6
Other liabilities	11.2	5.7	—	16.9
Other derivative liabilities	9.5	0.4	—	9.9
	662.2	232.2	500.0	1,394.4



Notes to the consolidated financial statements continued

25. Financial risk management objectives and policies continued

Fair values of financial assets and financial liabilities

Hierarchy

The Group uses the following valuation hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1:	quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2:	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3:	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Unless otherwise stated, the valuation basis used to calculate fair value is level 2.

All derivatives are valued using discounted cash flow analysis using the applicable yield curve for the duration of the instruments. Forward currency contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Cross currency interest rate swaps are measured at the present value of future cash flows estimated and discounted based on quoted forward exchange rates and the applicable yield curves derived from quoted interest rates. The fair value of derivatives also includes the non-performance risk of both Britvic and its derivatives, trading counterparties.

As in the prior year, the carrying values of financial assets and liabilities are considered to be reasonable approximations of their fair values, except for fixed rate borrowings.

The fair value of the Group's fixed rate interest-bearing borrowings and loans at 30 September 2023 was £331.6m (2022: £367.1m) compared to a carrying value of £393.7m (2022: £442.3m). The fair value of the Group's fixed rate interest-bearing borrowings and loans is determined by using discounted cash flow methods using discount rates that reflect the Group's borrowing rate as at the end of the reporting period.

Capital management

The Group defines 'capital' as being adjusted net debt plus equity. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain an appropriate capital structure to balance the needs of the Group to grow, while operating with sufficient headroom within its bank covenants. Further information on the Group's covenants is provided within the going concern disclosure in note 3.

The following table summarises the capital of the Group:

	2023 £m	Restated* 2022 £m
Financial assets		
Cash and cash equivalents	(79.2)	(85.9)
Interest-bearing deposits	(10.9)	(11.5)
Derivatives hedging balance sheet debt (note 21)	(22.6)	(42.9)
Financial liabilities		
Overdrafts	48.9	9.8
Interest-bearing loans and borrowings (note 21)	601.9	605.3
Adjusted net debt	538.1	474.8
Equity	391.7	488.0
Capital	929.8	962.8

* Restated for presentation of overdrafts subject to cash pooling arrangements and interest-bearing deposits as set out in Note 3.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or in order to facilitate acquisitions. To maintain or adjust the capital structure, the Group has a number of options available to it, including modifying dividend payments to shareholders, returning capital to shareholders or issuing new shares. In this way, the Group balances returns to shareholders between long-term growth and current returns while maintaining capital discipline in relation to investing activities and taking any necessary action on costs to respond to the current environment.

The Group monitors capital on the basis of the adjusted net debt/EBITDA ratio. Adjusted net debt is calculated as being the net of cash and cash equivalents, interest-bearing loans and borrowings, and the element of the fair value of interest rate currency swaps hedging the balance sheet value of the US private placement notes. The adjusted net debt/EBITDA ratio enables the Group to plan its capital requirements in the medium term. The Group uses this measure to provide useful information to financial institutions and investors.

Notes to the consolidated financial statements continued

26. Derivatives and hedge relationships

The fair values of the Group's derivative contracts are as follows:

	2023 £m	2022 £m
Consolidated balance sheet		
Non-current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps*	14.0	31.1
Forward currency contracts*	0.1	0.4
Commodity contracts*	1.2	11.0
Interest rate swaps*	0.7	3.4
	16.0	45.9
Current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps*	8.3	7.4
USD GBP cross currency floating interest rate swaps**	–	4.4
Forward currency contracts***	–	0.5
Forward currency contracts*	1.1	3.3
Forward currency contracts	0.2	0.2
Commodity contracts*	6.1	11.6
Commodity contracts****	–	11.5
Interest rate swaps*	1.7	–
	17.4	38.9
Current liabilities: derivative financial instruments		
Forward currency contracts*	(1.2)	–
Forward currency contracts	–	(1.3)
GBP euro cross currency floating interest rate swaps***	–	(1.0)
Commodity contracts*	(7.1)	(8.2)
Commodity contracts****	–	(0.7)
	(8.3)	(11.2)
Non-current liabilities: derivative financial instruments		
Commodity contracts*	(0.3)	(0.4)
	(0.3)	(0.4)
Net derivative financial assets	24.8	73.2

* Instruments designated as part of a cash flow hedge relationship.

** Instruments designated as part of a fair value hedge relationship.

*** Instruments designated as part of a net investment hedge relationship.

**** Instruments for which cash flow hedge accounting has been discontinued (see below).

Derivatives designated as part of hedge relationships

The carrying amounts and notional maturity profile of derivatives designated as part of a hedge relationship were as follows:

		Net carrying amount £m	Notional maturity profile		Total £m
			Less than 1 year £m	Greater than 1 year £m	
2023					
Cross currency swaps	Cash flow hedge	22.3	24.2	46.6	70.8
Forward currency contracts	Cash flow hedge	–	97.3	8.7	106.0
Interest rate swaps	Cash flow hedge	2.5	–	37.3	37.3
Commodity swaps	Cash flow hedge	(0.1)	64.4	11.2	75.6
2022					
		Net carrying amount £m	Less than 1 year £m	Greater than 1 year £m	Total £m
Cross currency swaps	Cash flow hedge	38.5	16.2	70.8	87.0
Cross currency swaps	Fair value hedge	4.4	11.7	–	11.7
Cross currency swaps	Net investment hedge	(1.0)	16.2	–	16.2
Forward currency contracts	Cash flow hedge	3.7	66.0	7.9	73.9
Forward currency contracts	Net investment hedge	0.5	34.1	–	34.1
Interest rate swaps	Cash flow hedge	3.4	–	37.6	37.6
Commodity swaps	Cash flow hedge	14.0	65.0	28.1	93.1

Cash flow hedges

Forward currency contracts

The forward currency contracts hedge expected future euro, US dollar and Brazilian real purchases in the period to February 2024 and have been assessed as part of effective cash flow hedge relationships as at 30 September 2023.



Notes to the consolidated financial statements continued

26. Derivatives and hedge relationships continued

Cash flow hedges continued

Cross currency interest rate swaps

USD GBP cross currency interest rate swaps

The Group has a number of cross currency interest rate swaps relating to the 2014 USPP notes. These cross currency interest rate swaps have the effect of fixing both the value of the USD borrowings into sterling and the rate of interest payable. The cross currency interest rate swaps are designated as part of a cash flow hedge relationship with the USPP notes.

Cash flows due under these cross currency interest rate swaps match the interest payment dates and maturity profile of the USPP notes. The maturity profile of the USPP notes can be seen in note 21.

During the year ended 30 September 2023, a loss of £1.5m (2022: £nil) has been recognised in the income statement in respect of ineffectiveness.

The Group's cash flow hedging reserve relates to the following hedging instruments:

	Net gain/(loss) within equity £m	Related deferred tax asset/ (liability) £m
2023		
Forward currency contracts	—	—
Interest rate swaps	2.5	(0.6)
2014 cross currency swaps	(0.4)	0.1
Commodity swaps	0.8	(0.2)
	2.9	(0.7)
	Net gain/(loss) within equity £m	Related deferred tax asset/ (liability) £m
2022		
Forward currency contracts	3.7	(0.8)
Interest rate swaps	3.4	(0.8)
2010 cross currency swaps	(1.0)	0.2
2014 cross currency swaps	0.4	(0.1)
Commodity swaps	28.2	(5.9)
	34.7	(7.4)

Discontinuation of cash flow hedge accounting

In September 2022, the Group discontinued hedge accounting for certain commodity derivatives that were hedging purchases during the period from October 2022 to March 2023 as there is no longer an economic relationship between the hedged item and hedging instrument because of new commercial arrangements with suppliers. Prior to the discontinuation of hedge accounting, the Group had accumulated a gain of £13.8m through other comprehensive income in the hedging reserve. This gain was reclassified to profit or loss during the year ended 30 September 2023 as the hedged purchases occurred.

Fair value hedges

Cross currency interest rate swaps

The Group was party to a cross currency interest rate swap in respect of the 2010 USPP notes with a notional amount of USD 18.0m. These instruments swapped the principal and interest from fixed rate US dollar into floating rate sterling (the 2010 USD GBP cross currency interest rate swaps). The cross currency interest rate swap was designated as part of a fair value hedge relationship with the USPP notes.

The fair value movements on the 2010 USD GBP cross currency interest rate swap are recorded in the consolidated income statement. The carrying value of the notes is adjusted by the change in their fair value, which is recognised in the consolidated income statement.

A decrease in fair value of the 2010 cross currency interest rate swap of £1.1m (2022: £2.2m increase) has been recognised in finance costs and offset with a related gain on the 2010 USPP notes of £1.1m (2022: £2.0m loss). The net loss of £nil (2022: £0.2m gain) represents the ineffectiveness in respect of this fair value hedge.

The accumulated amount of fair value hedge adjustments on the hedged 2010 USPP notes included in the carrying amount of the 2010 USPP notes recognised in the balance sheet at 30 September 2022 was an increase in the liability of £4.4m. The 2010 USPP notes and the 2010 USD cross currency interest rate swap reached maturity in December 2022.

Net investment hedges

Cross currency interest rate swaps

2010 GBP EUR cross currency interest rate swaps

These instruments swap sterling liabilities arising from the 2010 USD GBP cross currency interest rate swaps into euro liabilities and have been designated as part of effective hedges of the net investments in Britvic France and Britvic Ireland.

The GBP EUR cross currency interest rate swaps, along with the underlying loan instruments, are being used to hedge the Group's exposure to foreign exchange risk on these euro investments. Movements in the fair value of the GBP EUR cross currency interest rate swaps are taken to equity where they offset foreign exchange movements on the translation of the net investments in Britvic France and Britvic Ireland.

No ineffectiveness has been recognised in the consolidated income statement in respect of net investment hedges (2022: no ineffectiveness).

The cross currency interest rate swaps in respect of the 2010 USPP notes designated in a net investment hedge reached maturity in December 2022.

EUR loan notes

Interest-bearing borrowings at 30 September 2023 include private placement notes issued in 2018 and 2020 with a EUR notional amount of €100.0m and carrying amount of £86.7m that are designated a hedge of the Group's net investment in its operations in France and Ireland (2022: EUR notional amount €100.0m and carrying amount £87.8m). These borrowings are being used to hedge the Group's exposure to the EUR foreign exchange risk on these investments. Gains or losses on the retranslation of this borrowing are transferred to OCI to offset gains or losses on the translation of these foreign operations and are accumulated in the translation reserve.

Notes to the consolidated financial statements continued

26. Derivatives and hedge relationships continued

Impact of derivatives and hedge relationships on the consolidated statement of comprehensive income

	2023 £m	2022 £m
Consolidated statement of comprehensive income		
Amounts reclassified to the income statement in respect of cash flow hedges		
Forward currency contracts*	(0.9)	1.5
Interest rate swaps**	–	(0.2)
2010 cross currency interest rate swaps**	1.7	(3.8)
2014 cross currency interest rate swaps**	8.7	(17.6)
Commodity swaps*	(14.1)	(3.7)
	(4.6)	(23.8)
(Losses)/ gains in respect of cash flow hedges		
Forward currency contracts and interest rate swaps	(3.7)	6.1
2010 cross currency interest rate swaps	(0.7)	3.7
2014 cross currency interest rate swaps	(9.4)	16.5
Commodity swaps	(20.5)	30.3
	(34.3)	56.6
Exchange differences on translation of foreign operations		
Movement on 2010 GBP EUR cross currency interest rate swaps	0.4	(0.3)
Movement on FX swaps designated as net investment hedges	(0.3)	(0.7)
Movement on euro loans designated as net investment hedges	1.4	–
Exchange movements on translation of foreign operations	(4.9)	29.9
	(3.4)	28.9

* Offsetting amounts recorded in cost of sales.

** Offsetting amounts recorded in finance income/costs.

27. Provisions

	Restructuring £m	Other £m	Total £m
At 1 October 2021	5.3	0.5	5.8
Provisions made during the year	0.1	0.2	0.3
Provisions utilised during the year	(2.5)	–	(2.5)
Unused amounts reversed	(1.0)	–	(1.0)
Exchange differences	–	0.2	0.2
At 30 September 2022	1.9	0.9	2.8
Provisions made during the year	4.1	–	4.1
Provisions utilised during the year	(5.0)	–	(5.0)
Unused amounts reversed	(0.1)	(0.1)	(0.2)
At 30 September 2023	0.9	0.8	1.7
Current	0.7	–	0.7
Non-current	0.2	0.8	1.0
At 30 September 2023	0.9	0.8	1.7
Current	1.9	–	1.9
Non-current	–	0.9	0.9
At 30 September 2022	1.9	0.9	2.8

Restructuring provisions

Restructuring provisions at 30 September 2023 and 30 September 2022 primarily relate to historical Group-wide strategic restructuring and provisions related to the closure of the Group's Norwich site. Restructuring provisions are expected to be settled within one to three years. The impact of discounting is immaterial.

Other provisions

Other provisions at 30 September 2023 and 30 September 2022 primarily relate to certain provisions in Brazil for regulatory and legal claims and are expected to be settled in one to four years. The impact of discounting is immaterial.

28. Other liabilities

	2023 £m	2022 £m
Forward contracts to purchase own shares	5.6	15.5
Share buyback programme	2.8	1.1
	8.4	16.6
Due within less than one year	8.4	11.1
Due after more than one year	–	5.5
	8.4	16.6



Notes to the consolidated financial statements continued

28. Other liabilities continued

Forward contracts to purchase own shares

To satisfy the future requirements of its share schemes (see note 29), the Group has entered into forward contracts to acquire a fixed quantity of its own shares for a fixed price. Upon entering into the forward contracts, the Group recognised a financial liability and corresponding reduction in equity. The financial liability was initially recognised at fair value and subsequently accounted for at amortised cost.

Share buyback programme

At 30 September 2023, the company has recognised a financial liability of £2.8m (2022: £1.1m) in respect of shares to be delivered under a share repurchase agreement with an external bank as part of the share buyback programme (note 19). The financial liability was initially recognised at fair value and subsequently accounted for at amortised cost. At 30 September 2023 and 30 September 2022, the company had a contractual right to terminate the programme. Accordingly, the liability recognised is limited to the company's obligation to pay for those shares purchased by its brokers but that had not yet been settled by the company at 30 September.

29. Share-based payments

Britvic operates a number of share schemes for the benefit of its executives and employees. In GB, Britvic operates SIP plans for all employees, whereas outside of GB Britvic operates both share-settled and cash-settled plans. Executives participate in ESOP and PSP plans and the senior leadership team participates in PSP plans.

The expense recognised for share-based payments in respect of employee services received during the year ended 30 September 2023, including National Insurance, is £10.9m (2022: £4.2m). This expense arises from transactions which are expected to be equity-settled share-based payment transactions.

The Britvic Share Incentive Plan (SIP)

The SIP is an all-employee HMRC approved share plan open to employees based in GB. Employees are entitled to receive the annual free share award, where granted by the Group, provided they are employed by the company on the last day of each financial year and on the award date. Employees cannot sell these shares for three years from their date of award. Employees also have the opportunity to invest up to £150 every month (£1,800 per year) through the partnership share scheme. This is deducted from their gross salary. Matching shares are offered on the basis of one free matching share for each ordinary share purchased with a participant's savings, up to a maximum of £55 per monthly pay period.

Awards made during the period are shown in the table below. The fair value of these awards is equivalent to the intrinsic value of the shares.

	2023 No. of shares	2023 Weighted average fair value	2022 No. of shares	2022 Weighted average fair value
Annual free shares award	371,790	782.0p	304,401	943.1p
Matching shares award – one free share for every ordinary share purchased	92,612	832.5p	85,469	846.4p

The Britvic Executive Share Option Plan (ESOP)

The ESOP allows for options to buy ordinary shares to be granted to executives. The option price is the average market price of Britvic plc's shares on the three business days before the date of grant. Options become exercisable on the satisfaction of the performance condition and remain exercisable until 10 years after the date of grant.

In some circumstances, at the discretion of the company, an option holder who exercises his/her option may receive a cash payment rather than the ordinary shares under option. The cash payment would be equal to the amount by which the market value of the ordinary shares under option exceeds the option price. However, it is expected that this plan will be equity settled and as a consequence has been accounted for as such.

Following the approval of a new Directors' Remuneration Policy at the 2022 AGM, share options are no longer granted under the ESOP, with the final award being made in 2021. An increased level of PSP awards in lieu of ESOP awards have since been made to replace the value of share options that would previously have been granted.

The following table illustrates the movements in the number of share options outstanding:

	Number of share options	Weighted average exercise price (pence)
Outstanding at 1 October 2021	4,261,942	754.3
Exercised	(1,762)	819.7
Lapsed	(648,563)	826.9
Outstanding at 30 September 2022	3,611,617	741.2
Exercised	(384,008)	594.9
Lapsed	(896,365)	923.8
Outstanding at 30 September 2023	2,331,244	695.1
Exercisable at 30 September 2022	1,804,101	635.3
Exercisable at 30 September 2023	1,420,093	646.2

The weighted average share price for share options exercised during the year was 865.0p (2022: 899.0p).

The share options outstanding as at 30 September 2023 had a weighted average remaining contractual life of 4.6 years (2022: 5.6 years) and the range of exercise prices was 427.5p–963.0p (2022: 427.5p–963.0p).

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking account of the terms and conditions upon which the options were granted.



Notes to the consolidated financial statements continued

29. Share-based payments continued

The Britvic Performance Share Plan (PSP)

The PSP allows for awards of ordinary shares or nil cost options to be made to selected employees with vesting subject to the satisfaction of performance conditions, where different performance conditions apply to different groups of employees. Awards are made in respect of ordinary shares and are exercised when vested.

In some circumstances, at the discretion of the company, vested awards may be satisfied by a cash payment rather than a transfer of ordinary shares. However, it is expected that this plan will be equity settled and as a consequence has been accounted for as such.

Awards granted in 2023

Two categories of award were granted during the year ended 30 September 2023.

The first award was made to the senior leadership team and the senior management team. These awards vest subject to the company achieving financial performance conditions during the three years ended 30 September 2025 and the employee remaining in employment for three years from the date of grant. 50% of the award is subject to a performance condition based on adjusted diluted EPS and 50% of the award is subject to a condition based on total shareholder return (TSR). 20% of the awards subject to an EPS condition will vest if the company achieves adjusted diluted EPS of 57.2p in the year ended 30 September 2025, increasing to 100% if the company achieves 66.3p or higher. The TSR condition measures the company's TSR relative to a comparator group (the FTSE 250, excluding investment trusts) over the three-year performance period. The awards will not vest unless the company's position in the comparator group is at least median. At median 20% will vest, rising on a straight-line basis to 100% vesting at upper quartile.

The second award is an exceptional award under the PSP and has been awarded to selected employees. The service condition applied to awards granted is continued employment for three years from date of grant – no company financial performance condition applies.

The weighted average fair value of awards granted in the year was 663.0p.

Awards granted in 2022

Two categories of award were granted during the year ended 30 September 2022.

The first award was made to the senior leadership team and the senior management team. These awards vest subject to the company achieving financial performance conditions during the three years ended 30 September 2024 and the employee remaining in employment for three years from the date of grant. 50% of the award is subject to a performance condition based on adjusted diluted EPS and 50% of the award is subject to a condition based on total shareholder return (TSR). 20% of the awards subject to an EPS condition will vest if the company achieves adjusted diluted EPS of 55.4p in the year ended 30 September 2024, increasing to 100% if the company achieves 65.0p or higher. The TSR condition measures the company's TSR relative to a comparator group (the FTSE 250, excluding investment trusts) over the three-year performance period. The awards will not vest unless the company's position in the comparator group is at least median. At median 20% will vest, rising on a straight-line basis to 100% vesting at upper quartile.

The second award is an exceptional award under the PSP and has been awarded to selected employees. The service condition applied to awards granted is continued employment for three years from date of grant – no company financial performance condition applies.

The weighted average fair value of awards granted in the year was 695.0p.

The following tables illustrate the movements in the number of PSP shares and nil cost options outstanding:

Number of shares and nil cost options subject to specific conditions	TSR condition	EPS condition	Continued employment condition
Outstanding at 1 October 2021	501,412	2,224,441	202,899
Granted	713,964	747,755	194,441
Exercised	(52,993)	(353,373)	(57,825)
Lapsed	(95,901)	(458,327)	(10,784)
Outstanding at 30 September 2022	1,066,482	2,160,496	328,731
Granted	676,899	688,621	578,139
Exercised	(21,580)	(127,029)	(18,987)
Lapsed	(294,845)	(869,313)	(26,821)
Outstanding at 30 September 2023	1,426,956	1,852,775	861,062

Key assumptions used to determine the fair value of the ESOP and PSP

The fair value of options and awards granted is estimated as at the date of grant, taking account of the terms and conditions upon which shares options were granted. The fair value of the award subject to the TSR condition is determined using a Monte Carlo simulation. The fair value of all other awards is calculated using the share price at the date of grant.

The following table lists the inputs to the model used in respect of the PSP awards granted during the financial year:

	2023	2022
Dividend yield (%)	2.93%	2.81%
Expected volatility (%)	28.5%	26.9%
Risk-free interest rate (%)	3.31%	1.00%
Expected life of option (years)	3	3–5
Share price at date of grant (pence)	810.0–888.0	806.0–889.0
Exercise price (pence)	Nil	Nil

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to the consolidated financial statements continued

30. Changes in liabilities arising from financing activities

	2022 £m	Cash flows £m	Exchange differences £m	Change in fair value £m	New leases £m	Accrued interest £m	Other £m	2023 £m
Interest-bearing loans and borrowings	(605.3)	13.9	12.4	1.1	–	(22.1)	(1.9)	(601.9)
Lease liabilities	(73.9)	10.9	0.1	–	(2.5)	(1.9)	–	(67.3)
Net derivative assets related to financing activities ¹	45.8	(7.6)	–	(13.4)	–	–	–	24.8
Other assets and liabilities related to financing activities ²	(15.7)	9.1	–	–	–	(0.2)	(1.6)	(8.4)
Net liabilities arising from financing activities	(649.1)	26.3	12.5	(12.3)	(2.5)	(24.2)	(3.5)	(652.8)
Proceeds from employee share incentive schemes		(2.3)						
Purchase of own shares related to share schemes		10.4						
Share buyback programme		73.7						
Dividends paid to equity shareholders		75.5						
Net cash flows used in financing activities		183.6						

- Total net derivative assets in the balance sheet at 30 September 2023 are £24.8m, of which £24.8m relate to financing activities, £(0.5)m relate to operating activities and £0.5m relate to investing activities (2022: total of £72.2m, of which £45.8m relate to financing activities and £27.4m relate to operating activities).
- Other assets and liabilities related to financing comprise financial assets and liabilities whose cash flows are presented within financing activities. They include firm commitments related to the USPP notes, forward contracts to acquire own shares and liabilities related to the share buyback programme.

	2021 £m	Cash flows £m	Exchange differences £m	Change in fair value £m	New leases £m	Accrued interest £m	Other £m	2022 £m
Interest-bearing loans and borrowings	(579.1)	15.1	(23.2)	(2.0)	–	(16.1)	–	(605.3)
Lease liabilities	(75.1)	11.4	(0.4)	–	(7.7)	(2.1)	–	(73.9)
Net derivative assets related to financing activities ¹	20.1	0.8	–	24.9	–	–	–	45.8
Other assets and liabilities related to financing activities ²	(9.5)	3.3	–	–	–	(0.3)	(9.2)	(15.7)
Net liabilities arising from financing activities	(643.6)	30.6	(23.6)	22.9	(7.7)	(18.5)	(9.2)	(649.1)
Proceeds from employee share incentive schemes		(1.0)						
Purchase of own shares related to share schemes		5.7						
Share buyback programme		36.7						
Dividends paid to equity shareholders		67.9						
Net cash flows used in financing activities		139.9						

- Total net derivative assets in the balance sheet at 30 September 2022 are £72.2m, of which £45.8m relate to financing activities and £27.4m relate to operating activities (2021: total of £24.2m, of which £20.1m relate to financing activities and £4.1m relate to operating activities).
- Other assets and liabilities related to financing comprise financial assets and liabilities whose cash flows are presented within financing activities. They include firm commitments related to the USPP notes, forward contracts to acquire own shares and liabilities related to the share buyback programme.

31. Commitments and contingencies

Capital commitments

At 30 September 2023 the Group has commitments of £15.8m (2022: £26.6m) for the acquisition of new plant and machinery, primarily relating to Newcastle West in Ireland (Ballygowan), Beckton heat recovery in GB and a production line at Crolles, France.

Contingent liabilities

The Group had no material contingent liabilities at 30 September 2023 (2022: none).



Notes to the consolidated financial statements continued

32. Related party disclosures

The company's subsidiaries at 30 September 2023 were as follows:

Name	Principal activity	Country of incorporation	% equity interest
Directly held			
Britannia Soft Drinks Limited	Holding company	England and Wales ¹	100
Indirectly held			
Britvic Asset Company No.1 Limited	Pension funding vehicle	England and Wales ¹	100
Britvic Asset Company No.2 Limited	Pension funding vehicle	England and Wales ¹	100
Britvic Asset Company No.3 Limited	Pension funding vehicle	England and Wales ¹	100
Britvic Asset Company No.4 Limited	Pension funding vehicle	England and Wales ¹	100
Britvic Brands LLP	Pension funding vehicle	England and Wales ¹	100
Britvic EMEA Limited	Marketing and distribution of soft drinks	England and Wales ¹	100
Britvic Finance Partnership LLP	Financing company	England and Wales ¹	100
Britvic International Investments Limited	Holding company	England and Wales ¹	100
Britvic Overseas Limited	Holding company	England and Wales ¹	100
Britvic Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales ¹	100
Jimmy's Iced Coffee Limited	Marketing and distribution of soft drinks	England and Wales ¹	
Robinsons Soft Drinks Limited	Holding company	England and Wales ¹	100
Britvic Property Partnership	Pension funding vehicle	Scotland ⁴	100
Britvic Scottish Limited Partnership	Pension funding vehicle	Scotland ⁴	100
Britvic Finance Limited	Financing company	Jersey ³	100
Aquaporte Limited	Supply of water-coolers and bottled water	Republic of Ireland ⁵	100
Britvic Americas Limited	Dissolved by Merger on 9 October 2023	Republic of Ireland ⁵	100
Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland ⁵	100
Britvic Ireland Pension Trust DAC	Pension trust company	Republic of Ireland ⁵	100
Britvic Irish Holdings Limited	Holding company	Republic of Ireland ⁵	100
Britvic Northern Ireland Limited	Marketing and distribution of soft drinks	Republic of Ireland ⁵	100
Britvic North America LLC	Marketing and distribution of soft drinks	USA ⁶	100
Britvic France SAS	Holding partnership	France ⁷	100
Pressade SAS	Manufacture and sale of soft drinks	France ⁷	100
Teisseire France SAS	Manufacture and sale of soft drinks	France ⁷	100
Bela Ischia Alimentos Ltda	Manufacture and sale of soft drinks	Brazil ⁹	100



Notes to the consolidated financial statements continued

32. Related party disclosures continued

Name	Principal activity	Country of incorporation	% equity interest
Empresa Brasileira de Bebidas e Alimentos SA	Manufacture and sale of soft drinks	Brazil ⁸	100
Britvic Asia PTE. Ltd	Holding company	Singapore ¹⁰	100
Britvic Healthcare Trustee Limited	Dormant	England and Wales ¹	100
Britvic Pensions Limited	Dormant	England and Wales ¹	100
Wisehead Productions Limited	Dormant	England and Wales ²	100

1. Registered office: Breakspear Park, Breakspear Way, Hemel Hempstead HP2 4TZ, England.]

2. Registered office: 9 Roding Road, Beckton, London E6 6LF, England.

3. Registered office: 13 Castle Street, St Helier JE2 3BT, Jersey.

4. Registered office: C/O Shepherd & Wedderburn LLP, 9 Haymarket Square, Edinburgh EH3 8FY.

5. Registered office: 10 Earlsfort Terrace, Dublin 2 D02 T380, Ireland.

6. Registered office: 1209 Orange Street, Wilmington, Delaware 19801, United States of America.

7. Registered office: 482 Avenue Ambroise Croizat 38926, Crolles, France.

8. Registered office: Avenida Consul Joseph Noujaim 40, Pina, Recife, Pernambuco, CEP 51110-150, Brazil.

9. Registered office: Rodovia MG 285-KM 77, sem número, Centro, CEP 36780-000, Astolfo Dutra/MG, Brazil.

10. Registered office: 80 Robinson Road #17-02, Singapore 068898, Singapore.



Notes to the consolidated financial statements continued

32. Related party disclosures continued

Key management personnel are deemed to be the Executive and Non-Executive Directors of the company. The compensation payable to key management in the period is detailed below.

	2023 £m	Restated 2022* £m
Short-term employee benefits	2.8	3.2
Post-employment benefits	—	—
Share-based payments	1.0	0.2
	3.8	3.4

* Change in definition of key management personal which now excludes members of the Executive team.

See note 8 for details of Directors' emoluments.

There were no other related party transactions requiring disclosure in these financial statements.

33. Assets held for sale

Norwich land and buildings

On 8 October 2020, contracts were exchanged for the sale of the Britvic Norwich production site (jointly owned with Unilever). The Norwich land and buildings (forming part of the Group's GB operating segment and previously presented within property, plant and equipment) continue to be classified as assets held for sale under IFRS 5 as the assets are available for sale in their present condition and the sale is highly probable. The sale is, however, subject to conditions precedent, including certain planning consents being obtained by the buyer. On 1 February 2022, the company signed a variation agreement to allow the buyer additional time to obtain the necessary consents as certain planning processes have taken longer than initially anticipated. However, an important milestone was reached in August 2023 whereby the planning application was validated by Norwich Council. The sale is expected to take up until October 2024 to complete. In line with IFRS 5, assets held for sale are measured at the lower of carrying value and fair value less costs to sell. The carrying value of the Norwich land and buildings is £16.8m (30 September 2022: £16.8m).

34. Acquisitions

Acquisition of Jimmy's Iced Coffee Limited

On 1 August 2023, the Group acquired 100% of the issued share capital of Jimmy's Iced Coffee Limited (Jimmy's), obtaining control of the entity. Jimmy's was founded in 2011 and is a small but established ready to drink (RTD) iced coffee business based on the south coast of England. Jimmy's is the fastest growing RTD iced coffee brand in the UK. The Jimmy's brand gives Britvic access to a fast-growing category and is directly aligned to the Group's strategic priorities of accessing new spaces and Healthier People, Healthier Planet.

Jimmy's contributed £2.2m of net revenue and a loss of £0.3m to the Group's profit after tax for the period between the date of acquisition and the balance sheet date.

If the acquisition of Jimmy's had been completed on the first day of the financial year, Group revenues for the year would have been £1,757.5m and the Group profit after tax would have been £122.4m.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Jimmy's at the date of acquisition were as follows:

	£m
Assets	
Intangible assets: trademark (note 14)	19.6
Property, plant and equipment	0.1
Leased assets	0.1
Inventories	1.4
Trade and other receivables	2.8
Cash and cash equivalents	0.1
Total assets	24.1
Liabilities	
Trade and other payables	(2.2)
Lease liabilities – current	—
Lease liabilities – non-current	(0.1)
Interest-bearing loans and borrowings	(1.9)
Deferred tax liabilities	(4.9)
Total liabilities	(9.1)
Total identifiable net assets at fair value	15.0
Goodwill arising on acquisition	9.9
Purchase consideration	24.9

The goodwill arising on acquisition of £9.9m has been allocated entirely to the GB operating segment given the current business operations are GB focused.

The key constituent parts of goodwill comprise mainly the potential for further strategic growth relating to new products/categories, international expansion, and efficiency gains; and the replacement cost of the Jimmy's workforce. The Jimmy's workforce is not separately capitalised on the balance sheet under IFRS but is a component of goodwill.

The trademark for the Jimmy's brand, recognised within intangible assets, has been allocated a useful economic life of 10 years.

The fair value of the financial assets includes trade receivables with a fair value of £2.5m and a gross contractual value of £2.5m. The best estimate at acquisition date of the contractual cash flows not expected to be collected is £nil.



Notes to the consolidated financial statements continued

34. Acquisitions continued

Purchase consideration

The fair value of the purchase consideration at the acquisition date comprised the following:

	1 August 2023 £m
Cash	24.9
Purchase consideration	24.9

Analysis of cash flows on acquisition

The net cash outflow on acquisition was £24.8m, comprising the above purchase consideration of £24.9m less £0.1m of cash acquired.

35. Events after the reporting period

Acquisition in Brazil

On 2 October 2023, the Group acquired 100% of the issued share capital of GlobalBev Comércio de Bebidas Ltda. This comprised of all the voting equity interests and resulted in the Group obtaining control of the entity. The acquired entity owns the Extra Power energy drink brand as well as the energy brand Flying Horse, the juice brand Juxx and the acai smoothie brand Amazoo. Collectively, this acquisition in Brazil enables the Group to expand its brand portfolio and regional footprint. The acquisition marks an important extension of Britvic's Brazilian operations, consistent with the Group's strategy to accelerate and expand its presence across Brazil.

The consideration for the acquisition comprises initial cash consideration of BR\$151m (£24m), deferred consideration of BR\$70m (£11m), due in instalments on the first and second anniversary of completion, and contingent consideration of up to BR\$25m (£4m), due 30 months following completion, subject to performance criteria.

Due to the recent nature of the acquisition, with control of GlobalBev Comércio de Bebidas Ltda passing to Britvic after the year end, the exercise to determine the initial accounting for the business combination is incomplete at the time these financial statements are authorised for issue. The Group expects to disclose the fair value of the net assets acquired, the fair value of the consideration payable and the goodwill arising on the acquisition in its financial statements for the forthcoming financial year.

In addition to the cost of investment outlined above, acquisition costs of £0.4m have been incurred during the year ended 30 September 2023. These are included within adjusting items (see non-GAAP reconciliations on pages 191–192).



Company balance sheet

	Note	30 September 2023 £m	Restated* 30 September 2022 £m
Non-current assets			
Investments in Group undertakings	5	731.3	720.4
Loans due from Group undertakings	6	909.8	1,031.2
Derivative financial instruments	10	14.8	34.6
		1,655.9	1,786.2
Current assets			
Loans due from Group undertakings	6	142.7	12.7
Trade and other receivables		–	1.0
Derivative financial instruments	10	11.4	13.5
Cash and cash equivalents	7	21.7	42.3
		175.8	69.5
Current liabilities			
Trade and other payables	8	(77.6)	(76.0)
Interest-bearing loans and borrowings	9	(484.2)	(495.4)
Derivative financial instruments	10	(1.4)	(2.5)
Overdrafts		(20.8)	(1.3)
Other current liabilities	11	(8.4)	(11.1)
		(592.4)	(586.3)
Net current liabilities		(416.6)	(516.8)
Total assets less current liabilities		1,239.3	1,269.4
Non-current liabilities			
Interest-bearing loans and borrowings	9	(551.0)	(563.1)
Deferred tax liabilities		(0.5)	(0.7)
Derivative financial instruments	10	(0.1)	(0.1)
Other non-current liabilities	11	–	(5.5)
		(551.6)	(569.4)
Net assets		687.7	700.0

	Note	30 September 2023 £m	30 September 2022 £m
Capital and reserves			
Issued share capital	12	50.9	52.7
Share premium account		157.2	157.2
Own shares reserve	12	(21.4)	(7.2)
Capital redemption reserve		2.7	0.9
Hedging reserve		1.6	2.1
Merger reserve		87.3	87.3
Retained earnings*		409.4	407.0
Total equity		687.7	700.0

* Comparative figures for trade and other receivables have been restated as set out in Note 1. In addition, comparative figures for overdrafts and cash and cash equivalents held at 30 September 2022 have been restated as set out in Note 3 of the consolidated financial statements.

** The company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to publish its individual profit and loss account and related notes. The company made a profit attributable to the equity shareholders of £137.4m in the year (2022: £151.0m).

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2023. They were signed on its behalf by:

Simon Litherland

Rebecca Napier



Company statement of changes in equity

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Capital redemption reserve £m	Hedging reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 1 October 2021	53.5	156.2	(1.5)	—	0.7	87.3	365.8	662.0
Profit for the year	—	—	—	—	—	—	151.0	151.0
Movement in cash flow hedges	—	—	—	—	1.8	—	—	1.8
Deferred tax in respect of cash flow hedges	—	—	—	—	(0.4)	—	—	(0.4)
Total comprehensive income	—	—	—	—	1.4	—	151.0	152.4
Issue of shares	0.1	1.0	(1.1)	—	—	—	—	—
Share buyback programme	(0.9)	—	(1.1)	0.9	—	—	(36.7)	(37.8)
Own shares purchased for share schemes	—	—	(9.0)	—	—	—	3.2	(5.8)
Own shares utilised for share schemes	—	—	5.5	—	—	—	(12.5)	(7.0)
Movement in share-based schemes	—	—	—	—	—	—	4.1	4.1
Payment of dividend	—	—	—	—	—	—	(67.9)	(67.9)
At 30 September 2022	52.7	157.2	(7.2)	0.9	2.1	87.3	407.0	700.0
Profit for the year	—	—	—	—	—	—	137.4	137.4
Movement in cash flow hedges	—	—	—	—	(0.7)	—	—	(0.7)
Deferred tax in respect of cash flow hedges	—	—	—	—	0.2	—	—	0.2
Total comprehensive income	—	—	—	—	(0.5)	—	137.4	136.9
Share buyback programme	(1.8)	—	(1.6)	1.8	—	—	(73.7)	(75.3)
Own shares purchased for share schemes	—	—	(19.7)	—	—	—	9.8	(9.9)
Own shares utilised for share schemes	—	—	7.1	—	—	—	(4.9)	2.2
Movement in share-based schemes	—	—	—	—	—	—	9.3	9.3
Payment of dividend	—	—	—	—	—	—	(75.5)	(75.5)
At 30 September 2023	50.9	157.2	(21.4)	2.7	1.6	87.3	409.4	687.7



Notes to the company financial statements

1. Significant accounting policies, judgements, estimates and assumptions

Statement of compliance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101)

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with the provisions of the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable UK accounting standards and present information about the company as an individual undertaking, and not about its Group.

The financial statements are prepared under the historical cost convention except for the measurement of derivative instruments at fair value. The company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to publish its individual profit and loss account and related notes.

The financial statements are presented in pounds sterling and all values are rounded to the nearest £0.1m. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available in relation to:

- a. the requirements of IFRS 7 'Financial Instruments: Disclosures';
- b. the requirements of IFRS 9 'Financial Instruments';
- c. the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements';
- d. the requirements of IAS 7 'Statement of Cash Flows';
- e. the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' in relation to standards not yet effective;
- f. the requirements of paragraphs 17 and 18A of IAS 24 'Related Party Disclosures'; and
- g. the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the consolidated financial statements of Britvic plc.

Significant accounting policies: use of judgement, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. There are no significant judgements and estimates relevant to these financial statements.

Restatement of loans due from subsidiary undertakings

At 30 September 2022, the parent company classified all loans due from subsidiary undertakings as current on the basis that the loans were contractually repayable on demand. However, the right of the company to call for repayment on demand does not determine classification as current in accordance with IAS 1 'Presentation of Financial Statements' unless the company also expects to realise the asset within 12 months of the reporting date. The parent company has determined that £1,031.2m of loans were expected to be realised after more than 12 months from the reporting date and should therefore have been presented within non-current assets. The parent company has restated the balance sheet to correct this.

At 30 September 2022, the parent company presented loans due from subsidiary undertakings after offset of £381.8m of loans due to subsidiary undertakings where the assets and liabilities related to the same subsidiary. Upon further consideration, the parent company has determined that the offset criteria in IAS 32 'Financial Instruments: Presentation' were not met and therefore that the loans due from subsidiary undertakings and loans due to subsidiary undertakings should be presented gross in the balance sheet. Accordingly, the parent company has restated the balance sheet to reclassify £381.8m of loans due to subsidiary undertakings within current liabilities rather than offsetting against loans due from subsidiary undertakings.

Further, the parent company previously reported loans due from subsidiary undertakings as a subset of trade and other receivables. As the balance of loans due from subsidiary undertakings is material, the Group considers it more appropriate to separately present the balance on the face of the balance sheet.

Notes to the company financial statements continued

1. Significant accounting policies, judgements, estimates and assumptions continued

Restatement of loans due from subsidiary undertakings continued

The impacts of the above restatements on the parent company's balance sheet are as follows:

	30 September 2022				
	As previously reported £m	Reclassify loans from Group undertakings £m	Reverse offset classification £m	Loans current/non-current reclassification £m	Restated £m
Non-current assets					
Investments in Group undertakings	720.4	–	–	–	720.4
Loans due from Group undertakings	–	–	–	1,031.2	1,031.2
Derivative financial instruments	34.6	–	–	–	34.6
	755.0	–	–	1,031.2	1,786.2
Current assets					
Loans due from Group undertakings	–	662.1	381.8	(1,031.2)	12.7
Trade and other receivables	663.1	(662.1)	–	–	1.0
Derivative financial instruments	13.5	–	–	–	13.5
Cash and cash equivalents	42.3	–	–	–	42.3
	718.9	–	381.8	(1,031.2)	69.5
Current liabilities					
Trade and other payables	(76.0)	–	–	–	(76.0)
Interest-bearing loans and borrowings	(113.6)	–	(381.8)	–	(495.4)
Derivative financial instruments	(2.5)	–	–	–	(2.5)
Overdrafts	(1.3)	–	–	–	(1.3)
Other current liabilities	(11.1)	–	–	–	(11.1)
	(204.5)	–	(381.8)	–	(586.3)
Net current assets	514.4	–	–	(1,031.2)	(516.8)
Total assets less current liabilities	1,269.4	–	–	–	1,269.4
Non-current liabilities					
Interest-bearing loans and borrowings	(563.1)	–	–	–	(563.1)
Deferred tax liabilities	(0.7)	–	–	–	(0.7)
Derivative financial instruments	(0.1)	–	–	–	(0.1)
Other non-current liabilities	(5.5)	–	–	–	(5.5)
	(569.4)	–	–	–	(569.4)
Net assets	700.0	–	–	–	700.0

The above prior period misstatements in respect of the classification of loans due from subsidiary undertakings came to the company's attention when responding to an enquiry from the Corporate Reporting Review team at the Financial Reporting Council (the FRC). The FRC carried out a review of the Britvic Annual Report and Accounts 2022 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC requests that in disclosing this engagement we note the limitations of their review, namely that it was based solely on its reading of the Annual Report and Accounts its did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. It also noted that its review provided no assurance that the Annual Report and Accounts are correct in all material respects and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Foreign currency translations

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are included in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Income taxes

The current income tax is based on taxable profits for the year, after any adjustments in respect of prior years. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, on all material temporary differences between the tax base of assets and liabilities and their carrying values in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same taxable company.

Share-based payments

The cost of the equity-settled transactions with employees of other Group companies is measured by reference to the fair value at the date at which equity instruments are granted and is recognised as a capital contribution in investments in subsidiary undertakings over the vesting period, which ends on the date on which the employees become fully entitled to the award. A corresponding credit is recognised within equity. Fair value is determined by using an appropriate valuation model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).



Notes to the company financial statements continued

1. Significant accounting policies, judgements, estimates and assumptions continued

Investments

The company recognises its investments in subsidiaries at cost less any provisions made for impairment. The company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

In respect of IFRS 2 'Share-based Payment', the company records an increase in its investment in subsidiaries to reflect the share-based compensation expense recorded by its subsidiaries.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

The company evaluates the nature of any restrictions on cash held in deposit accounts to determine whether the restriction results in the balance ceasing to be available on demand, highly liquid or readily convertible. Where this is the case, the deposit is classified within other assets in the balance sheet.

Financial instruments

Financial assets and financial liabilities are recognised in the company balance sheet when the company becomes party to the contractual provisions of the instrument.

Loans due from group undertakings

Loans due from group undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest method, less any expected credit losses. Allowances for expected credit losses are determined based on the risk of non-payment, taking into consideration the net assets of the counterparty and forward-looking data.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at fair value and net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost using the effective interest rate method.

Gains and losses arising on the repurchase, settlement or other cancellation of interest-bearing loans and borrowings are recognised in finance income and finance costs, respectively.

Trade and other payables

Trade and other payables are recognised initially at fair value, and subsequently at amortised cost using the effective interest method.

Derivative financial instruments and hedge accounting

The company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations.

All derivative financial instruments are initially recognised and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is appropriate, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the profit and loss account. The treatment of gains and losses arising from changes in the fair value of derivatives designated as hedging instruments depends on the nature of the hedging relationship, as follows:

Cash flow hedges

Hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the profit and loss account. Amounts previously recognised in other comprehensive income are transferred to the profit and loss account in the period in which the hedged item affects profit or loss, such as when a forecast sale occurs. However, when the forecast transaction results in the recognition of a non-financial asset or liability, the amounts previously recognised in other comprehensive income are included in the initial carrying amount of the asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs and are then transferred to the profit and loss account or included in the initial carrying amount of a non-financial asset or liability as above.

Fair value hedges

Hedges of the change in fair value of recognised assets or liabilities are classified as fair value hedges. For fair value hedges, the gain or loss on the fair value of the hedging instrument is recognised in the profit and loss account. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognised in the profit and loss account. If the hedge relationship no longer meets the criteria for hedge accounting, the hedged item would no longer be adjusted and the cumulative adjustment to its carrying amount would be amortised to the profit and loss account based on a recalculated effective interest rate. The fair value gain or loss on the hedging instrument would continue to be recorded in the profit and loss account.



Notes to the company financial statements continued

1. Significant accounting policies, judgements, estimates and assumptions continued

Dividends

Dividend income is recognised when the company's right to receive payment is established.

Final dividends payable are recorded in the financial statements in the period in which they are approved by the company's shareholders. Interim dividends payable are recorded in the period in which they are declared.

Issued share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Share premium account

The share premium account is used to record the excess of proceeds over the nominal value on the issue of shares.

Own shares reserve

Own shares represent the shares of the company that are held by an employee benefit trust for the purpose of satisfying employee share plan awards, or which are purchased and held for cancellation as part of the share buyback programme. The company adopts a 'look-through' approach which, in substance, accounts for employee benefit trusts as an extension of the company. The cost of own shares is deducted from shareholders' equity in the own shares reserve until the shares are transferred to employees or are cancelled, at which point they are transferred to retained earnings.

Capital redemption reserve

The capital redemption reserve relates to the repurchase and cancellation of shares of the company pursuant to the share buyback programme. Upon cancellation, the nominal value of shares cancelled is transferred from share capital to the capital redemption reserve.

Hedging reserve

The hedging reserve records the effective portion of movements in the fair value of forward exchange contracts and interest rate and cross currency swaps that have been designated as hedging instruments in cash flow hedges.

Merger reserve

The merger reserve arose as a result of the non-pre-emptive share placement which took place on 21 May 2010. It was executed using a structure which created a merger reserve under Sections 612 to 613 of the Companies Act 2006.

New standards, amendments and interpretations effective for the current financial year

See note 3 to the consolidated financial statements for details of new standards, amendments and interpretations applied.

2. Auditor's remuneration

Auditor's remuneration has been borne by another Group undertaking. For further details, refer to note 7 to the consolidated financial statements.

3. Profit of the company

The company made a profit of £137.4m in the year (2022: £151.0m).

4. Directors' remuneration

The remuneration of the Directors of the company is borne by another Group company.

	2023 £m	2022 £m
Directors' emoluments	2.8	3.2
Aggregate gains made by Directors on exercise of options	—	—

No Directors accrued benefits under defined benefit pension schemes in either the current or prior year.

Further information relating to Directors' remuneration for the year ended 30 September 2023 is shown in the Directors' Remuneration Report on 106–108.

The average number of employees for the year, including Executive Directors, was two (2022: two).

5. Investments in Group undertakings

	2023 £m	2022 £m
Cost and net book value at the beginning of the year	720.4	710.6
Capital contribution	10.9	9.8
Cost and net book value at the end of the year	731.3	720.4

The list of the subsidiary undertakings of which Britvic plc is, either directly or through subsidiary companies, the beneficial owner of the whole of the equity share capital is given in note 32 to the consolidated financial statements.

6. Loans due from Group undertakings

	2023 £m	Restated* 2022 £m
Loans due from Group undertakings	1,052.5	1,043.9
Due within less than one year	142.7	12.7
Due after more than one year	909.8	1,031.2
	1,052.5	1,043.9

* Restated for classification of loans as non-current and gross presentation of payable balances as set out in note 1 of the parent company financial statements.

Loans due from subsidiary undertakings are interest bearing, unsecured and repayable on demand. At 30 September 2023, loans due from subsidiary undertakings are stated net of an allowance for expected credit losses of £nil (2022: £nil). During the year ended 30 September 2022, the company recovered £0.6m of loans that had been previously impaired and then wrote off the remaining £17.4m against the allowance for expected credit loss.

Notes to the company financial statements continued

7. Cash and cash equivalents

	2023 £m	Restated* 2022 £m
Cash at bank and in hand	—	37.9
Short-term deposits maturing within 3 months	21.7	4.4
	21.7	42.3

* Restated for presentation of overdrafts subject to cash pooling arrangements as set out in Note 3 of the consolidated financial statements.

Short-term deposits are made for varying periods of time, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. Such deposits are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting the company's short-term cash commitments.

8. Trade and other payables

	2023 £m	2022 £m
Amounts due to subsidiary undertakings	75.1	75.0
Accruals	2.5	1.0
	77.6	76.0

All of the amounts due to subsidiary undertakings are repayable on demand.

9. Interest-bearing loans and borrowings

	2023 £m	Restated* 2022 £m
Current		
Loans due to subsidiary undertakings	433.3	453.2
Private placement notes	51.1	42.9
Unamortised issue costs	(0.2)	(0.7)
Total current	484.2	495.4
Non-current		
Bank loans	44.7	—
Private placement notes	508.1	565.0
Unamortised issue costs	(1.8)	(1.9)
Total non-current	551.0	563.1

* Restated for classification of loan payables balances as set out in note 1 of the parent company financial statements.

Private placement notes

The Group holds loan notes with coupons and maturities as shown in the following table:

Year issued	Maturity date	Amount	Interest terms
2014	February 2024	£15m	UK£ fixed at 3.92%
2014	February 2024–February 2026	\$114m	US\$ fixed at 4.09% – 4.24%
2017	February 2025–February 2032	£120m	UK£ fixed at 2.31% – 2.76%
2017	February 2027–February 2032	£55m	SONIA plus 1.32% – 1.36%
2018	June 2028–June 2033	£65m	UK£ fixed at 2.66% – 2.88%
2018	June 2030	£20m	SONIA plus 1.06%
2018	June 2028	€40m	EURIBOR plus 0.65%
2020	May 2030–May 2032	£70m	UK£ fixed at 2.09% – 2.19%
2020	May 2032	€35m	EUR fixed at 1.15%
2020	May 2035	£30m	SONIA plus 1.45%
2020	May 2035	€25m	EURIBOR plus 1.15%

The company entered into a number of cross currency swap agreements in relation to the loan notes to manage any foreign exchange risk on interest rates or on the repayment of the principal borrowed. These swaps expire in line with the loan notes and are discussed in note 26 to the consolidated financial statements.

See note 25 to the consolidated financial statements for an analysis of the interest rate profile and the maturity of the borrowings and related interest rate swaps.

Fair values of financial assets and financial liabilities

Hierarchy

The company uses the following valuation hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1:	quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2:	other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3:	techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Unless otherwise stated, the valuation basis used to calculate fair value is level 2.

All derivatives are valued using discounted cash flow analysis using the applicable yield curve for the duration of the instruments. Forward currency contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Cross currency interest rate swaps are measured at the present value of future cash flows estimated and discounted based on quoted forward exchange rates and the applicable yield curves derived from quoted interest rates. The fair value of derivatives also includes the non-performance risk of both Britvic and its derivatives' trading counterparties.



Notes to the company financial statements continued

9. Interest-bearing loans and borrowings continued

Fair values of financial assets and financial liabilities continued

Hierarchy continued

As in the prior year, the carrying values of financial assets and liabilities are considered to be reasonable approximations of their fair values, except for fixed rate borrowings.

The fair value of the company's fixed rate interest-bearing borrowings and loans at 30 September 2023 was £331.6m (2022: £367.1m) compared to a carrying value of £393.7m (2022: £442.3m). The fair value of the Group's fixed rate interest-bearing borrowings and loans is determined by using discounted cash flow methods using discount rates that reflect the Group's borrowing rate as at the end of the reporting period.

10. Derivative financial instruments

	2023 £m	2022 £m
Non-current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps	14.1	31.1
Interest rate swaps	0.7	3.4
Commodity contracts	–	0.1
	14.8	34.6
Current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps	8.2	7.4
USD GBP cross currency floating interest rate swaps	–	4.4
Interest rate swaps	1.8	–
Forward currency contracts	0.7	0.7
Commodity contracts	0.7	1.0
	11.4	13.5
Current liabilities: derivative financial instruments		
GBP euro cross currency fixed interest rate swaps	–	(1.0)
Forward currency contracts	(0.7)	(0.5)
Commodity contracts	(0.7)	(1.0)
	(1.4)	(2.5)
Non-current liabilities: derivative financial instruments		
Commodity contracts	(0.1)	(0.1)
	(0.1)	(0.1)
Net derivative financial assets	24.7	45.5

Cash flow hedges

Cross currency interest rate swaps

The company has a number of cross currency interest rate swaps relating to the 2010 and 2014 USPP notes. These cross currency interest rate swaps have the effect of fixing both the value of the USD borrowings into sterling and the rate of interest payable. The cross currency interest rate swaps

are designated as part of a cash flow hedge relationship with the USPP notes.

Cash flows due under these cross currency interest rate swaps match the interest payment dates and maturity profile of the USPP notes. The maturity profile of the USPP notes can be seen in note 9.

During the year ended 30 September 2023, a loss of £1.5m (2022: £nil loss) has been recognised in the income statement in respect of ineffectiveness.

Fair value hedges

Cross currency interest rate swaps

The company had a number of cross currency interest rate swaps in respect of the 2010 USPP notes. These instruments swap the principal and interest from fixed rate US dollar into floating rate sterling (the 2010 USD GBP cross currency interest rate swaps). The cross currency interest rate swaps were designated as part of a fair value hedge relationship with the USPP notes.

The fair value movements on the 2010 USD GBP cross currency interest rate swaps are recorded in the income statement. The carrying value of the notes is adjusted each period by the change in their fair value, which is recognised in the income statement.

A decrease in fair value of the 2010 cross currency interest rate swaps of £1.1m (2022: £2.2m increase) has been recognised in finance costs and offset with a related gain on the 2010 USPP notes of £1.1m (2022: £2.0m loss). The net loss of £nil (2022: £0.2m gain) represents the ineffectiveness in respect of this fair value hedge during the year.

The cross currency interest rate swaps in respect of the 2010 USPP notes designated in a fair value hedge reached maturity in December 2022.

11. Other liabilities

	2023 £m	2022 £m
Forward contracts to purchase own shares	5.6	15.5
Share buyback programme	2.8	1.1
	8.4	16.6
Due within less than one year	8.4	11.1
Due after more than one year	–	5.5
	8.4	16.6

Forward contracts to purchase own shares

To satisfy the future requirements of its employee share schemes, the company has entered into forward contracts to acquire a fixed quantity of its own shares for a fixed price. Upon entering into the forward contracts, the company recognised a financial liability and corresponding reduction in equity. The financial liability was initially recognised at fair value and is subsequently accounted for at amortised cost.

Share buyback programme

At 30 September 2023, the company has recognised a financial liability of £2.8m (2022: £1.1m) in respect of shares to be delivered under a share repurchase agreement with an external bank as part of the share buyback programme (see note 19 to the consolidated financial statements). The financial liability was initially recognised at fair value and is subsequently accounted for at amortised cost.



Notes to the company financial statements continued

12. Share capital and own shares reserve

The movements on these accounts are disclosed in notes 19 and 20 to the consolidated financial statements.

13. Dividends paid and proposed

The dividends paid and proposed by the company are set out in note 12 to the consolidated financial statements.

14. Distributable reserves

Britvic plc, the parent company of the Group, holds investments in subsidiaries and acts as a financing entity for the Group. It derives its profits from dividends paid by subsidiary companies and interest earned on intra-group loans. The Board reviews the level of distributable reserves in the parent company prior to the declaration of interim and final dividends to shareholders to ensure that distributable reserves provide adequate cover for dividend payments.

In accordance with the UK Companies Act 2006 Section 831(2), a public company may make a distribution only if, after giving effect to such distribution, the amount of its net assets is not less than the aggregate of its called up share capital and non-distributable reserves as shown in the relevant accounts. The company determines what is realised and unrealised in accordance with the guidance provided by ICAEW TECH 02/17BL and the requirements of UK law.

Reserves available for distribution at 30 September 2023 and 30 September 2022 were comprised as follows:

	2023 £m	2022 £m
Net assets	687.7	700.0
Less:		
– Issued share capital	(50.9)	(52.7)
– Share premium	(157.2)	(157.2)
– Capital redemption reserve	(2.7)	(0.9)
– Merger reserve	(87.3)	(87.3)
– Other non-distributable reserves*	(104.3)	(95.5)
Distributable reserves	285.3	306.4

* Other non-distributable reserves represent the excess of accumulated unrealised profits over accumulated unrealised losses. They comprise the cumulative credit to equity arising from equity-settled share-based payments to the employees of subsidiary companies, so long as the associated investment in subsidiary is not impaired or disposed of, and net unrealised gains in the company's hedging reserve related to cash flow hedges.

15. Contingent liabilities

The company is co-guarantor of the Group's bank loan and overdraft facilities. See note 18 and 21 in the consolidated financial statements for details of the Group's facilities.

16. Related undertakings

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings, the country of incorporation and the percentage of share capital owned as at 30 September 2023 are disclosed in note 32 to the consolidated financial statements.

Subsidiary undertakings are controlled by the Group and their results are fully consolidated in the Group's financial statements.



Additional information

Shareholder information

Contacts

Britvic plc

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This report is available to download via the company's website.

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Websites:

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BNY Mellon Shareowner Services, PO Box 505000, Louisville, KY 40233-5000, US

Direct mailing for overnight packages:

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Dividends

2023 dividends

	Payment date	Amount per share
Interim	5 July 2023	8.2p
Final	7 February 2024	22.6p

Dividend mandates

If you choose to take your dividends in cash, you can have these paid directly into a sterling bank or building society account in the UK. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

The easiest way to arrange this is to register on Shareview, at shareview.co.uk, the share portal for managing your shareholding. Alternatively, you can complete a dividend mandate form and return it to the Registrar by post. You can download a mandate form from the dividends page at britvic.com/dividends. Your instruction must be received by the Registrar before the record date for a dividend in order for it to be implemented for that payment.

If you live outside the UK, our Registrar offers an Overseas Payment Service, which provides dividend payments that are automatically converted into your local currency and paid directly into your bank account. The service is available in over 90 countries worldwide and it normally costs less than paying in a sterling cheque. You can find more information and download application forms at shareview.co.uk. You can call the Registrar if you need further assistance – see contact details opposite.

If you don't instruct us to pay your cash dividend into your bank account, you will be sent a sterling cheque to your registered address. You are strongly advised to register on Shareview to keep your details up to date.

Dividend reinvestment plan (DRIP)

Shareholders can choose to reinvest dividends received to purchase further shares in the company. The purchases are made on, or as soon as reasonably practicable after, the dividend payment date, at the market price(s) available at the time. Any surplus cash dividend remaining is carried forward and added to your next dividend payment. A DRIP application form is available via the Registrar or via download from the dividends page at britvic.com/dividends.

2023/24 financial calendar

Ex-dividend date	21 December 2023
Record date	22 December 2023
Annual General Meeting	25 January 2024
Payment of final dividend	7 February 2024
Interim results announcement	15 May 2024



Additional information continued

Further information

Stock exchange listings

Britvic is listed on the London Stock Exchange and can be found using the code BVIC. The company was floated through an IPO in November 2005.

Britvic American Depository Receipts (ADRs) are traded on OTCQX in the US under the symbol BTVCY. OTCQX is an over-the-counter (OTC) market, where securities not listed on major exchanges are traded directly by a network of dealers. One ADR represents two Britvic plc ordinary shares.

Share dealing services

The company's Registrar, Equiniti Financial Services Limited, offers a telephone and internet dealing service, Shareview, which provides a simple and convenient way of buying and selling shares. For telephone dealings call +44 (0) 371 384 2030 between 8.00am and 4.30pm, Monday to Friday, and for internet dealings log on to shareview.co.uk/dealing.

Individual Savings Accounts (ISAs)

ISAs in Britvic plc ordinary shares are available through Equiniti Financial Services Limited. Further information may be obtained through its ISA helpline, +44 (0) 345 300 0430.

Warning to shareholders – boiler room fraud and other investment scams

Share or investment scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares, or offer to buy their shares in a company at a higher price than the market value. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about the company. Even seasoned investors have been caught out by such fraudsters and it is estimated that £200m is lost in this way in the UK each year.

The Financial Conduct Authority (FCA) has some helpful information about such scams on its website, including tips to protect your savings and how to report a suspected investment scam. Britvic encourages shareholders to read the information on the site, which can be accessed at fca.org.uk/scamsmart/share-bond-boiler-room-scams. If you suspect an attempt at fraud, report it to the FCA on 0800 111 6768.

Electronic communications

Britvic has adopted website communication as the default method of communication with shareholders. We periodically contact shareholders to ask if they would prefer to receive hard copy documents. Shareholders who do not respond to this query within 28 days are deemed to have consented to website communication under the 2006 Companies Act provisions. Britvic will still send a paper notification to tell these shareholders when new documents are posted to the website.

Alternatively, shareholders can elect to receive these notifications by email, by registering with Shareview at shareview.co.uk. This will save on printing and distribution costs, creating environmental benefits. When registering, you will need your shareholder reference number which can be found on your share certificate or proxy form. Please contact Equiniti if you require any assistance or further information.

Shareholder profile as at 30 September 2023

Range of holdings	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
1 – 199	535	21.38%	32,742	0.01%
200 – 499	280	11.19%	89,631	0.04%
500 – 999	308	12.31%	210,969	0.08%
1,000 – 4,999	755	30.18%	1,705,766	0.67%
5,000 – 9,999	183	7.31%	1,255,234	0.49%
10,000 – 49,999	165	6.59%	3,639,058	1.43%
50,000 – 99,999	74	2.96%	5,076,379	2.90%
100,000 – 499,999	128	5.12%	28,866,005	5.02%
500,000 – 999,999	32	1.28%	23,303,966	1.25%
1,000,000 plus	42	1.68%	190,088,747	1.65%
	2,502	100%	254,268,497	100%

Category	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
Private individuals	1,885	75.34%	3,940,990	1.57%
Nominee companies	504	20.14%	196,018,304	77.09%
Limited and public limited companies	37	1.48%	48,790,252	19.19%
Other corporate bodies	73	2.92%	5,518,190	2.17%
Pension funds, insurance companies and banks	3	0.12%	761.00	0.00%
	2502	100%	254,268,497	100%



Non-GAAP reconciliations

Adjusting items

In addition to statutory financial measures, the Group uses certain alternative performance measures (APMs) which are not defined by adopted IFRS to assess the operating performance and financial position of the Group. These APMs excludes certain items, referred to as adjusting items, which are not incurred in the ordinary course of business due to their size, frequency and nature. These APMs are intended to provide additional useful information on trading performance to the users of the Financial Statements and are not intended to be a substitute for IFRS measures.

For the year ended 30 September 2023 these items primarily relate to pension past service costs, amortisation of acquisition related intangibles, strategic M&A activity and hedge ineffectiveness on private placement loan hedging.

Adjusted KPIs are used to measure the underlying profitability of the Group and enable comparison of performance against peers. They are also used in the calculation of short and long-term reward schemes.

	Notes	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Implementation of SaaS accounting guidance	(a)	—	(7.5)
Strategic restructuring – business capability programme	(b)	(0.9)	(0.5)
Strategic restructuring – organisational capability transformation	(c)	(4.3)	1.5
Credits in relation to the acquisition and integration of subsidiaries	(d)	—	0.3
Strategic M&A activity	(e)	(2.4)	1.0
Deposit Return Scheme set-up costs in Ireland	(f)	(0.5)	—
Pension scheme costs	(g)	(20.5)	—
Acquisition related amortisation	(h)	(8.3)	(8.4)
Total included in operating profit		(36.9)	(13.6)
Ineffectiveness on cash flow hedges related to debt	(i)	(1.5)	—
Total included in finance costs		(1.5)	—
Total adjusting items pre-tax		(38.4)	(13.6)
Tax on adjusting items included in profit before tax		5.7	1.2
Net adjusting items		(32.7)	(12.4)

- a) In FY22, a change in accounting policy was implemented in relation to customisation and configuration costs of SaaS: due to the change in policy, these costs were presented as adjusting items. In FY23 the costs have been recorded in underlying performance as the costs now form part of normal business activity.
- b) 'Strategic restructuring – business capability programme' relates to a restructuring of supply chain and the operating model across the Group, initiated in 2016. Costs in the year of £0.9m relate to the closure of the Norwich site and are primarily site running costs. FY22 costs were a similar nature.
- c) 'Strategic restructuring – organisational capability transformation' in the year primarily relates to redundancy costs in relation to additional production capacity within Kylemore in Ireland. The prior year relates to the release of contract termination costs in relation to the closure of the Counterpoint business.
- d) FY22 included the release of provisions for Bela Ischia Alimentos Ltda (Bela Ischia) and Empresa Brasileira de Bebidas Alimentos SA (Ebba) which have been fully utilised.

- e) Costs associated with acquiring Jimmy's Iced Coffee Ltd and GlobalBev Comércio de Bebidas Ltda (Extra Power) as well as aborted M&A costs. FY22 related to remeasurement and utilisation of historic provisions.
- f) Costs for the setup of the deposit return scheme (DRS) in Ireland.
- g) Pension scheme costs of £20.5m comprise past service costs on the GB defined benefit pension scheme resulting from an amendment to the scheme rules related to pension increases.
- h) Acquisition-related amortisation relates to the amortisation of intangibles recognised on acquisitions in Britvic Ireland, Britvic France, Britvic Brazil, Aqua Libra Co, Plenish and Jimmy's Iced Coffee.
- i) Ineffectiveness on cash flow hedges relate to hedge ineffectiveness on private placement loan hedging.

Adjusted profit

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Operating profit as reported	181.5	192.4
Add back: adjusting items in operating profit	36.9	13.6
Adjusted EBIT	218.4	206.0
Net finance costs	(24.7)	(17.3)
Add back: adjusting net finance costs	1.5	—
Adjusted profit before tax and acquisition related amortisation	195.2	188.7
Acquisition related amortisation	(8.3)	(8.4)
Adjusted profit before tax	186.9	180.3
Taxation	(32.8)	(34.9)
Less: adjusting tax credit	(5.7)	(1.2)
Adjusted tax	(38.5)	(36.1)
Adjusted profit after tax	148.4	144.2
Adjusted effective tax rate	20.6%	20.0%

Adjusted earnings per share

	2023	2022
Adjusted earnings per share		
Profit for the year attributable to equity shareholders (£m)	124.0	140.2
Add: net impact of adjusting items (£m)	32.7	12.4
Adjusted earnings (£m)	156.7	152.6
Weighted average number of ordinary shares in issue for basic earnings per share	256.9	266.5
Adjusted basic earnings per share (pence)	61.0p	57.3p
Adjusted diluted earnings per share		
Adjusted earnings (£m)	156.7	152.6
Effect of dilutive potential ordinary shares – share schemes (m)	1.9	0.5
Weighted average number of ordinary shares in issue for diluted earnings per share	258.8	267.0
Adjusted diluted earnings per share (pence)	60.5p	57.2p



Non-GAAP reconciliations continued

Adjusting items continued

Free cash flow

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Net cash flows from operating activities	238.4	239.6
Purchases of property, plant and equipment (net of government grants)	(68.5)	(72.9)
Purchases of intangible assets	(8.1)	(11.7)
Interest paid, net of derivative financial instruments	(21.1)	(14.8)
Repayment of principal portion of lease liabilities	(9.0)	(9.3)
Repayment of interest portion of lease liabilities	(1.9)	(2.1)
Free cash flow	129.8	128.8

Adjusted net debt/EBITDA and EBITDA/net interest ratios

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Operating profit as reported	181.5	192.4
Add back adjusting items in operating profit	36.9	13.6
Adjusted EBIT	218.4	206.0
Depreciation of property, plant and equipment	44.8	40.9
Depreciation of right-of-use assets	10.1	10.9
Amortisation (excluding acquisition related amortisation)	7.3	7.2
Impairment of property, plant and equipment	3.8	—
Loss on disposal of property, plant and equipment and intangible assets	3.2	0.9
Adjusted EBITDA pre-IFRS 16 rental charges	287.6	265.9
Less: payment of lease liabilities as estimate for pre-IFRS 16 rental charges	(10.9)	(11.4)
Adjusted EBITDA	276.7	254.5
Adjusted net debt	538.1	474.8
Adjusted EBITDA	276.7	254.5
Net debt/EBITDA ratio	1.9x	1.9x
Net interest as reported	(24.7)	(17.3)
Add back hedge ineffectiveness	1.5	(0.2)
Add back IFRS 16 interest on lease liabilities	1.9	2.1
Adjusted net interest	(21.3)	(15.4)
EBITDA/net interest ratio	13.0x	16.5x

Adjusted net debt

	30 September 2023 £m	Restated* 30 September 2022 £m
Interest-bearing deposits	(10.9)	(11.5)
Cash and cash equivalents	(79.2)	(85.9)
Overdrafts	48.9	9.8
Derivatives hedging balance sheet debt	(22.6)	(42.9)
Interest-bearing loans and borrowings	601.9	605.3
Adjusted net debt	538.1	474.8

* Comparative figures for interest-bearing deposits, overdrafts and cash and cash equivalents have been restated as set out in note 3.

Return On Invested Capital (ROIC)

ROIC is a performance ratio that shows how efficiently a company is using investors' funds to generate profits. It is calculated by dividing the Group's adjusted net operating profit after tax by total invested capital:

	30 September 2023 £m	30 September 2022 £m
Equity	391.7	488.0
Adjusted net debt	538.1	474.8
Total invested capital	929.8	962.8
Adjusted EBIT	218.4	206.0
Less acquisition related amortisation	(8.3)	(8.4)
Adjusted net operating profit before tax	210.1	197.6
Adjusted effective tax rate	20.6%	20.0%
Tax	(43.3)	(39.5)
Adjusted net operating profit after tax	166.8	158.1
Adjusted ROIC	17.9%	16.4%



Glossary

† Deloitte LLP were engaged to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Emissions ("ISAE 3410") on selected metrics which have been indicated with a † in this Annual Report. Deloitte's full assurance report can be found at britvic.com/sustainability/sustainability-reports.

A&P is Advertising and Promotions and is a measure of marketing spend including marketing, research and advertising.

Acquisition-related amortisation is the amortisation of intangibles recognised as part of a business combination.

Adjusted earnings per share (Adjusted EPS) is a non-GAAP measure calculated by dividing adjusted earnings by the average number of shares during the period. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before adjusting items. Average number of shares during the period is defined as the weighted average number of ordinary shares outstanding during the period excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes.

Adjusted EBIT is a non-GAAP measure and is defined as operating profit before adjusting items. EBIT margin is EBIT as a proportion of Group revenue.

Adjusted EBIT margin is a non-GAAP measure and is defined as Adjusted EBIT as a proportion of Group revenue.

Adjusted EBITDA is a non-GAAP measure calculated by taking Adjusted EBIT and adding back depreciation, amortisation and loss on disposal of property, plant and equipment and deducting payments of lease liabilities as an estimate for pre-IFRS 16 rental charges.

Adjusted effective tax rate is a non-GAAP measure and defined as the income tax charge(credit), excluding the tax effect of Adjusting items, as a proportion of the Adjusted profit before tax.

Adjusted net debt is a non-GAAP measure and is defined as net debt, adding back the impact of derivatives hedging the balance sheet debt.

Adjusted net debt/EBITDA is a non-GAAP measure and is defined as the ratio of Adjusted net debt to Adjusted EBITDA (calculated for the preceding 12 months).

Adjusted profit before tax is a non-GAAP measure and is defined as profit before tax, excluding Adjusting items, with the exception of acquisition-related amortisation.

Adjusted profit after tax is a non-GAAP measure and is defined as profit after tax before adjusting items, with the exception of acquisition related amortisation.

Aqua Libra Co is the Britvic Aqua Libra Co Limited, previously known as The Boiling Tap Company Limited.

ARP is defined as average revenue per litre sold, excluding factored brands and concentrate sales.

BPS is basis points and is a measure used to describe the percentage change in a value. One basis point is equivalent to 0.01%.

Brand contribution is a non-GAAP measure and is defined as revenue, less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. Brand contribution is reconciled to profit before tax in note 5 of the financial statements.

Brand contribution margin is a non-GAAP measure and is a percentage measure calculated as brand contribution divided by revenue. Each business unit's performance is reported down to the brand contribution level.

CAGR is Compound Annual Growth Rate.

Carbon intensity ratio is a measure of the total Scope 1 and 2 market-based carbon emissions per tonne of production.

CDP is a not-for-profit charity, formerly known as the Carbon Disclosure Project, that runs the global disclosure system for investors and companies to manage their environmental impacts.

CGU is Cash-Generating Unit.

Constant exchange rate is a non-GAAP measure of performance in the underlying currency to eliminate the impact of foreign exchange movements.

DRS is Deposit Return Scheme. Deposit return schemes are used to encourage more people to recycle packaging. The schemes work by charging anyone who buys a drink a small deposit per container. They get this money back when they return the container to a collection point to be recycled.

EBIT is Earnings Before Interest and Taxation.

EBIT margin is operating profit as a proportion of revenue, both as reported in the consolidated income statement.

EIF is Employee Involvement Forum. This provides a formal mechanism for elected representatives of Britvic employees to meet with senior management representatives to exchange information and consult on issues that affect employees.

EPS is Earnings Per Share.

ESG is Environment, Social and Governance.

ESOP is Britvic's Executive Share Option Plan.

FMCG is Fast Moving Consumer Goods.

Free cash flow is defined as cash generated from operating activities, plus proceeds from the sale of property, plant and equipment, less capital expenditure, interest and repayment of lease liabilities.

FVPL is Fair Value through Profit or Loss.

GB is Great Britain.

Group is Britvic plc, together with its subsidiaries.



Glossary continued

HFSS is food and drink that are High in Fat, Salt and/or Sugar.

Immediate Consumption is defined as pack formats to be consumed on purchase, rather than deferred packs which are purchased and consumed later.

Innovation is defined as new launches over the last five years, excluding new flavours and pack sizes of established brands.

LTIP is Long-Term Incentive Plan.

M&A is Mergers and Acquisitions.

Net debt is the sum of interest-bearing loans and borrowings, overdrafts, cash and cash equivalents and interest-bearing deposits.

NI is Northern Ireland.

Non-GAAP measures are provided because they are closely tracked by management to evaluate Britvic's operating performance and to make financial, strategic and operating decisions.

PBTA is Profit Before Taxation and Amortisation.

PET is polyethylene terephthalate plastic.

PSP is Britvic's Performance Share Plan.

Revenue is defined as sales achieved by the Group net of price promotional investment and retailer discounts.

Revenue management is used to define a range of actions to affect ARP. It includes, but is not limited to, price increases, changes to price promotions and variation of pack size.

ROI is Republic of Ireland.

ROIC is Return on Invested Capital and is a non-GAAP measure calculated by dividing adjusted EBIT less acquisition related amortisation and tax at adjusted effective tax rate by year end invested capital. Invested capital comprises net assets less adjusted net debt. Return on invested capital is used to assess a company's efficiency at allocating the capital under its control to profitable investments. The Remuneration Committee also assesses ROIC at the end of the three year performance period of the LTIPs.

rPET is recycled polyethylene terephthalate plastic.

SaaS is Software as a Service.

SECR is Streamlined Energy and Carbon Reporting.

Section 172 of the Companies Act 2006 requires the Board to consider a number of factors in its decision-making, including the interests of its stakeholders.

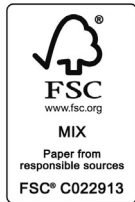
SIP is Share Incentive Plan.

TCFD is the Task Force on Climate-Related Financial Disclosures.

TSR is Total Shareholder Return.

Volume is defined as number of litres sold. No volume is recorded in respect of international concentrate sales or Brazil fruit pulp sales.

Water intensity ratio is a measure of the amount of water used in cubic metres per tonne of production of finished product.



Britvic plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Arena Extra White Smooth, an FSC® certified material. This document was printed by Pureprint Group using its environmental print technology, with 99% of dry waste diverted from landfill, minimising the impact of printing on the environment. The printer is a CarbonNeutral® company.

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