



BRITVIČ

Enjoying Life's Everyday Moments

Annual Report and Accounts 2024

An international business rich in history, heritage and innovation



Founded in England in the 1930s, we're a soft drinks business that has 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.

Our purpose, vision and values

We're a purpose-driven organisation with a clear vision and distinct values. Our purpose is to bring joy to life's everyday moments through our brands, and the way we do business is fundamental to our success in becoming the most dynamic soft drinks company, creating a better tomorrow. Our values drive our behaviour and decision-making, ensuring we prioritise people, planet and financial performance equally.



To find out more visit:

 [Britvic.com/2024](https://britvic.com/2024)

 [Britvic plc](#)

 [@Britvicplc](#)

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

A year of accelerated growth

Financial, non-financial and sustainability information

Amounts presented at constant currency and as adjusted metrics throughout this section are alternative performance measures 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 page 3, 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 30–51
- Our business model can be found on pages 20–21
- Read our Task Force on Climate-related Financial Disclosures on pages 52–67
- Content on anti-bribery and corruption and a description of our approach to policy compliance can be found on page 120

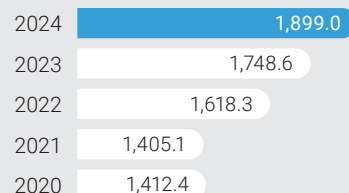
Link to strategy

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

Performance

Revenue

£1,899.0m



Why do we measure this?

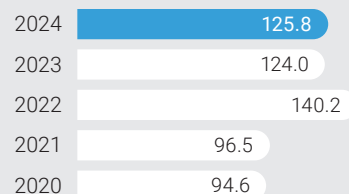
Revenue growth measures our ability to increase price and/or increase volumes sold.

Performance

Underlying revenue increased by 9.5%, adjusted for constant currency, through both volume and price/mix growth. Reported revenue increased by 8.6%.

Profit after tax

£125.8m



Why do we measure this?

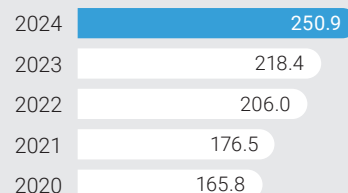
Profit after tax is a statutory measure of financial performance which considers adjusted EBIT, interest, taxation and adjusting items.

Performance

Profit after tax increased by 1.8%, adjusted for constant currency, reflecting the increase in adjusted EBIT offset by the impact of adjusting items.

Adjusted earnings before interest and taxes (EBIT)

£250.9m



Why do we measure this?

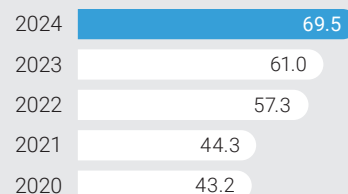
Adjusted EBIT measures our underlying profitability excluding any one-off costs.

Performance

Adjusted EBIT increased by 15.2%, adjusted for constant currency, reflecting a 60 basis points improvement in adjusted EBIT margin. Reported adjusted EBIT increased by 14.9%.

Adjusted earnings per share (EPS)

69.5p



Why do we measure this?

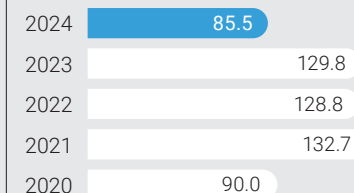
Adjusted earnings per share measures the profit per share of the Company and is used by investors to compare our performance against our peers.

Performance

Adjusted EPS increased by 13.9%, primarily due to higher adjusted EBIT.

Free cash flow

£85.5m



Why do we measure this?

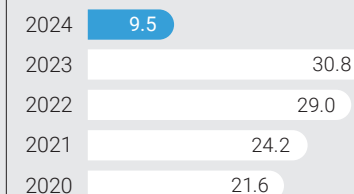
Free cash flow measures the cash we generate to fund payments to our shareholders and acquisitions.

Performance

Free cash flow was £85.5m, with the decrease from 2023 primarily driven by changes in working capital and timings of supplier payment runs.

Dividend per share

9.5p



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

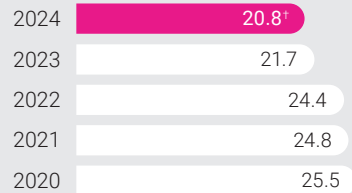
Interim dividend of 9.5p per share paid. A final dividend for 2024 has not been proposed in light of the proposed acquisition of the Group by Carlsberg, under which shareholders will receive a special dividend of 25p per share. The special dividend combined with the interim dividend represents a total value of 34.5p per share.

Measuring success continued

People

Healthier consumer choices
(average calories per 250ml serve)

20.8[†]



Alignment to strategy



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.

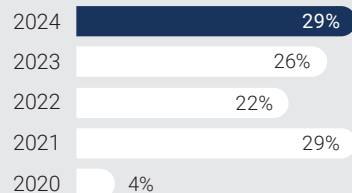
Performance

Calories per serve decreased by 4% year on year.

Planet

Recycled plastic (rPET) content (exit rate)

29% Great Britain 28% Ireland



Alignment to strategy



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 content has increased by three 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

85%



Alignment to strategy



Why do we measure this?

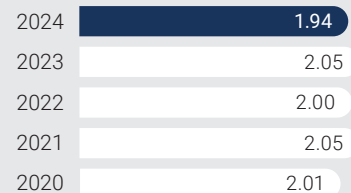
Ensuring our employees feel energised and happy is not only the right thing to do, but research shows companies with engaged employees perform better.

Performance

Our Employee Heartbeat* engagement score increased seven points, taking Britvic into the upper quartile against the external benchmark.

Water intensity ratio

1.94 m³/tonne production



Alignment to strategy



Why do we measure this?

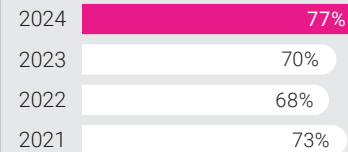
Measuring water intensity enables us to track the improvement in water efficiency in our operations**.

Performance

Water ratio improved by 5%. This was driven by optimisation of waste treatment and cleaning processes, along with enhanced water reuse practices.

Employee wellbeing

77%



Alignment to strategy



Why do we measure this?

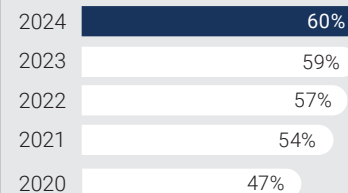
Measuring employee wellbeing helps us to ensure that our employees feel physically and psychologically well.

Performance

Our Employee Heartbeat* wellbeing score increased by seven points, with a double-digit increase in our other international markets.

Manufacturing energy from renewable sources

60%



Alignment to strategy



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 one percentage point.



“

We have delivered an excellent financial performance this year, with strong consumer demand for our portfolio of brands.”

Simon Litherland
Chief Executive Officer

* Employee Heartbeat is a regular 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. Results show the percentage of employees who answered favourably (agree or strongly agree) to the statement. All historical data has been mapped to favourability percentages to ensure results are comparable.

** Water ratio includes water used by 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/sustainability-reports.

A global portfolio of market leading brands



Britvic is the largest supplier of branded still soft drinks in Great Britain. We're an industry leader in Ireland with favourites such as MiWadi and Ballygowan, in France with brands including Teisseire and Pressade, and in Brazil with Maguary, Dafruta and Bela Ischia.

Healthier People

81 billion

calories removed from diets since 2020 through innovation and reformulation

[+ Find out more on page 32](#)

Healthier Planet

75%

of the grid electricity we use in Great Britain is generated by the sun

[+ Find out more on page 50](#)

Strong Performance

9.5%

underlying revenue growth

[+ Find out more on page 68](#)

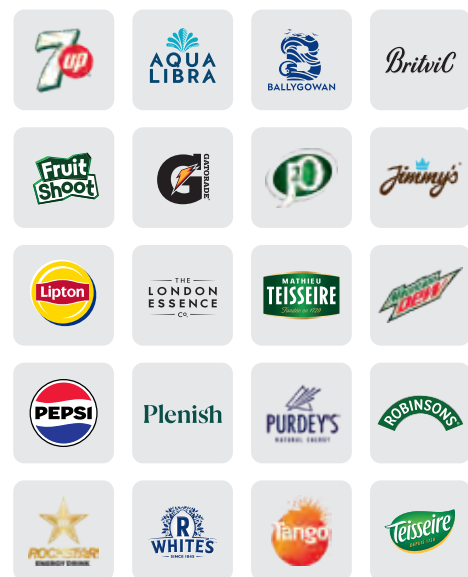
Business at a glance continued

Our markets and 39 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're dedicated to creating and building brands that people can trust. Firm favourites include Fruit Shoot, J2O, Purdey's, Robinsons and Tango. In Great Britain, 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've expanded our presence in growing categories through exciting product innovation including new Plenish health shots and Jimmy's Iced Coffee Myprotein.

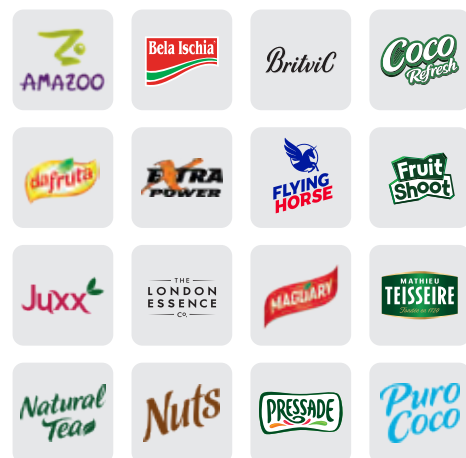


Brazil

Our Brazilian business continues to grow as we expand through a series of company and brand acquisitions. Brazil has an important role in our long-term growth strategy. We now play in the energy drinks category with the acquisition of Extra Power and Flying Horse, and have expanded our presence in the fruit juice category with the acquisition of Juxx and Amazoo.

This expansion is supported by a strong national presence for our concentrate and fruit juice brands, including Maguary, Dafruta and Bela Ischia, which continue to grow through product innovation. Launches this year include Seleção apple juice, Natural Tea Pineapple & Mint and a Cocoa variety in our Nuts plant m*lk range.

Supporting growth ambitions in Brazil, we operate a fruit processing company, Be Ingredient, which provides natural ingredients to the Group and the export market.



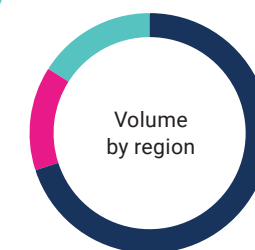
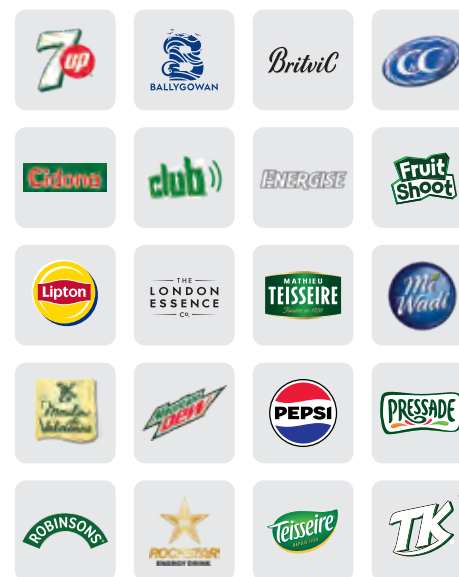
Other international markets

With major operations in Ireland and France and offices in the US, Benelux, Asia and the Middle East, we're distributing and exporting to more than 100 countries worldwide.

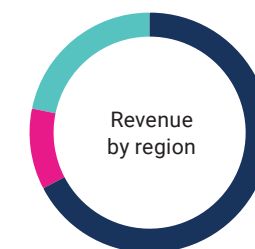
As well as being the global leader in branded flavoured concentrates, we manufacture local, iconic brands steeped in hundreds of years of heritage. In France, Teisseire sits at the heart of our Company with a rich history dating back to 1720.

In Ireland, we have a proud brand history that spans more than 250 years. We continue to invest in iconic products including Ballygowan Mineral Water and Club. We're also licensed to make PepsiCo brands.

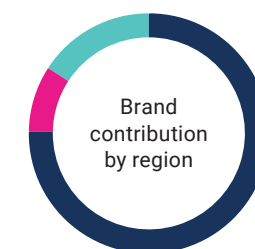
Further afield in the Middle East and Asia, we continue to expand our footprint, with Mathieu Teisseire securing new listings and winning international awards for its bold flavours.



	% share by region	Million litres
Great Britain	70	1,781.9
Brazil	14	355.0
Other international	16	402.1



	% share by region	£m
Great Britain	68	1,288.7
Brazil	10	200.5
Other international	22	409.8



	% share by region	£m
Great Britain	76	541.2
Brazil	9	61.2
Other international	15	110.6



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



Healthier consumer choices

Consumer health and wellness are central to our mission as we continue to offer healthier choices without compromising on taste. In 2024, we achieved 21 calories per serve globally, down from 22 calories last year, with significant reductions in Great Britain.

To accelerate this mission, we launched a number of exciting sugar-free flavour innovations, from Tango Mango and Pepsi Electric in Great Britain, to Ballygowan Hint of Fruit Watermelon in Ireland.

While reducing calories remains key, we've also expanded our offering to add functional benefits to our products. Our Plenish health shots range now boasts B1, B2 and D vitamins, since launching two new flavours this year – Mango Sunshine and Beet Balance. These join Ginger Immunity, Berry Gut Health, Turmeric Recovery and Spirulina Detox, offering consumers a daily shot for a variety of health needs.

We also now offer electrolytes in our Aqua Libra Flavour Taps, giving people that extra boost in retail, hospitality and the workplace.

Jimmy's Iced Coffee partnered with the UK's leading online sports nutrition brand Myprotein, to meet consumers' on-the-go protein and coffee needs. In spring, this saw the brand launch Original and Caramel flavoured protein enriched milk, boasting 5.6g of protein per 100ml.

[+ Read more on page 32](#)

Healthier employees

We know that a happy and healthy workforce is vital to our success. To support this, we champion initiatives and policies that give our people the opportunity to support causes close to their hearts, build a safe and inclusive place to work and make sure everyone feels comfortable to be themselves every day.

To further promote the breadth of resources available to employees, we successfully extended our wellbeing roadshows to Ireland. Resources include employee-led network groups and financial and emotional support from industry charity, GroceryAid.

Investing in career development, LinkedIn Learning is being made accessible to all employees worldwide. In Great Britain, our Squiggly Careers programme launched to help employees embrace non-linear careers and growth opportunities. With a large proportion of our workforce working night shifts, we collaborated with Night Club – an organisation who specialise in improving the health and wellbeing of night shift workers – offering workshops to over 400 employees across our British factories.

To support our employees' physical and mental wellbeing, we covered employee entry costs for one of the largest running events in Brazil, Circuito das Estações. In France, over 60 employees participated in Quality of Life and Working Conditions Week, with activities like breathing exercises, reflexology and yoga. Due to its success, these sessions are now held fortnightly.

[+ Read more on page 33](#)

Sustainable communities

We believe in giving back to the communities we serve – from employee volunteer days and fundraising events, to providing work experience opportunities to people from underprivileged communities.

Over the last two years, we've supported Bounce Forward as our corporate charity, equipping parents, teachers and students with the tools and resources to strengthen mental health in schools. Since joining forces, we've supported 100 schools with expert training.

Breaking down barriers to employment, we welcomed new starters on our apprenticeship scheme and invited students to shadow employees in partnership with social mobility charity, upReach. As we continue to champion young people in work, this year marked our second year supporting The King's Trust, raising over £260,000 for the charity.

Building sustainable communities, we've redistributed 293,200 250ml serves to 2,283 charities since 2019 through FareShare in Great Britain and Northern Ireland and supported Restos du Cœur in France, donating over 600 pallets of stock worth approximately €460,000.

In Brazil, a team of over 70 volunteers took part in a fire brigade event – learning how to safely respond to incidents on our sites and contribute to local efforts as the country combats deadly fires and floods. In Ireland, we celebrated 11 years of MiWadi's Trick or Treat for Sick Children campaign, which has raised more than €3.9m for the Children's Health Foundation.

[+ Read more on page 37](#)



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, water, nature and carbon.**

Healthier Planet continued



Reimagining packaging

We remain focused on creating a world where great packaging never becomes waste – and investing in innovative alternatives.

Ahead of the expected Deposit Return Scheme (DRS) launch in Great Britain in October 2027, we've embraced it in Ireland this year. With Britvic Ireland Managing Director, Kevin Donnelly, on the Re-turn Board, we're proud to champion the initiative which has already resulted in half a billion bottles and cans being returned for recycling.

In Great Britain, the Aqua Libra Flavour Tap is leading the way in Beyond the Bottle solutions, dispensing still, sparkling and flavoured water with zero calories – reducing packaging waste by 99%. Since its introduction, over two million packaging-free drinks have been served. Following a successful trial at the 2023 Blue Earth Summit in Bristol, Aqua Libra partnered with Ocean Co. to remove ocean plastic, funding the collection of plastic that's equivalent to more than 500,000 ocean-bound bottles.

Our leading global concentrates portfolio continues to champion healthy hydration, reducing packaging per serve while delivering great tasting drinks for all occasions. In France, Teisseire sponsored the Women's Tour de France and Robinsons sponsored The Hundred cricket competition in Great Britain – putting concentrates in the spotlight at major sporting events. In Great Britain, Fruit Shoot entered the concentrates category with its new Fruit Shoot Squash, launched on Amazon and Ocado.

[+ Read more on page 44](#)



Valuing water and nature

Water is a key ingredient for our soft drinks and we're committed to protecting this natural resource through water stewardship initiatives and improving our operations.

Through our partnership with The Rivers Trust, we've funded the restoration of Chellow Dean Wetlands, seven miles from our Leeds factory. Completed this year, the project recreated a natural flood plain to protect the area during periods of heavy rainfall. Employees have also taken part in volunteering opportunities to improve the waterways near our British sites.

As we improve and reduce water use in our operations, we worked with water pump specialists Grundfos. By installing their systems at our Beckton factory in London, we've increased the speed of our water treatment process. In Rugby, we set up a student mentoring project with the Rugby High School for Girls – a partnership that led to an amazing 34.6 million litres of water savings per year, worth over £87,000. Find out more on page 48.

Since securing the Alliance for Water Stewardship certification for one of our factories in Brazil last year, we've made progress with our water intensity ratio decreasing to 1.94 compared to 2.05 last year. This has been driven by more effective planning of production procedures, reducing cleaning in place cycles and reusing water in all sites including using treated waste water to supply cooling towers and clean the floors.

[+ Read more on page 46](#)



Path to net zero

We're committed to achieving net zero carbon emissions by 2050 and made good progress in reducing our footprint this year.

Since February, 75% of grid electricity used to make our drinks in Great Britain comes from a 160-acre solar farm in Northamptonshire. A 10-year solar power agreement signed in 2023 provides clean energy to factories in Rugby, London, and Leeds, covering three quarters of the grid electricity needed. The land is now benefiting from an intense rewilding project to support biodiversity.

In March, our three-year purchasing power agreement with Flogas Enterprise came into effect in Ireland, ensuring Ballygowan is produced using 100% renewable electricity harnessed from wind energy.

We continue to collaborate with suppliers to make improvements in our value chain to address climate change. Logistics improvements have reduced trucks on roads and trials of electric vehicles are planned for 2025. In Ireland, using a 30% hydrogenated vegetable oil and diesel blend saves the equivalent of 600–700 tonnes of carbon dioxide annually.

Recognising our efforts in this space, our heat recovery system in Beckton won the NetZero Champion accolade for reducing emissions and saving energy at the Engineering & Manufacturing Awards 2024.

[+ Read more on page 50](#)



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



Family favourites

This year we've continued to see much-loved family favourite brands go from strength to strength.

We've seen strong performance from Fruit Shoot in Great Britain and France and continued innovation from the brand. In Great Britain, Fruit Shoot expanded into the squash category with two new fruity flavours and, in Great Britain, Ireland and France, ready-to-drink Fruit Shoot switched to a new cap which uses less plastic and is more easily recycled. The brand teamed up with the National Autistic Society to create a suite of free resources and worked with influencers to explain the change. Find out more on page 36.

When it comes to carbonates, Britvic brought the global Pepsi rebrand to Great Britain and Ireland with a comprehensive marketing campaign across all channels. Footballers Jack Grealish and Leah Williamson signed for the blue team as brand ambassadors and as part of Pepsi MAX's ongoing partnership with the Champions League. This year also saw the launch of limited-edition Pepsi Electric – an eye-catching blue cola.

Tango continued to excite consumers with the introduction of Tango Mango, the return of Tango Cherry in a sugar-free format and an irreverent TV advertising featuring a dancing prison warden.

[+ Find out more on page 15](#)



Brazil

In Brazil we continue to grow our brands and expand our presence with a supercharged portfolio.

At the start of the financial year, we acquired four brands: Extra Power and Flying Horse energy drinks, juice brand Juxx and acai smoothie brand Amazoo.

Since then, we've continued to raise the profile of our brands with increased spending on advertising and promotion.

This included sponsoring Carnival in Rio de Janeiro, where we created limited-edition themed cans of Maguary Cashew for the celebrations and gave out samples on Copacabana Beach. This year has also seen music events backed by Extra Power and brands such as Maguary and Natural Tea championing sporting events.

As we continue to grow, so do the number of flavours we offer consumers. Recent additions include our Nuts plant m*lk brand adding Cocoa to its line-up, Maguary Seleção introducing apple juice after the success of its grape juice and Natural Tea adding White Tea with Jabuticaba and Pineapple and Mint to its range.

Flying Horse, the first energy drink brand to operate in Brazil back in 1997, has undergone a contemporary rebrand – with a new look and feel and two new flavours (a zero sugar version of the original and Mango Juice) joining an existing line-up that includes Tropical, Watermelon and Pitaya.

[+ Find out more on page 16](#)



New spaces

We're continuing to build scale in fast-growing categories.

Millions of people across the UK are waking up to Plenish, our plant-powered m*lk, cold-pressed juices and health shots range – with the brand sponsoring Channel 4 breakfast and revenue increasing by 101.6%.

We've also entered the cold/hot drinks category with the acquisition of Jimmy's Iced Coffee last summer. Since then, we've started to scale the brand by introducing a larger 380ml BottleCan, pricemarked packs for discounters and a multipack format to complement the existing range.

Shaking up the iced coffee category, the brand introduced a seasonal twist to its popular line-up, launching a limited-edition Cinnamon Roll flavour.

Benefiting from our innovation capability, distribution model and strong customer relationships we also saw packaged Aqua Libra revenue increase by 109.5%.

When it comes to the global premium brands, London Essence mixers saw a 37.6% increase in revenue this year and introduced a new look and feel across all its packaging. There are now 2,000 installed Freshly Infused dispense fountains – offering premium tonic on tap – and 50 new hospitality contracts including Center Parcs have been secured by the brand.

[+ Find out more on page 17](#)

A year to be proud of

2024 has been an excellent and eventful year for the business. Both revenue and adjusted EBIT are significantly ahead of last year. Consistently strong business performance combined with clear growth potential led to an offer to acquire Britvic by Carlsberg UK Holdings Limited, a wholly owned subsidiary of the Carlsberg Group (Carlsberg A/S).

Overview

The external environment over the last four years has been challenging for so many people: first, the COVID-19 pandemic and then the effect of high inflation and rising interest rates, resulting in the cost of living crisis that has dominated the news. Throughout this period Britvic has continued to make strong progress on its strategic priorities, has invested in the business and has delivered an excellent financial performance. Revenue and adjusted EBIT this year represent our best ever set of results.

Chair's statement continued

Proposed acquisition by Carlsberg A/S

On 8 July, the boards of Carlsberg and Britvic announced that they had reached an agreement on the terms of a recommended cash offer. Under the terms of the acquisition, Britvic shareholders shall be entitled to receive 1,315 pence for each Britvic share, comprising 1,290p in cash for each Britvic share and a special dividend payment of 25p per Britvic share, which is expected to be paid by Britvic within 14 days of the effective date (the special dividend).

At the shareholder meetings on 27 August 2024, the recommended offer was conclusively approved by Britvic shareholders. We are currently waiting for approval from the UK Competition and Markets Authority and the European Commission. If approved, the acquisition is anticipated to close in quarter one of calendar year 2025.

People, planet and performance overview

Key moments from the last 12 months include:

- Both revenue and adjusted EBIT are significantly ahead of last year
- Our execution of the Pepsi global rebrand, which came to our markets in March
- Successful innovation launches including new flavours of Tango, Pepsi, London Essence and Robinsons cordials
- The acquisition and subsequent integration of the Extra Power business in Brazil
- Investing in new production capacity with a new can line in Rugby and increased capacity for Ballygowan water and Hint of Fruit in Ireland
- Continued soft performance in France
- Introduction of Deposit Return Scheme in Ireland
- Continued strong progress on our Healthier People, Healthier Planet strategy, including a long-term solar power agreement in Great Britain, our leadership role in the launch of the Deposit Return Scheme in Ireland, as well as water stewardship initiatives across our markets

People and culture

Since joining the Board last year, I have continued to be impressed by the Britvic team's energy, expertise and commitment, as well as its passion for the business and brands. This is a testament not only to the leadership that Simon Litherland, as CEO, has shown over the years, but also to the extended leadership team

in inspiring people and executing a clear and compelling growth strategy. On behalf of the Board, I want to recognise all the hard work the entire Britvic team has put in that underpinned this performance.

Board

This year, we announced two new appointments to the Board.

Georgina Harvey joined as a Non-Executive Director and Chair of the Remuneration Committee in January 2024. Georgina has many years of experience in advertising and media and delivering successful transformational change. After stepping down from her executive career in newspapers, Georgina has built a successful career as a non-executive director, with a particular focus on remuneration committee chair roles, transferring her skills across a wide range of sectors and situations. As a senior board member, she currently serves on one board of Capita and on the board of M&C Saatchi, having previously served on the boards of Superdry plc, McColl's Retail Group plc, Big Yellow Group plc and William Hill.

Romeo Lacerda joined in March 2024 as a Non-Executive Director and member of the Audit Committee and Nomination Committee. Romeo brings 35 years of extensive commercial experience in the FMCG sector, having started his career at Unilever before moving to Kraft Foods in 1995, which later became Mondelez. During this time, Romeo spent 15 years working in commercial strategy and sales roles in Brazil before taking on numerous Mondelez President roles across Europe, the Middle East and Africa. In 2021, he joined Inchcape plc as Chief Executive Officer Americas.

Also, during the year, Sue Clark and Euan Sutherland stood down from the Board. I would like to thank them for their contributions to Britvic and wish them both well for the future.

Capital allocation

Britvic has a clear and consistent capital allocation policy, including a long-standing commitment to a progressive dividend policy of a 50% payout of earnings, a disciplined approach to mergers and acquisitions, as well as investing in the business and maintaining a robust balance sheet. As a result of the proposed acquisition by Carlsberg, there will be a special dividend of 25p per share, which is expected to be paid within 14 days of the effective date. The share buyback programme was suspended shortly after the announcement of the proposed acquisition. The Board will evaluate the recommencement of the programme should circumstances change.

Carlsberg offer at a glance

In July the Board recommended an offer from Carlsberg of 1,315 pence for each Britvic share to acquire Britvic. In August, Britvic shareholders voted overwhelmingly in favour to accept the offer. Currently, we wait the outcome of the competition authorities' review. If approved, we anticipate the transaction will complete in Q1 2025.

£3.3 billion

Buy out value



Conclusion

I am proud of the holistic business performance and growth Britvic delivered in 2024. The team has worked consistently hard to achieve this amid all manner of external challenges. At the same time, a takeover process is always intense and can be highly distracting for a business. I am impressed by how focused the team has been on running the business during a period of uncertainty, with some individuals and teams navigating the proposed acquisition in parallel. I would similarly like to thank the Board for its engagement and support during this process so far.

Should the acquisition complete next year, I have every confidence that Britvic and its branded soft drinks portfolio will continue to thrive as part of the Carlsberg organisation. Likewise, should Britvic remain an independent company, the business has a clear growth strategy for the future, and I have every confidence in our current and future prospects and our ability to deliver for all our stakeholders going forward.

Ian Durant
Non-Executive Chair
19 November 2024

A year of excellent performance

Performance highlights

Today, we present our results for the year ending 30 September 2024. It's a year of which we can be exceptionally proud, as Britvic has not only delivered its best-ever financial performance but also made significant strides in our strategic priorities. The Britvic team has once again demonstrated their unwavering commitment to our overarching ambitions, even in the face of challenging markets and a prospective change of ownership, with the proposed acquisition of Britvic by Carlsberg Group. I want to publicly acknowledge the Britvic team's efforts, which have been instrumental in our outstanding performance.

Overall, revenue is ahead of last year by +9.5% (+8.6% on a statutory basis) at £1,899.0 million. Encouragingly, this was achieved through growth in both volume and price/mix, reflecting strong consumer demand for our brands and appropriate revenue growth management actions. Volume increased +3.1%, driven by both organic growth and the Extra Power and Jimmy's brand acquisitions. Average Realised Price grew +6.2%, benefiting from price realisation and positive pack and brand mix. We have reported our highest-ever adjusted EBIT, £250.9m, 15.2% ahead of last year (+14.9% on a statutory basis), with adjusted EBIT margin of 13.2%, 60 basis points (bps) ahead of last year (+70bps on a statutory basis). Profit after tax increased 1.8% (1.5% on a statutory basis) to £125.8 million.

Chief Executive Officer's statement continued



Performance highlights continued

Our outstanding holistic performance, detailed in our annual report, is even more impressive given the challenging summer weather conditions across Great Britain and our European markets.

At the same time, total A&P spending increased by 30.9% to £87.2m as we continued to invest in the equity of our brand portfolio.

Our disciplined approach to cash has enabled us to invest in the business for sustainable growth. We have continued to invest in our people and planet programmes, demonstrating our commitment to sustainability, while building capacity and investment in technology. We have also used the cash to acquire Extra Power in Brazil and to increase shareholder returns through our dividend policy and the share buyback programme, which was suspended following the announcement of the proposed acquisition of Britvic plc by the Carlsberg Group towards the end of the year, a process that is ongoing at the time of writing.

Irrespective of the outcome of this process, I remain confident of Britvic's current and future prospects, driven by our compelling and proven growth algorithm.

Our compelling approach to growth

In our 2023 preliminary results and strategy presentation, we shared our growth algorithm, as a framework of where we believed our future revenue growth and category outperformance would come from. The growth accelerators we identified were:

- Outperforming the market with our broad portfolio of family favourite brands
- Double-digit growth in Brazil
- Strong double-digit growth in new growth brands such as Plenish, Jimmy's, Aqua Libra and London Essence
- Underpinned by underlying category volume growth and price/mix

This year, we have made excellent progress against these opportunities, with revenues growing across our portfolio of family favourite brands by +5.5%, Brazil by +35.3% and new growth brands by +52.1%. Our growth strategy has underpinned this success, providing us with a clear framework for sustainable performance. Each market has an important role: with Great Britain to lead market growth, Brazil to accelerate and expand our presence, in other international markets to globalise our premium brands, and to improve profitability in Western Europe.

Market highlights

Great Britain

Our performance in Great Britain has been strong, with robust volume growth and favourable price/mix. The volume growth was driven by the retail channel, with a weaker hospitality channel. From a revenue perspective, both channels delivered revenue growth, as did our owned and PepsiCo brands. Encouragingly, we have delivered volume growth across all quarters, with quarter four volume +2.0%, despite the poor summer weather.

Investment in our supply chain continued this year. In the spring, we commissioned another can line to enable us to unlock consumer demand through increased capacity and access margin benefits by bringing the production of certain co-packed products in-house. In August, we completed a £25 million upgrade investment in our national distribution centre in Lutterworth, Leicestershire. This state-of-the-art, lights-out facility now boasts 17 new automatic cranes, 18 despatch lanes, and 20 automated cars, enhancing our capacity to move 600 pallets an hour.

In March, we activated the unmissable brand refresh of Pepsi, which was supported by a significant increase in investment behind a nationwide 360-degree marketing campaign, including billboards, digital takeovers, in-store activation, a new bold TV advertisement and engaging social media content. Pepsi MAX continued its successful association with Champions League football, adding new signings such as Jack Grealish and Leah Williamson as brand ambassadors. May also saw the launch of the limited-edition Pepsi Electric, a zesty, citrus cola with a striking blue liquid.

Tango continued to excite consumers with great-tasting, sugar-free innovation. In August, Tango brought back, by popular demand, a new and improved sugar-free Cherry flavour and launched a bold new advertising campaign, "Warden," supported by social content across Instagram and out-of-home activation.

Robinsons continued its association with The Hundred Cricket, rolling out an on-pack promotion across the squash range for the first time alongside the ready-to-drink format. Robinsons expanded its cordials range with two exciting new flavours, Elderflower and Ginger & Orange.

We have also successfully delivered significant growth in our emerging categories this year. Plenish, our plant-based milk and shots brand, had an excellent year, with revenue +101.6% compared to last year. The plant-based milk range, unique in its combination of all-natural organic ingredients, is now the clear number three brand in the category. The Plenish Shots range benefited from new launches such as Mango Sunshine and Beet Balance, offering consumers an easy route to improving their nutritional balance through great-tasting products.

New Shots listings have been achieved across retail, grocery, and hospitality channels; distribution has nearly doubled, and Plenish Shots grew value this year faster than any other shots brand. Building Plenish brand awareness has extended to TV for the first time, with a six-month partnership as the sponsor of Channel 4's breakfast programming.

£1,899.0m

Revenue

£125.8m

Profit after tax

Chief Executive Officer's statement continued

Market highlights continued

Great Britain continued

Jimmy's Iced Coffee was acquired last summer, giving us access to the fast-growing cold/hot drinks category. During the year, we added a larger 380ml BottleCan and a multipack format to complement the existing pack range. Leveraging our innovation capability, we also launched a new offering in conjunction with Myprotein and a new limited edition, Cinnamon Roll flavour. New listings were secured across the Grocery, Hospitality, and Wholesale channels, providing a solid foundation for the future and driving Jimmy's brand value growth of +15.0% in the latest 26 weeks, versus category growth of 1.7%.

London Essence has made excellent progress this year, with revenue in Great Britain growing +37.6% on last year and increased distribution points in retail and hospitality channels. Our unique offering of premium soft drinks on dispense has resulted in 2,000 Freshly Infused dispense fountains being installed. In the hospitality channel, we won over 50 new contracts, including Center Parcs, Barons Pub Company, and The Belfry.

Brazil

At the start of the financial year, we completed the acquisition of Extra Power and three supporting brands to access the high margin and fast-growing energy category. The acquisition also gave us a more significant presence in the centre-west region. The integration was completed earlier this year, and we are already realising the anticipated cost synergies and commercial benefits. It has allowed us to accelerate the presence of our existing brands in the Goiás region and to roll out the acquired brands into our existing regions.

Performance in Brazil was very strong, with both existing brands and acquired brands contributing to revenue growth of 35.3%. A combination of factors underpinned the growth. We have continued to focus on categories and regions which enable us to build scale and grow profitability. Growth was achieved across our Concentrates range as well as RTD formats such as Fruit Shoot and Grape juice. We have focused on compelling store execution, increasing investment in the merchandising team, feature and display, and in-store campaigns. We have also focused on winning in the stores close to our factories, optimising supply chain costs to serve, and realising margin benefits.

Building awareness of our brand portfolio has continued this year, with increased A&P spend. This has included Carnival sponsorship in Rio de Janeiro, music events with Extra Power, and sports sponsorship, such as encouraging sports among state school children in the Minas Gerais region and sponsoring volleyball and football teams.

Other International markets

Performance in Ireland remained strong, with revenue up 7.8%, driven by price realisation and mix, offsetting a modest volume decline of 1.8% in the year. Pepsi and Ballygowan were the main drivers, with both the core water offering and Hint of Fruit delivering strong growth. February saw the launch of the Deposit Return Scheme (DRS) for PET bottles and cans in the Republic of Ireland. As anticipated, we saw a volume decline in the early months following the scheme's launch. In quarter four however, we saw a return to volume growth, up 5.9% on last year. At the end of 2023, we completed a supply chain programme to release additional production capacity in the Irish factories by introducing new work rosters while simultaneously implementing cost-efficiency savings within the manufacturing and warehouse operations. This has enabled us to reduce the cost and complexity created by introducing a DRS. In July, we introduced tethered caps, which align with EU legislation. We also expanded our production capacity for the fast-growing Ballygowan Hint of Fruit flavoured variant.

In France, volumes declined compared to last year. While branded volumes improved in the second half of the year, total volume declined as we took a strategic decision to exit private label contracts, and we faced stiff competition in the juice category. While volume was down, revenue was slightly up on last year at 0.1%. Brand contribution materially improved due to the favourable product mix. In the second half of the year, we activated a significant marketing campaign for the Teisseire brand. As well as TV and social media campaigns, the brand sponsored the Women's Tour de France, supported by in-store activation and on-pack promotion of the sponsorship. A&P investment increased by nearly 80% on last year as we continued to invest in our brands.

In other international markets, Mathieu Teisseire was in strong growth. This was offset by a softer performance in the USA as Fruit Shoot transitioned to a new bottling partner and some weakness for our brands in other export markets.

Healthier People, Healthier Planet

Our sustainability strategy, Healthier People, Healthier Planet, is a central and integrated part of our business strategy. While full details of our Healthier People, Healthier Planet performance this year can be found on page 30 of the Annual Report, I am particularly proud of some key highlights.

Healthier People

We continue to build our portfolio of healthier consumer choices, with a range of great tasting, low calorie offerings, giving us an impressive average of only 21 calories per serve. Our people are our biggest asset, and we continue to invest in building capability by launching new online learning tools and investing in expanded graduate and apprenticeship schemes across the business to develop the next generation. Our active equity, diversity and inclusion programme continues and is ably stewarded by our employee-led network groups. We have supported the team's well-being with an innovative example this year: our partnership with the award-winning sleep-science experience, the Night Club. They are helping our shift workers across the supply chain to be happier and healthier at home and work.

In Ireland, MiWadi is celebrating eleven years of supporting its Trick or Treat for Sick Children campaign, helping raise funds of over €3.9m for sick children, and supporting all Children's Health Foundation hospitals and urgent care centres.

21
calories per 250ml serve

9.5%
revenue increase



Chief Executive Officer's statement continued

Healthier People, Healthier Planet continued

Healthier Planet

This year, we announced a power purchase agreement to deliver clean energy, meaning that 75% of the National Grid electricity used to make our brands in Great Britain comes from solar generation, thanks to a 160-acre solar farm in Northamptonshire. At our Beckton site, the heat recovery system we announced last year is now fully operational, and we anticipate a 50% reduction in the site's carbon emissions. To date we have reduced our Group carbon emissions by 35%, in-line with our science-based targets.

In Ireland, Britvic has actively campaigned and supported the introduction of a DRS. Over 600 million drinks containers have been returned since the launch of the Deposit Return Scheme on February 1, 2024, with over €70,000 raised in deposit donations for the Return for Children charity initiative.

At our Rugby site, we have invested in new systems for our water processing plant. We can treat the water used and reduce energy consumption by 60%. True water stewardship means we must look beyond our operations to the catchments we operate. Our Astolfo Dutra plant in Brazil has become the first Britvic manufacturing site to receive the Alliance for Water Stewardship standard certification.

A track record of generating shareholder value

Since I was appointed CEO in February 2013, following a turbulent period for Britvic plc, the Group has benefitted from a rejuvenated leadership team and a clear strategy. We set about restoring confidence in Britvic, with the ambition of making the business future-fit to win in a changing world. Since then, I have been consistently proud of what Team Britvic has achieved. Some key highlights include:

- The Business Capability Programme investment of c.£250m in our supply chain capacity and capability
- Entering Brazil with the initial acquisition of Ebba and the subsequent expansion of our presence in one of the world's largest soft drinks markets
- Revitalising our owned brands portfolio, including Tango, MiWadi and Robinsons
- Continuing our long-standing relationship with PepsiCo with a new 20-year bottling agreement
- Accessing new growth spaces through both innovation and acquisition with brands such as Plenish, Aqua Libra, and Jimmy's

- Leadership in healthier consumer choices by investing in our portfolio of family favourite brands that offer great tasting, low-calorie soft drinks that are better for you, with an industry-leading 21 average calories per serve
- Becoming the first UK-listed soft drinks company to sign up to science-based carbon reduction targets
- Building the capability and diversity of the Britvic team to release the Company's full potential, and
- Establishing and maintaining a strong market and stakeholder reputation for delivering on our promises and punching above our weight

The relentless energy, focus and commitment demonstrated by the Britvic team over these past 12 years have generated superior returns for shareholders. Together, we have delivered Total Shareholder Returns of 341.8%, significantly outperforming the FTSE350 (105.7%). I am incredibly proud of what this business has delivered. I sincerely thank the team for their achievements, just as I thank the Board and our shareholders for their support over the years. I have every confidence that our brands and our Britvic people will go from strength to strength in the years ahead.

Simon Litherland
Chief Executive Officer
19 November 2024

£250m

investment in our supply chain
capacity and capability

35%

reduction in Group carbon emissions



Britvic's strategy is informed by consumer and commercial insights

Our insights teams track what's important to consumers and analyse the societal, environmental and market trends influencing the soft drinks industry. While this work is often highly targeted to each market or consumer category, here we highlight the key trends and how we're capitalising on the opportunities they create.



Market trends and opportunities continued



1 Health, wellness and wellbeing

Industry trends

- Low sugar and low calorie offerings
- Functional or fortified drinks – soft drinks with added health benefits
- On-the-go hydration – still, sparkling and flavoured water
- Natural, organic and plant-powered

Britvic's response: Healthier consumer choices

- Focusing on great tasting low and no calorie offerings and reducing our calories per serve across our portfolio
- Adding functional health and vitality benefits to our soft drinks
- Flavouring billions of drinking water occasions in the home and on the go
- A range of organic, natural brands across our markets, including plant-based m*lks

2 Value for money

Industry trends

- Affordability and overcoming inflationary cost pressures
- Quality and taste, even at lower prices
- The democratisation of drinks with added health benefits

Britvic's response: Making quality affordable

- Pack and promotional activity to offer great value
- Smart procurement to minimise the effect on consumers
- Never compromising on quality or taste
- Offering healthier choices at affordable prices

3 Climate change

Industry trends

- Ethical and sustainable sourcing
- Recyclable and sustainable packaging
- Circular economies

Britvic's response: Minimising our footprint per serve

- Working with suppliers towards minimising our carbon footprint
- Reducing the environmental impact of our packaging on a per serve basis
- Investing in dispense technologies and drinking solutions Beyond the Bottle, and proactively supporting the introduction of a Deposit Return Scheme (DRS)

4 Making the most of energy and water

Industry trends

- Investment behind renewable energy
- Optimised production processes
- Collaboration with industry experts and new technologies
- Water stewardship and reuse projects

Britvic's response: Path to net zero and valuing water

- Moved to 100% renewable purchased certified electricity
- Switching equipment from gas powered to electric powered
- Installation of heat recovery system in our Beckton site
- Upgrading equipment to enhance efficiency and reduce carbon emissions
- Entering long-term power purchase agreements in Great Britain and Ireland
- Progressed with Alliance for Water Stewardship certification in Brazil

5 Digital, social media and e-commerce

Industry trends

- Diverse retail landscape
- Direct-to-consumer portals
- Companies increasing their social media presence
- Increased use of Artificial Intelligence (AI)

Britvic's response: Thinking digital first

- Ensuring our brands are available where and when the consumer shops
- Offering a range of pack formats to suit different occasions
- Tailoring our brands' social media presence
- Using AI to automate the processing of customer orders in Great Britain, Ireland and internationally

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.



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



Consumer insights

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, assessing emerging trends and the broader 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 growth opportunities for our customers. Our insight informs our Healthier People, Healthier Planet ambitions to help consumers make more informed, healthier choices.

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 aligns with the UN Sustainable Development Goals.

It focuses on four core 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 support the efficient use of natural resources, reducing carbon emissions throughout the value chain.

Research and development

Our experts ensure that our drinks evolve so we have a competitive brand portfolio that stays relevant to consumers' needs. We want to guarantee that people continue to enjoy our drinks for many years. Our team is at the forefront of science, technology and innovation. Made up of scientists, engineers, and consumer and sensory specialists, together they have deep technical expertise and understanding of consumer preferences and behaviours. We bring fresh thinking, curiosity and a problem-solving mindset to everything we do. This covers all aspects 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.

Manufacturing and distribution

We have invested in state-of-the-art technology across our manufacturing sites to ensure we make the most of our capabilities – volumes, resilience and agility – and operate to the highest standards. We work with distribution companies to transport our products, rather than operating an in-house fleet of vehicles. Our employees' safety, health and wellbeing are paramount, and so is our commitment to manufacturing our drinks sustainably. We are committed to reducing our operational footprint by reducing our water ratio and cutting our greenhouse gas emissions as we transition to a low carbon business. We have clear targets for water use, waste and carbon emissions annually through our Healthier People, Healthier Planet sustainability strategy.

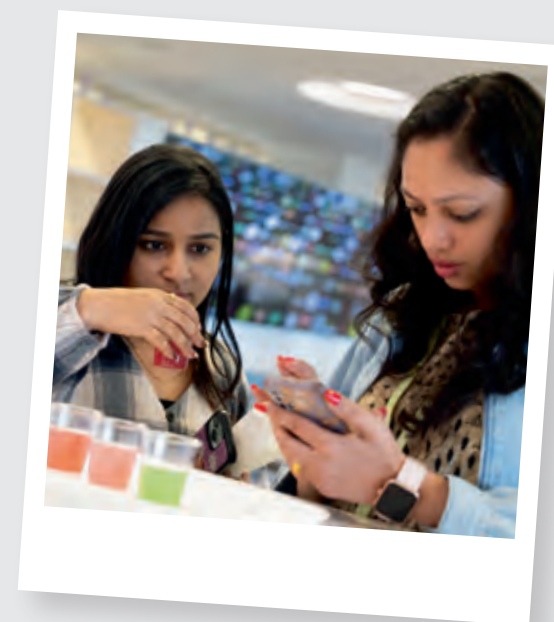
Customers

Our customers are essential stakeholders and we take pride in our strong relationships with them. They are not only our primary route to market but also partners in joint business plans, through which we collaborate to create shared value. As such, we engage with them regularly and share our expertise to influence growth in soft drinks sales.

Additionally, we offer tailor-made websites for customers that provide ideas and advice, from creating the perfect serve for the consumer to interpreting and implementing government policy. We share a commitment with them to establish and implement a sustainable approach to business. This includes sharing knowledge and best practices across packaging innovation trends and solutions to minimise our collective environmental impact.

Marketing and sales

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



Our strategic pillars

Our purpose, vision and values

Our purpose is dedicated to enjoying life's everyday moments. Every day is made up of many small moments that can be made all the more enjoyable with a quality soft drink. We see our purpose as a driver of engagement with our stakeholders, performance, innovation and culture.

Our purpose is supported by our vision: to be the most dynamic soft drinks company, creating a better tomorrow. Our dynamism enables us to act with agility and pace. It comes from our people, who seize opportunities to accelerate the business with entrepreneurial spirit rooted in our heritage. We push boundaries and make things happen. While at the same time, our scale, market credibility and passion for sustainability mean we can turn our ideas into commercially successful products that will last the course. We live and lead by our values, which help us deliver sustainably for all our stakeholders. So, creating value today helps us build a better tomorrow.

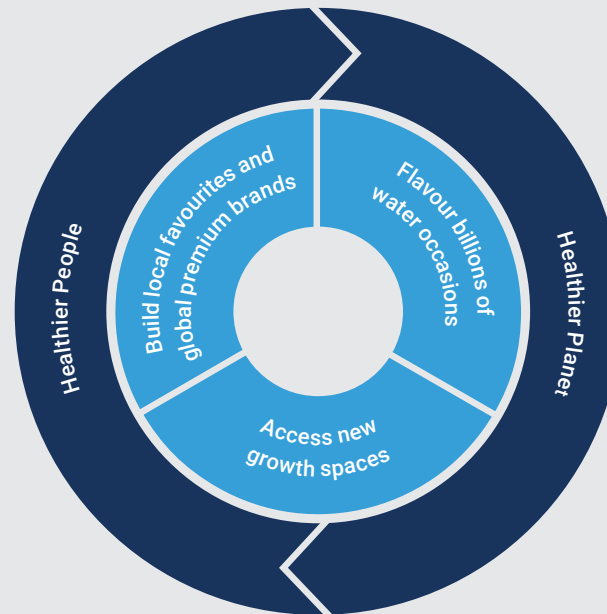
Our culture

Our talented and dedicated workforce is central to our current and future growth prospects. Our employees' health and happiness are paramount as we embed our culture and grow our capabilities to deliver our business strategy. We want to continue to build employee engagement and a great place to work where everyone feels valued and empowered to thrive.

Our markets

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

- We continue to see Great Britain as a growth market and plan to build on our existing momentum to lead growth here
- In Brazil, our ambition is to accelerate growth and expand our presence
- Our international focus is 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 our strategy and help us turn it 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

Britvic acknowledges that it has an impact on the world and a role to play in it.

Doing good while doing well has been at the heart of our ethos since the creation of our ancestral business – The British Vitamin Products Company – back in the 19th century. Today, we continue to build on that heritage.

A key part of our vision is to create a better tomorrow for all our stakeholders and this is embedded in our actions and priorities. 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 are increasingly looking for.

At the same time, we recognise that supply chains and manufacturing processes are critical drivers of commercial growth. We strive to embed sustainable practices in every part of our business. We understand this is how we will deliver the sustainable and profitable growth that underpins both our current and future prospects.

Strategy continued



Build local favourites and global premium brands

We're focused on growing our local, family favourite brands, which are predominantly number one or number two in their categories.

We've got a proven track record of developing, expanding and revitalising our brands, such as Tango, Robinsons, Club, Fruit Shoot, Ballygowan and Teisseire. We've 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. Building a portfolio of global premium brands remains a big part of our growth strategy. This year, London Essence revealed a full brand portfolio refresh and a new campaign, and Mathieu Teisseire also secured new listings in two tea chains across China and other markets in Asia, Germany and Oman.

Flavour billions of water occasions

We offer the leading flavour concentrates in each market, including Robinsons, MiWadi, Teisseire and Maguary.

We make the most of this leadership and expertise and the strength of our local favourite brands in each market to flavour billions of new water occasions. Increased consumer focus on health, wellbeing and greater water consumption provides us with additional large-scale opportunities.

We continue to invest in this area of the business by expanding existing ranges with exciting flavour innovation and added benefits, as well as championing our concentrates globally through event sponsorships.

And, while our family favourite flavour concentrates lead this workstream, we can reach more people on the go with our Aqua Libra taps. With a simple touch, consumers can fill their glasses or reusable bottles with delicious flavours and enjoy pure filtered water with the taste of natural infused fruit, no preservatives, no sugars, no calories.

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 know that our portfolio needs to evolve with our consumers so that we can cater for all needs and occasions.

A key part of this pillar remains our Beyond the Bottle portfolio. We continue building our dispense offering, delivering consumers our great tasting drinks without the need for packaging. This offer includes our Aqua Libra commercial and Flavour Taps, London Essence Freshly Infused founts and traditional dispense.

As well as looking Beyond the Bottle, through increased investment in our breakthrough brands, we're not only boosting commercial growth but strengthening our portfolio. Through the acquisition of Jimmy's Iced Coffee, we can now play in the fast-growing ready-to-drink iced coffee category.

Finally, we're exploring new sales platforms, including direct-to consumer and the use of social media platforms.

Delivering value to 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 they can trust our business and the products we sell. We achieve this by having a clear and direct way to contact us, enabling them to ask questions, share concerns and offer feedback, knowing they will be heard.

Why they are important to us

Building a loyal consumer audience is crucial to growing and developing our business. With consumers buying and consuming our products regularly, they provide invaluable 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 through 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 making sure we engage with consumers through whatever channel 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 27,000 consumers globally. Everything we learned from this is tracked, analysed and shared with our research and development, marketing and quality teams to make sure consumers remain at the heart of everything we do.



Stakeholder engagement continued



Delivering value to our suppliers

We strive to meet the highest ethical standards and expect our suppliers to do the same.

What matters to them

They want to know we're 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 make sure our entire value chain operates as smoothly as possible and we 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. The CEO reports to the Board the key issues arising from these discussions, both in reviews at Board meetings and informally in individual conversations.

How we engage across the Company

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

This year, we conducted a survey with 91 senior stakeholders across 73 organisations to understand their views. The survey included 24 suppliers, 21 investors and 15 customers.

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, setting science-based targets and understanding the effect on agriculture such as Forest, Land and Agriculture (FLAG) where necessary. Sustainability is an important pillar of our growing Supplier Relationships Management programme and key suppliers are monitored on their progress through this forum. We're also incentivising suppliers to collaborate, make the necessary changes and continuously improve by offering a sustainable supply chain finance programme.



Delivering value to our customers

Providing a great service makes 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 across our markets. 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're 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

We developed our support for customers with the launch of Mix with Britvic – an innovative training syllabus designed to support people with careers in the on-trade. Find out more on page 39. We've also started to share our long term thinking on the future of the soft drinks category with customers across trade, focusing on the opportunities we have identified and working together on solutions to unlock future category growth.

Stakeholder engagement continued



Delivering value to our communities

We want the communities we operate in to thrive.

What matters to them

People expect responsible businesses like ours to make a positive contribution to their community – supporting our employees to get involved is the right thing to do.

Why they are important to us

Building strong relationships with our communities allows us to work together to 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 to the Board on non-financial measures and the Directors spend 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 clocked up 919 volunteering days across Great Britain and our other international markets in 2024, enabling our employees to support the causes that matter most to them. We supported young people through our work with charities Bounce Forward, The King's Trust and upReach. And we provided drinks to those in society who need them most through the charities FareShare in Great Britain and Restaurants du Cœur in France.

919
volunteering days

293,200
drinks donated to FareShare
charity since 2019



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

Working in a truly inclusive culture and safe environment where they can be themselves every day.

Why they are important to us

Our people are our life force and their happiness, wellbeing and dedication shape how we perform as a business. With happy, healthy employees, we will continue to accelerate our growth and achieve 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 page 92.

How we engage across the Company

We receive important employee feedback through our annual Employee Heartbeat and also gather insights from more regular, informal engagement sessions.

How we delivered on feedback this year

Following feedback that our front-line employees have less control over their workplace wellbeing, we collaborated with Night Club – an organisation specialised in improving the health and wellbeing of night shift workers – to offer workshops to more than 400 employees in Great Britain.

We've also launched our Squiggly Careers programme to encourage employees to embrace the unexpected routes (squiggles) their career may take and encouraged continuous learning by providing employees with access to LinkedIn Learnings' online educational resources.

85%
employee engagement score



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 they are important to us

Investors play a pivotal role in the success and growth of businesses – providing the necessary capital, expertise and networks needed for Britvic 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. This year, the Chair and CEO had additional discussions with investors following the offer from Carlsberg to acquire Britvic. Information about the activities undertaken by the Board this year can be found on page 91.

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 had 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

Engaging with stakeholders

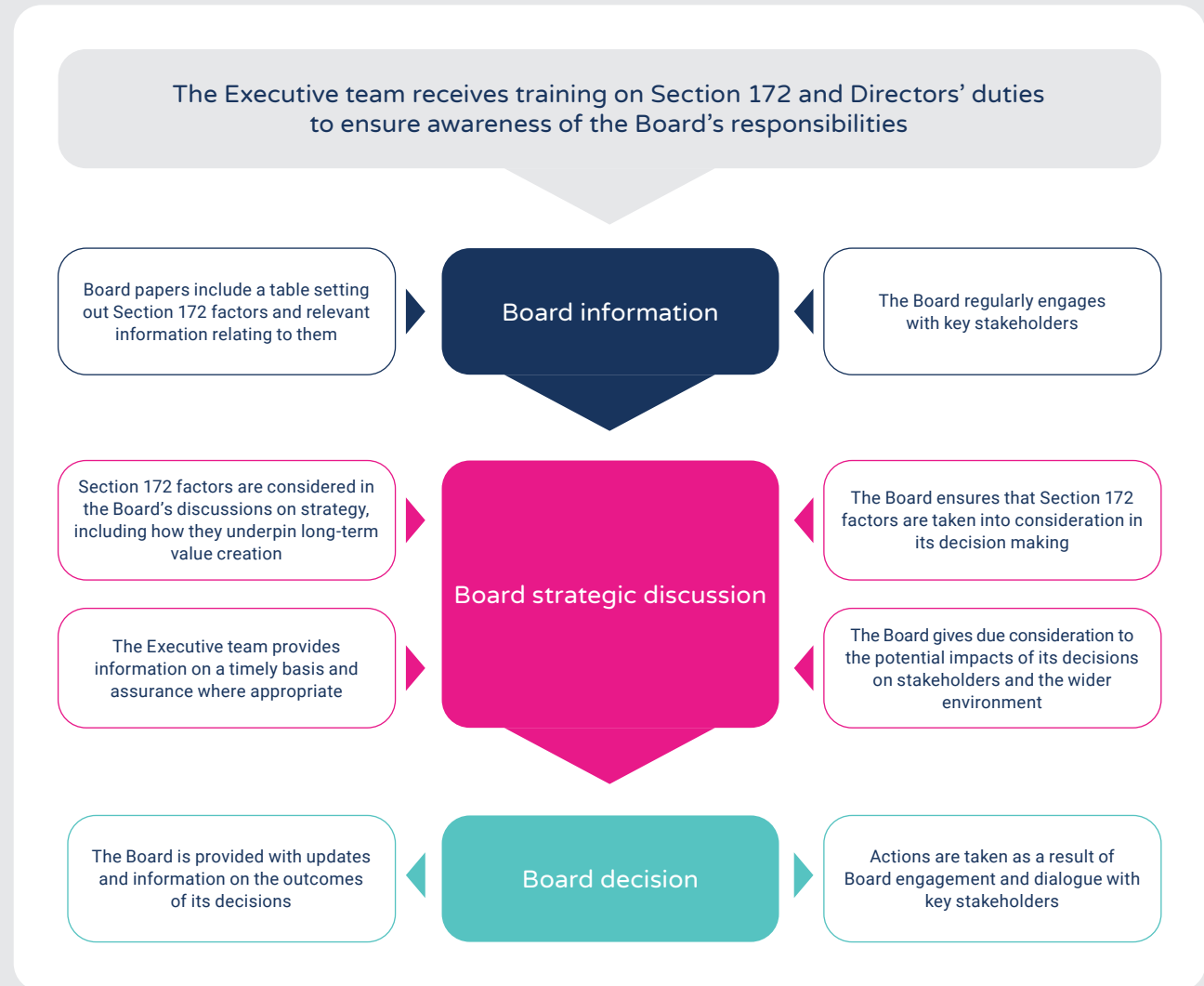
Section 172 of the Companies Act 2006 states that the Board has a duty to promote the success of the company, and in doing so it must have regard to a number of matters when making decisions:

- a) long-term consequences of the decision;
- b) interests of the company's employees;
- c) fostering relationships with suppliers, customers and others;
- d) impact on the community and environment;
- e) maintaining a reputation for high standards of business conduct; and
- f) acting fairly between members.

This statement is intended to explain how the Board meets this requirement in its decision making process.

The Board's decision making process is outlined in the diagram opposite. This process is now firmly embedded in our operations and ensures that there are controls in place to consistently meet the requirements of Section 172. Under our Statement of Authorities policy, the Board delegates certain approvals to the PLC Exec and other business unit executive teams. Decisions made at this level undergo the same process, for example any approval papers will include a Section 172 statement documenting how each Section 172 matter has been considered.

An example of the Board's decision making process is provided on the next page, which relates to two new agreements entered into for primary transportation and warehousing services in Ireland. Further detail is provided on how the Board considered each Section 172 matter when deciding to approve these contracts.





Irish logistics contracts

In September 2024, the Board approved two new contracts for primary transportation and warehousing services in Ireland with current supplier DFDS. Both agreements have a contractual term of seven years and generate both short and long-term value to the Irish business. In approving these contracts the Board had due regard to each Section 172 matter.

Long-term consequences of the decision:

A seven-year term provides long-term security and certainty on critical services for the Irish business. The contracts produce a positive commercial outcome both short and long term with an existing partner. The long-term nature of the contracts will enable DFDS to make the necessary investments in infrastructure to support the Irish business long term, and to unlock continuous improvement opportunities that will benefit both businesses. The contracts have been future proofed to allow changes to be made to the operational requirements through structured change mechanisms. This will ensure the transport and warehousing services provided by DFDS will continue to be fit for purpose during the contract term and can evolve with the needs of the Irish business.

Interests of the company's employees:

As an outsourced service, the decision to enter these contracts caused minimal change to Britvic employees. However, the value generated by the contracts is in the overall interests of the company and therefore will have an indirect positive result on employees too.

Fostering relationships with suppliers, customers and others:

DFDS are the existing partner for transport and warehousing services in Ireland. By continuing with the same partner, the aim is to continue to build on the existing positive relationship between the two businesses, to unlock further value by utilising the experience and knowledge DFDS will already have of the Irish business, removing the cost and disruption of change. Transport and warehousing is also a critical component of ensuring that we provide excellent service to our customers, the commitments in these contracts will support us in meeting the needs of our customers.

Impact on the community and the environment:

The transport and warehousing agreements were considered extensively from a sustainability angle, with the sustainability team being a key part of the cross-functional project team. The transport contract includes the ability to switch to Hydrogenated Vegetable Oil (HVO) fuel which is a low carbon alternative. There are also sustainability commitments incorporated into the contract, including a commitment from DFDS to a new zero plan, and a registration and assessment using EcoVadis and Sedex sustainability platforms. DFDS have also targeted a 75% reduction in Scope 3 emissions in transport by 2030. There is a positive working relationship between both businesses with the aim of continuing to unlock improvements from a sustainability perspective throughout the term of the contracts.

Maintaining a reputation for high standards of business conduct:

In order to assess the business needs for transport and logistics in Ireland, a cross-functional working group was set up with representation from supply chain, procurement, finance, legal, IT and sustainability. A rigorous process was undertaken to ensure all avenues were considered for the future of transport and logistics for the Irish business. This included taking external advice on the cost and implications of changing partners, benchmarking other providers, site visits and a gap analysis on the previous arrangements. The contracts were approved internally by the Board in line with Britvic's governance framework under the Statement of Authorities.

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

The value generated by these contracts and the continuation of transport and warehousing services to the Irish business is critical to maintaining the operating model in Ireland. It also aligns with the overall Group 2025 strategy and is therefore in the interests of all shareholders.

2030 target

75%

reduction in Scope 3 carbon emissions



Healthier People, Healthier Planet

We want to have a positive impact in the world, give consumers great tasting, healthier drinks and nurture our employees. We also want to support our communities, respect our natural environment and reward our shareholders.

Healthier consumer choices

Healthier employees

Reimagining packaging

Valuing water

Sustainable communities

Regenerative agriculture

Path to net zero

Licence to win

Licence to operate

293,200
250ml serves donated to FareShare since 2019

919
community days
More than double our 2025 target

34 million
litres of water saved through student mentoring project at Rugby

† 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.

This year, we refreshed our ESG strategy, called Healthier People, Healthier Planet, to focus on our most material issues and growth opportunities. We spoke to stakeholders representing investors, employees, customers, suppliers, the industry, NGOs and the media. Our aim was to make sure their views were being appropriately addressed through our work. Equally, we recognise all our actions have consequences, and that we need to respect the delicate balance between People, Planet and Performance in everything we do.

Our Healthier People, Healthier Planet strategy underpins our business in two fundamental ways. First, Healthier People highlights our commitment to promoting the health, wellness and wellbeing of our consumers, and also our communities and employees. And second, Healthier Planet aims to limit the impact of our business and brands on the environment.

Underpinning Healthier People, Healthier Planet are seven building blocks that range from 'licence to operate' essentials to the uniquely Britvic elements that make up our 'licence to win'.

In keeping with our history and performance track record, offering healthier consumer choices is a top priority. Whether that's through our scale, family favourite brands or in our new growth spaces, we lead the industry in offering low and no calories per serve. We're evolving our portfolio to offer more products that are better for you, for example, with functional benefits such as vitamins.

Fundamental to our business strategy sits healthier employees. We honour Britvic people by striving to create a high performance, inclusive culture and caring for their wellbeing. We're also representing and supporting the communities in which we work.

We're reimagining packaging so we can reduce its environmental impact on a per serve basis, across our entire portfolio. This includes increasing our recycled content and reducing dependency on single-use plastic. It means partnering to deliver our products through circular and reuse systems including well run Deposit Return Schemes. And we're expanding our expertise in dispense solutions beyond the bottle.

Valuing water as a precious resource is critical. We're looking to constantly make our production processes more efficient, respecting our local water catchment areas and working towards replenishing every drop we use in our factories.

Nature covers a number of aspects across the value chain. These include sustainable ingredients and biodiversity, where we're taking steps to help the natural environment flourish in and around our manufacturing sites.

Our strong representation and relationships in places all over the world mean more people can enjoy life's everyday moments, more often. Through our flagship charity partnership programmes, we're tackling social inequality and building emotional resilience in young people, supporting sustainable communities.

Cutting carbon emissions is a foundation of any responsible business operating today, and it's no different at Britvic. In December 2019, we were proud to be the first UK soft drinks company to have a 1.5°C target verified by the Science Based Targets initiative. Our commitment to achieving net zero carbon emissions across our value chain by 2050 is resolute.

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 32	
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 34	
Our employees feel physically and psychologically well		Upper quartile employee wellbeing score		+ Page 33	
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 44	
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 46	
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	

Healthier People

Our Healthier People strategy is focused on **healthier consumer choices, healthier employees and sustainable communities**. At a time when consumers continue to be price sensitive, we're providing good value for money, great tasting drinks that are better for everyone - by reducing calories and adding vitamins and minerals. 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.



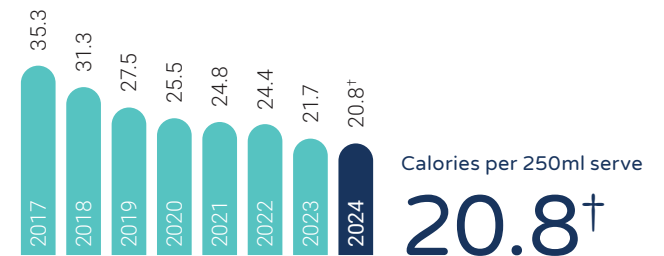
Healthier consumer choices

Consumer health and wellness is central to our mission as we continue to offer healthier choices, without compromising on taste. In 2024, we achieved 20.8[†] calories per serve globally, with significant reductions in Great Britain.

Cutting calories

Consumer health and wellness is woven into our business DNA and rich history of offering great tasting, healthier choices. As we fight to reduce obesity, minimising the number of calories per drinks serve continues to be a key focus area. In 2024, our average calories per served average is just 20.8[†] globally, a reduction of 4% on last year, and 11.0 in Great Britain – putting us in a strong position to fulfil our 2025 ambitions.

We're proud of the difference we're making in the industry and we're committed to offering consumers healthier choices. This is evidenced through sugar-free product launches, innovations and reformulations within High in Fat, Salt or Sugar (HFSS) guidance in Great Britain. A notable product launch in January was Tango Mango Sugar Free. This third flavour in the Tango Editions series was a bronze award winner at The Grocer New Product Awards. Fan favourite Tango Cherry returned in August, following consumer demand for the iconic flavour, but this time in a sugar-free format with just 13 calories per 330ml can. Jimmy's Iced Coffee launched a protein-enriched drink in collaboration with Myprotein, offering 5.6g of protein per 100ml.



Healthier consumer choices continued

Cutting calories continued

Limited-edition Pepsi Electric also launched in May, with the bright blue sugar-free flavour seeing Pepsi disrupt the cola market once again. Reformulations of regular Pepsi and 7UP in Great Britain saw a small reduction in sugar from 4.6g per 100ml to 4.5g, bringing them in line with guidelines on HFSS food. A new zero sugar Blueberry addition to Rockstar Energy's range was introduced in March, tapping into consumer trends for low calorie choices in the category, without sacrificing great taste.

Ballygowan, Ireland's no.1 branded bottled water introduced a new sugar-free Watermelon flavour to its popular Hint of Fruit range in April. With only three calories per 750ml bottle, the flavoured water is low in calories and big on taste.

Adding benefits

Our innovation brands in Great Britain continue to deliver results for consumers and the business. Six Shots flavours are now available in the preservative and additive-free Plenish range. New Spirulina Detox provides 100% of a consumer's daily dose of vitamin B1 and B2 in every bottle to protect the body from oxidative stress. Mango Sunshine offers 100% of the recommended intake of vitamin D and Beet Balance is designed to support women's overall health, containing 100% of the recommended daily intake of vitamin B6. The new additions give shoppers even more choice to proactively support their health.



We're responding to growing consumer demand for high-quality protein. In spring, Jimmy's Iced Coffee launched Original flavour and Caramel flavoured protein enriched milk, boasting 5.6g of protein per 100ml, as well as being HFSS-compliant.

The partnership with the UK's leading online sports nutrition brand Myprotein, fulfils consumer demand for on-the-go protein and coffee needs, whether fuelling up for a workout or simply looking to add that bit of extra protein into daily diets.

Aqua Libra continues to reinvent hydration, introducing electrolytes to its pure filtered water Flavour Taps, supporting drinkers' immunity with zinc.



Healthier employees

We know that a happy and healthy workforce is vital to our success. To support this, we champion initiatives and policies across the business that give employees the opportunity to support causes close to their hearts, build a safe and inclusive place to work, making sure everyone can bring their true selves to work every day.

This year initiatives have included:

- Taking our wellbeing roadshow to Ireland to ensure all employees know about the resources and support available to them
- Providing sleep science sessions to 400+ employees in Great Britain so they can be their best on the night shift
- Encouraging people around the world to get up and get active, including taking part in the biggest race in Brazil

Emotional and physical wellbeing

At Britvic we offer considerable practical support to empower all employees to make healthier choices. Employees who chose to take part in the healthcare plan in Great Britain continue to have access to a GP whenever they want, wherever they are, 24 hours a day, 365 days a year via digital service Doctor Care Anywhere. The service takes a holistic approach to healthcare, with mental and physical support provided.

Following the success of wellbeing roadshows held last year across all sites and shift patterns in Great Britain, we took them to Ireland in 2024. Volunteers including from our equity, diversity and inclusion network groups were on hand to demonstrate the support and resources available to employees.

With a significant proportion of our work force routinely working nights, sleep is a hot topic which bridges emotional and physical wellness. In Great Britain, we worked with external experts Night Club to create a better and healthier shift work experience that improves the wellbeing of our factory-based employees.

Night Club provided us with a total of 50 sleep workshops that allowed over 400 employees across three sites, to put the advice they received into practice.

In Brazil, our Natural Tea brand sponsored Circuito das Estações – one of the largest and most popular running events in Latin America. Our sponsorship allowed us to cover the entry costs of employees who wanted to take part and we encouraged them to do so. We enhanced the marathon experience with pre-race activities including stretching sessions, healthy meal tips, motivational talks and practical advice on how to successfully complete the event, helping participants prepare both physically and mentally.

There were also a number of smaller scale activities throughout the year. Employees in Brazil hosted weekly gatherings to discuss wellbeing and get them involved in the topic. A favourite moment (Momento Britvicker) was when they were invited to bring their pets into the São Paulo office.

In France, wellbeing has also been a priority, with more than 60 employees taking part in activities for Quality of Life and Working Conditions Week in June. Sessions included breathing exercises, reflexology and yoga. Fresh fruit was given out and, due to the success of the events, they now take place every two weeks.

Employee wellbeing

77% +7



Sustainable business continued

Healthier People continued

Healthier employees continued

Mental health

For several years, employees at our Britvic sites in Great Britain have supported Movember, the leading charity changing the face of men's health, by growing moustaches and raising both awareness and £3,275 during the month of November. Value Realisation Director, Nick Jones, who took part, said: "When asked to be on a men's health panel I felt a sense of responsibility to be open and honest so that others who might be struggling with their mental health realise they are not alone and help is available. I hope the sharing of my personal experience will help break the stigma that surrounds mental health issues in the workplace. Britvic's support for this initiative is a great example of our Healthier People strategy in action and it shows our commitment and ambition to create a culture where being your authentic self is supported and respected."

For the fourth year, Britvic was recognised for its work in this area as GroceryAid Gold Award winners. This leading charity provides emotional, financial and practical support across the industry and Britvic employees have championed raising awareness, raising funds and volunteering for the charity in 2024.

Growing our people

Modern careers are rarely linear and require continuous learning. That's why the digital resource LinkedIn Learning is being made available to all our employees globally.

Available in 14 languages, it offers bitesize videos and daily features on its app to enable on-the-go learning.

So far almost 41,000 videos have been viewed – with the most popular topics being AI, leadership, project management and customer service.

To further support the growth and development of our people, we encouraged employees in Great Britain to embrace the unexpected routes (squiggles) their career may take, inspiring them to be open to new experiences and the fulfilment this may unlock. The Squiggly Careers launch event, with Helen Tupper from the company Amazing If, saw nearly 300 employees tuning in to learn more about confidence, curiosity, resilience and continuous learning – all essential ingredients for success.

In Great Britain, we've seen 25% of our vacancies filled through internal moves and career progressions. That's a 7% increase on last year, meaning 150 more employees have taken exciting new steps within the business.

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 returning to work with us, there's something very special about working for Britvic.

Throughout the year, we actively listen to employees. An important milestone is our comprehensive survey called Employee Heartbeat, which seeks to understand engagement, belonging and wellbeing as key metrics to our Healthier Employees strategic goal.

In 2024, we changed our survey provider. This enabled us to measure ourselves against specific FMCG, manufacturing and country benchmarks. The rating scale has also moved to focus on favourability rather than average. Scores for previous years have been recalculated using the new methodology to ensure comparability.

Belonging

78% +8

2024 78%

2023 70%

Engagement

85% +7

2024 85%

2023 78%

The survey continues to be managed confidentially, across all markets, with 89% participation in 2024 – our highest response rate since the start of Employee Heartbeat four years ago. The results show the highest levels of belonging, engagement, and wellbeing since its launch, with stable intent to stay among employees. We scored 78% for belonging, 85% for engagement and 77% for wellbeing. This exceeds global benchmarks.

As well as the quantitative data, Employee Heartbeat provides qualitative insights through employees' verbatim comments. This year an incredible 11,176 were received, up 49% on last year. Taking action on issues highlighted in employee feedback, stabilisation following organisational changes in 2023, and good mid-year business results have all led to positive improvements.

Naturally, wellbeing is a key driver of productivity for all employees. However, survey results this year reveal our front-line employees have less control over what affects this than people in other teams. Actions, such as the Night Club sessions detailed on page 33, are aimed at improving wellbeing and will continue to be part of our future engagement programme.

For the second time, we invited employees to share their protected characteristics in our survey, including ethnicity, gender and sexuality.

In general, those who shared their details have the same experience when it comes to wellbeing support as their peers.

Last year, we identified that we needed to know more to understand the needs of our disabled employees. This year employees who identify as disabled, neurodiverse or having a long-term health condition were able to disclose this.

Results show that while neurodiverse employees generally have the same experience as their peers we need to do more to ensure all disabled employees and those with long-term health conditions feel equally supported.

Overall, we're proud that our scores are above the global benchmark for both consumer companies and manufacturing organisations but we remain committed to continually improve and make Britvic an even more dynamic employer.

Sustainable business continued
Healthier People continued

Healthier employees continued

Fifty years of dedicated service

As we recognise Britvic's incredible team, we're celebrating one outstanding long and successful relationship: Shafaq Mohammed has worked for Britvic at our Beckton manufacturing site for nearly 50 years.



Joining in 1975, his tireless dedication to service, depth of knowledge and experience, impeccable attention to detail and curious nature have sustained his long career.

A proud family man and devout Muslim, Shafaq, known as Pops to his colleagues, is a highly valued member of the team and local community, – we're grateful for his continued commitment to the company.

Safety and product quality

The safety of all our employees across our sites is a high priority and embedding strong operational standards has been a key focus area this year. To support changes in legislation and reflect best practice, we've refreshed our Britvic internal standards which have been rolled out with a series of gap analyses and audits to drive compliance.

While the lost time injury frequency rate (total lost time injuries per 100,000 hours) has increased slightly from 0.34 to 0.45[†] this year, the five-year trend remains positive. We've seen good progress in safety observation completion rates and adherence to hazard notification processes this year. And we've focused on learning lessons to improve even further.



We remain committed to a strong quality and safety culture, so introduced a number of targeted campaigns to raise awareness throughout the year. We also published a library of 'safety moments' to support a safety first approach which is being used at the start of meetings.

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.



B-Well is our supportive network of Mental Health First Aiders and Wellbeing Warriors. It brings together different support programmes across Britvic, to create a caring work environment, where we all feel supported and understood.



Race, ethnicity and culture

Genuinely experiencing a sense of belonging is central to our approach to wellbeing at Britvic.

The B-Yourself network groups are pivotal to us fostering an inclusive culture and celebrating different customs, traditions and experiences across the board. We're proud of the members, allies and broader employees who've participated in a variety of activities, particularly in a year in which there's been unrest in Great Britain and globally.

In August, B-Diverse hosted a Chit Chat Chai panel discussion in celebration of South Asian Heritage Month at our head office in Great Britain.

Business Executive Juliet Joseph said: "My first year at Britvic has been incredibly rewarding and heightened my sense of belonging. Quite early on I was exposed to the B-Diverse initiatives led by Sandeep and Lois and quickly realised I needed to be part of the team to educate and celebrate the amazing parts of our culture."

"Being part of the team to organise the panel for South Asian Heritage Month was the experience that made a difference. We had this amazing opportunity to collectively share our challenges and fun memories of being South Asian, creating a positive environment. Having senior members at Britvic on the panel explaining their journey was incredibly inspiring, especially for someone like me, who has just started their career."

Healthier employees continued

Disability and diverse abilities

Embracing unique talents benefits us all. Actions we've taken this year to support consumers, employees and communities include:

- Working across the business in Great Britain and in partnership with the National Autistic Society to create the most accessible and inclusive Fruit Shoot packaging change ever. Read more in the case study opposite
- Offering the first set of immersive sessions at our factories to understand physical disabilities and neurological differences
- Providing a partner company in France with more than 100 electronic devices to be reconditioned and recycled by disabled employees – emphasising the natural bond between Healthier People and Healthier Planet

In Great Britain, employees at our Rugby factory were invited to attend a B-Seen experience. Hosted across two days and two shifts, the aim was to raise awareness and celebrate the unique differences that make our workplaces vibrant and inclusive. Members of the B-Seen community shared their own stories and through interactive activities gave employees the opportunity to experience how it feels to live with musculoskeletal conditions, hearing loss, ADHD, autism and dyslexia.

In France, we've now worked with partner company AfB for more than seven years. It helps us recycle our IT equipment while also training and employing disabled people, including those who have experienced long-term unemployment.

AfB resells suitable devices at solidarity prices to charities and schools. This year, AfB collected more than 100 computers, printers, keyboards and mice from Britvic and, in support of the circular economy, was able to recondition and resell 65 devices.

The remaining equipment was broken down into parts and appropriately recycled, with materials including metals and plastics being reused in the manufacturing of insulation and piping.

Case study

In February, Fruit Shoot introduced a new sports cap across Fruit Shoot bottles.

However, this wasn't an ordinary change. We took extraordinary steps to make sure everyone could continue to enjoy this much-loved brand.

We became aware of the effect alterations to Fruit Shoot packaging can have on consumers, particularly those in the neurodivergent community, after a previous design switch from coloured to transparent bottles left kids questioning whether it was the same product they'd previously loved.

This became a particular issue for parents of autistic children, with many who use Fruit Shoot to keep their families hydrated struggling, as their kids rejected the new bottles.

With over 700,000 autistic youngsters in the UK, Fruit Shoot wanted to make sure that the transition to the new cap was as easy as possible for everyone.

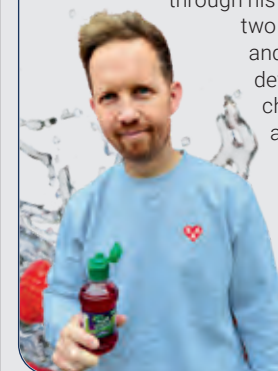
To ensure maximum support was in place during the change, Fruit Shoot partnered with relevant experts including the National Autistic Society, parent influencer of two boys with autism, James Hunt and our employee network, B-Seen.

The new cap is easier to recycle and easier for smaller hands to drink from, and the tethered design helps keep the spout clean between uses.



@StoriesAboutAutism

Social media influencer James Hunt is a dad to two boys, Tommy and Jude, who are both autistic and non-verbal. James shares his everyday life to help other parents not feel so alone. James advocates for autism awareness through his content and blog. He has won two Bloody Awesome Parents Awards and has been a brilliant partner in developing this campaign, really championing proactive brand approaches to product changes and helping Fruit Shoot support the community as much as possible. Resources are still available on the Fruit Shoot website and include a short video of James explaining the changes.



Critically, the liquid remained exactly the same. This was a key message the campaign needed to land.

Launching the collaboration, Fruit Shoot and the National Autistic Society created freely available online resources, including the popular social story tool – a cartoon strip style explanation of what was changing and why, for families to use at home and on the go.

Several influencers, popular within neurodiverse communities, were engaged to help make sure we reached as many people who may be affected as possible.

This case study and insights have been shared via the Business Disability Forum with its 250+ members. Taking inspiration from the campaign, social stories have been created for younger visitors to Britvic factories to help prepare them for tour experiences.

Sustainable business continued

Healthier People continued

Healthier employees continued

Gender equity

Britvic continues to strive for gender equity with increased female representation in leadership, a gender pay gap that does not see women at a disadvantage and transparent parental leave policies that are available for the public to view online.

This year, these efforts were recognised by external organisation Women in Work who accredited us with the Gender Equity Measure – putting us in the top 100 UK businesses that are doing the most to close the gender equity gap.

[+ Read our pay gap reporting on page 40.](#)

Our B-Empowered group continues to lead on these changes and for International Women's Day, members of the steering committee hosted an employee webinar. The event focused on the importance of both equity in Science, Technology, Engineering and Mathematics (STEM) and in sport, with a special appearance from English cricketer, Marie Kelly.

Director of Engineering, Emma Knowles comments: "I really enjoyed having the chance to speak to such a broad audience about the importance of women in STEM. The talk had ripple effects too – months later I still receive messages from parents within the business who have taken their children to STEM groups that I suggested. Having an impact on the longer-term goal of getting women into STEM is great, and is one way we can help mitigate the global shortage of engineers into the future."

LGBTQIA+ inclusion

We've continued to support the LGBTQIA+ community this year, with customer activity in Great Britain seeing Sainsbury's and Robinsons Fruit Creations raising funds for charities Sparkle and akt (formerly the Albert Kennedy Trust).

Our allies in Ireland along with the Ballygowan team sponsored Limerick Pride festival for the third year. In Great Britain, we proudly delivered brand activations at Pride celebrations in Glasgow and Nottingham with London Essence and Aqua Libra.

During Pride month, hospitality venues were decked out with branded menus, point-of-sale materials and offered exclusive giveaways, with shoutouts from drag queens on the Britvic stage. This also helped us raise additional money for akt, the only national charity specialising in LGBTQ+ youth homelessness.



Sustainable communities

We believe in giving back to the communities we serve – from employee volunteer days and fundraising events, to providing work experience that supports social mobility.

This year's diverse highlights include:

- Hitting the quarter of a million mark when it comes to drinks donated to anti-food waste charity FareShare in Great Britain and Northern Ireland. Since the partnership began in 2019, we've given 293,200 250ml serves to over 2,280 charities
- Donating more than €460,000 of drinks in France to Restos du Cœur since the start of our partnership, supporting a charity that provides everyday essentials, from toiletries to hot meals, to those in need
- Tackling extreme conditions in Brazil by donating drinking water and energy drinks to help flood efforts and employees stepping up to become volunteer firefighters
- Spending more 919 days volunteering, with employees in our Great Britain and other international markets supporting causes that matter to them most

At Britvic our vision is to create a better tomorrow and, to balance the average age of our workforce in Great Britain and Ireland, we know we need to increase the opportunities we offer to the next generation. So, we've been:

- Equipping parents, teachers and students with the tools and resources they need to strengthen mental health at 100 schools, thanks to our corporate charity partnership with Bounce Forward
- Breaking down barriers to employment by welcoming new starters on our apprenticeship schemes and inviting students to shadow employees, in partnership with social mobility charity upReach
- Funding thousands of hours of counselling, education and careers advice with more than £260,000 donated over three years to youth charity The King's Trust.

Young people

Our head office has been in Hemel Hempstead, Hertfordshire in Great Britain since 2012. This year we have continued to work with the Hertfordshire Community Foundation, which offers businesses like ours support to achieve their charitable giving objectives and helps local projects to thrive. Since the Britvic fund's formal inception in 2013, we've supported 11 projects, awarding over £42,000 with over 777 local beneficiaries.

Meanwhile, this summer, for the second year running, our early careers team in Great Britain invited six students to shadow employees for a week, in a variety of functions from legal to engineering. This was in partnership with the upReach, an award-winning social mobility charity that wants everyone to have an equal opportunity to realise their full career potential, regardless of their background.

Two significant brand activations for Tango in Great Britain and MiWadi in Ireland underlined the power of consumer brands working with social purpose. Both successfully supported young people in our local communities and effectively engaging audiences. Read more on page 39.



Sustainable communities continued

Case study

Bounce Forward

Over the last two years Britvic has proudly supported the charity Bounce Forward. Focused on prevention, not crisis management, its tireless work is concentrated on transforming the approach to mental health in the education system. It's been inspirational for our employees and raising our collective understanding of psychological fitness has connected brilliantly to our internal passion for wellness. Employees got involved in many ways including over 180 individuals nominating local schools to access the training, as well as fundraising and taking part in the employee lottery which raises charitable funds. Our Group Corporate Affairs Director Kathryn Partridge has served as a trustee to the charity since March 2023.

Its founder Lucy Bailey says:

"Bounce Forward's partnership with Britvic has been immense and we couldn't be prouder of what's been achieved. Over 17,000 children across UK schools are regularly being taught the skills of psychological fitness, contributing to happier and healthier school communities which does not go unnoticed by the school leaders. The support we receive extends beyond the exchange of funding. We feel part of the Britvic family and knowing we can reach out for support, as a small charity is priceless. To me, it has been a partnership that has felt truly aligned from day one, and the ripple effect has been infectious and above and beyond."

We regularly hear back from employees, parents and the benefiting schools, as illustrated by headteacher Suki Edwards at Eastlands Primary School in Rugby: "Resilience is needed so much, and what a great way to help children develop. Thank you so much. I look forward to getting started with it."

And from Abbots Farm Junior School, again, nominated by an employee based at our Rugby site: "It's so lovely to hear that someone has nominated us as this totally fits with our school ethos and values."

One of our IT project managers, Frances Stevens-Bulmer, based in our head office in Hemel Hempstead explains why she got involved and nominated local school Gade Valley Primary:

"For me, it's important that our children get the training we didn't get and the earlier we can start it the better. I know it's a way off until my little one starts but I wanted the school to benefit from it and it to be ingrained and a part of the culture by the time my one hopefully attends there."

100 schools

have benefited from
Bounce Forward
sessions thanks
to Britvic support



Industry partnerships

Unfortunately, fires and floods continue to be a significant concern for our employees and operations in Brazil.

Devastatingly, in May, deadly floods affected our community and saw the site of our manufacturing facility in Flores da Cunha in Rio Grande do Sul temporarily closed. Employees immediately stepped up to volunteer in response to the crisis and we donated energy drinks and much needed drinking water to support the ongoing efforts of municipal workers.

Rodrigo Grando, working in Agro-industrial Purchasing, explains: "It's with great pride and satisfaction to witness Britvic supporting and making itself available during these challenging times. I felt honoured by the tremendous concern and effort that Britvic has shown in helping those affected by this catastrophe."

As part of our involvement in the communities surrounding our four factories, every year, we have a volunteer fire brigade event involving over 70 employees. Employees are trained on how to safely respond to incidents on our sites and support local efforts to minimise the impact of fires.

In addition, when it comes to industry partnerships, in Great Britain and Northern Ireland, we've partnered with and supported the anti-food waste charity FareShare since 2019, through volunteering and donating products. To date 293,900 250ml serves of Britvic products have been redistributed to over 2,280 charities, reaching those in need attending older people's lunch clubs, community centres, homelessness organisations and more.

In France, we continue to support Restos du Cœur, a charity that provides everyday essentials, from toiletries to hot meals, to those in need. Since the start of the partnership, we've donated more than 600 pallets of stock worth approximately €460,000, providing drinks including Fruit Shoot, Moulin de Valdonne, Teisseire, Pressade and London Essence.

This has been bolstered by generous donations from employees who gave almost 200 toiletry items in the 2023 calendar year.

Recognising the pressures many independent retailers faced and continue to face, especially during the current cost of living crisis, we launched our initiative in March for five customers in Great Britain to win £1,000 each towards their store's energy bills.

Sustainable business continued

Healthier People continued

Sustainable communities continued

Industry partnerships continued

Anil Sundavadra from Witchford Village Store & Post Office in Ely, Cambridgeshire, shared his feedback on winning: "We had a delightful experience with Britvic. The money we received has made a huge difference in covering our electricity bills this month, and we truly appreciate it. We look forward to participating in any future competitions with Britvic."

Providing similar support for the hospitality sector in Great Britain is the Licensed Trade Charity and it was one of the fundraising beneficiaries of a VIP cricket experience day in September, in association with the Robinsons' sponsored Lashings World XI. Only A Pavement Away was the other beneficiary. The charity's mission is to help people out of homelessness and into the hospitality trade. Britvic's General Counsel Mollie Stoker is one of the organisation's trustees. Mollie spoke more about the work she does with them on the charity's podcast, the first series of which was sponsored by Britvic.



In May, we launched an innovative training syllabus to support the retention and development of people with careers in the on-trade sector. The Mix with Britvic training programme is delivered via a new free-to-use membership platform in partnership with the British Institute of Innkeeping. Offering support, training, development and career guidance for everyone across the pub sector and beyond, we're committed to industry collaborations that innovate to nurture the talent and passion of employees across hospitality.

This year we have started working with non-profit organisation Forum for the Future, in the development of a tool kit to help businesses shift the dial on the dual crises of climate change and ill health, supporting their work to accelerate the shift toward a sustainable future.



Case study

A decade plus of support for sick kids

In Ireland, MiWadi's long-standing Trick or Treat for Sick Children campaign provides Children's Health Foundation hospitals and urgent care centres with vital fundraising. It's raised €3.9m to date. Caroline Hyde, MiWadi's Marketing Manager, commented: "We're so proud of our Trick or Treat partnership and how support for the campaign has grown over the past 12 years. Each year we build on previous successes to try and make Trick or Treat for Sick Children the best it can be for the children and families who need the services of the Children's Health Foundation."



Case study

Tango wins award for youth support

Tango was recognised by The King's Trust for its continued support, winning the charity's commercial award. The brand's Find Your Fearlessness campaign and a donation of £220,000 were called out as making a significant difference to the Trust's vital work. Employees also got involved, raising a further £40,000, through events including a masquerade ball.

Volunteering

Employees in our Great Britain and other international markets are given time to volunteer for chosen charities or to give back to the community in some way. This year, volunteering increased by 17% to 919 days.

We updated our policy to specifically address urgent blood donations, enabling employees to take just a half day each time they donated. Specific communications and local drives were undertaken in Great Britain and Brazil to support the blood services. Patients having access to safe blood and blood products, such as platelets, in sufficient quantity is key to effective healthcare, there's also been a drive to increase donations in both countries.

Later in this report, we describe how valuing water is fundamental to our Healthier Planet strategy. There's a clear link to our Healthier People approach too, particularly when it comes to providing employees with volunteering opportunities.

Since 2021, we've worked with The Rivers Trust to improve river health and water quality near production and business sites in Great Britain. As well as our stewardship commitments, the partnership provides many rewarding volunteering opportunities for our teams.

In June, 19 employees from our Beckton factory, spent the day working with Rivers Trust partner Thames 21 to improve the River Roding in the nearby Wanstead Park. In September, ten employees from our head office waded into the River Bulbourne, to clear invasive species floating pennywort and Himalayan balsam.





At Britvic we know that equity, diversity and inclusion are critical components that drive our sustained high performance and overall business growth. While we are pleased to report the steady year on year progress we are making on our gender and ethnicity representation, we remain humble about the remaining pay gaps and recognise the need for sustained effort to continue on our upward trajectory.”

Elly Tomlins
Chief People Officer

50%

women on the Britvic Board

42%

women in senior leadership roles

25%

ethnic diversity on the Britvic Board

9%†

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 2,083 employees based in Great Britain who were employed by Britvic on 5 April 2024. We use this specific data to ensure the statistics are comparable with the same date in 2023.

It is important for us to track and understand our pay gaps for both gender and ethnicity in Great Britain to help us act and be open and transparent with our employees.

These reports give us the information we need to inform our strategy, ensure increased diverse representation and create action plans to address parity.

In July, the UK Government announced its intentions to introduce a draft Equality (Race and Disability) Bill, which would make disability and ethnicity pay gap reporting mandatory for large employers. At Britvic, we support this and as signatories of Change the Race Ratio, we have voluntarily disclosed ethnicity pay gap data since 2022. We remain a signatory of the pledge and welcome similar initiatives to pave the way for disability reporting.

This year, our numbers are tracking in a positive direction for gender and ethnicity but there is much more to be done and, as such, we remain restless until our goals are achieved.

Overall there has been an increase in both the number and proportion of women we employ in Great Britain, with a 9% rise in females. This means our gender pay gap is now more in favour of females in Great Britain as supply chain representation (mainly in our manufacturing sites) typically offers lower wages and is predominantly and historically male-dominated. This change also represents increases in female representation at the leadership level, which remains one of our key 2025 goals.

We are pleased to see our ethnicity pay gap in Great Britain reducing as the number of senior ethnically diverse employees increases. While our ethnicity representation has increased in absolute numbers, the proportion of the ethnically diverse population has not shifted year on year and will remain a key focus going forward.

Our initiatives are certainly making progress. However, further interventions are required to ensure pipelines of diverse senior talent and representation at all levels of the business.

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.

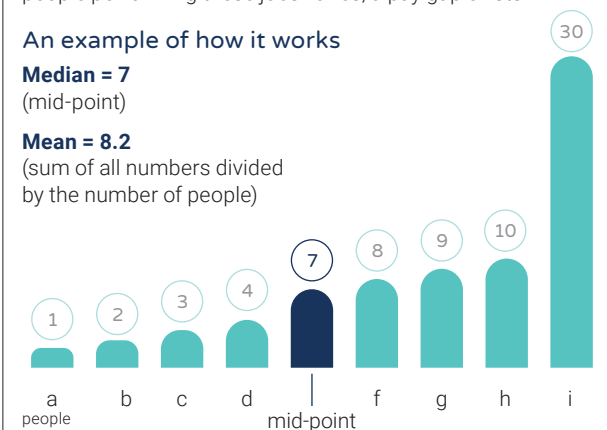
The pay gaps show the difference between the average and median earnings of men and women and between white and ethnically diverse employees across the business, regardless of the nature of their work.

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.

An example of how it works

Median = 7
(mid-point)

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



Sustainable business continued

Healthier People continued

Inclusion pay gap report continued

Understanding the difference between mean and median continued

2020 baseline

40%

women in leadership

3%

Black, Asian and ethnically diverse leadership in Great Britain and Ireland

2025 goals

Balanced

gender leadership

10%

Black, Asian and ethnically diverse leadership in Great Britain and Ireland

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, South Asian Heritage Month and many more. Read more about South Asian Heritage Month on page 35
- We've increased the number of sites in Great Britain with access to prayer rooms to enable employees to have the space to practise their religious beliefs while at work
- We've conducted a second 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

Diversifying recruitment

- We track gender and ethnicity for hiring, leaving and promotions
- We're working with a new recruitment partner that will help us track our gender and ethnicity representation throughout the recruitment lifecycle from application to hiring

Supporting early careers

- Our graduate and apprenticeship programmes continue to ensure new hires come from more diverse backgrounds. This year we took on 13 graduates across commercial, engineering, finance and supply chain. This year's graduate scheme cohorts are 59% female and 43% ethnically diverse
- We continued our partnership with social mobility charity upReach to enable students from less-advantaged backgrounds to take part in work experience at Britvic. Of the students who took part, 71% were female and 71% 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 9%[†] of senior leadership roles held by Black, Asian and ethnically diverse employees

Ethnicity pay

2024 is the third 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 9.6%, down from 12.2% in 2023 and our mean ethnicity pay gap is 8.4%, down from 13.3% in 2023. 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. 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

9.6%

Median ethnicity pay gap

8.4%

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

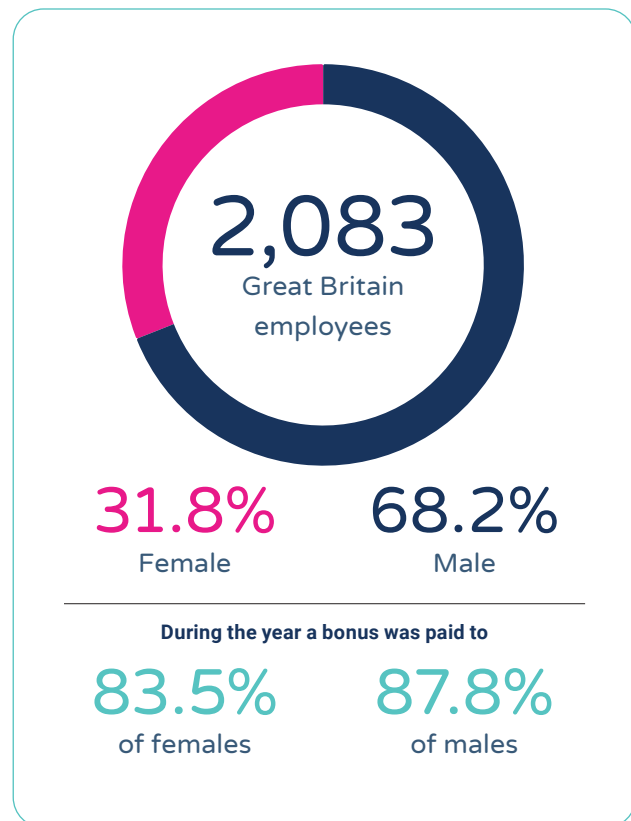
Our progress

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 -16.2% median pay difference against the UK average of 13.1%¹. The mean gap continues to favour women and stands at -6.9%.

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).

1. Gender pay gap in the UK, ONS.



Explaining the inclusion pay 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.

Our female representation across the business has increased from 31.0% to 31.8% and it is encouraging to see an increase in our representation for senior roles. Our Executive team now has a 40% female representation (up from 36.4% in 2023).

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. The participants on our future leaders' programmes, Accelerate (advancing strategic leadership and problems solving skills) and Elevate (advancing leadership capability and people management skills) have been key contributors to this, as 20% of the promotions come from these cohorts.

What's next?

- Our attraction and retention strategies continue to evolve as we seek to increase representation within senior leadership. We're increasing monitoring of our pipelines of diverse talent and thinking about how we can support people's development, removing any potential barriers to promotion
- We're continuing to develop our online careers offering to make it as attractive and inclusive as possible. This year we introduced more information about what the working culture at Britvic is like and included videos of Britvic employees talking about their experiences
- There's even more to be done with our Squiggly Careers programme (see more on page 34) to champion diversity of thought, experience, and background. We believe that different experiences bring new ideas and foster a richer environment. These paths embrace flexibility, individuality and exploration



-16.2%

Median gender pay gap

-6.9%

Mean gender pay gap

-14.8%

Median bonus pay gap

7.8%

Mean bonus pay gap

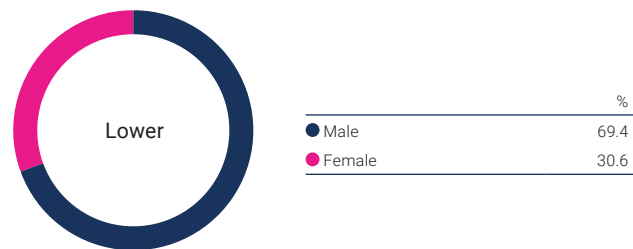
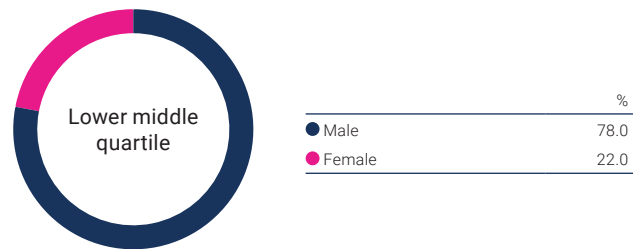
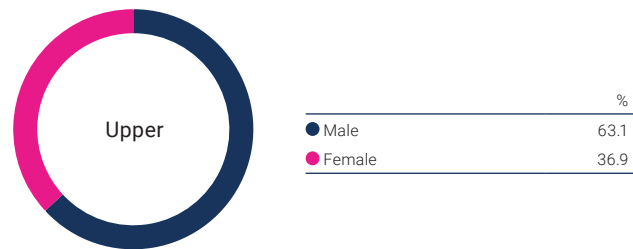
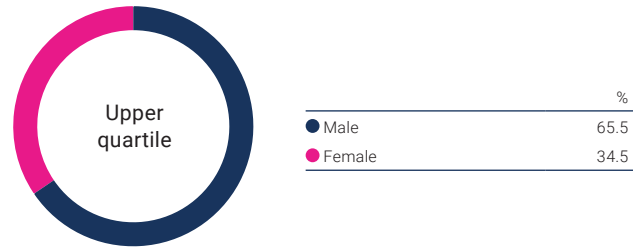


Sustainable business continued
Healthier People continued

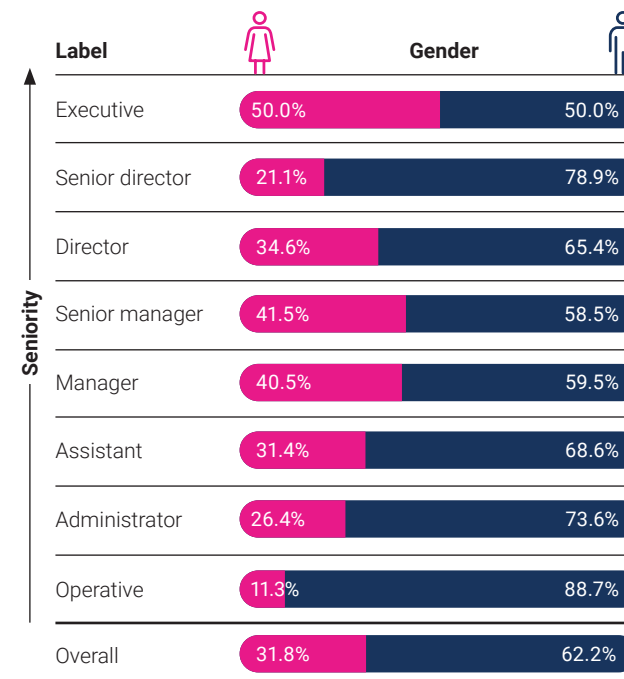
Inclusion pay gap report continued

Gender diversity as at 5 April 2024

Pay quarter gender split in Great Britain



Gender diversity by seniority



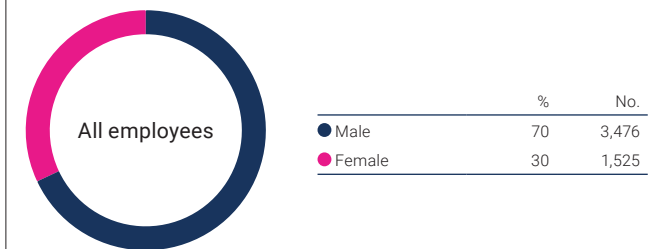
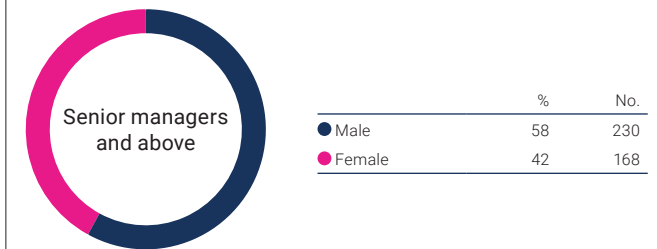
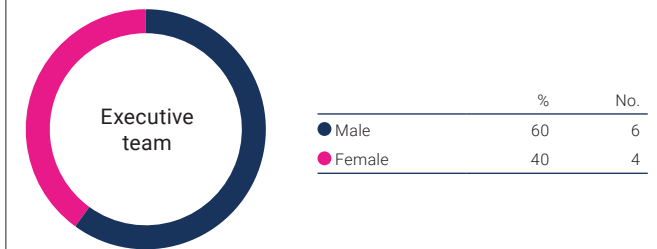
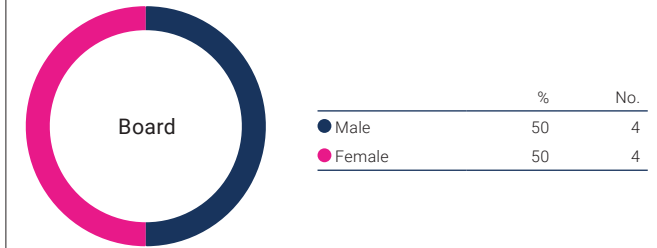
Gender pay gap

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 -16.2% median pay difference against the UK average of 13.1% 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 at 30 September 2024

Key roles globally



Healthier Planet

We understand the crucial role we play in addressing climate change and are committed to acting now to **safeguard our planet** and to safeguard the long-term sustainability of our brands, for future generations.

Our efforts alone are not enough: the variety of challenges we face as a business, an industry and as citizens are impossible to address in isolation. As such, we view **collaboration** and **partnerships** as both welcome and necessary to tackle the issues, **unlock opportunities** and move faster.

Our Healthier Planet strategy targets four material issues where we can make the most significant difference: packaging, water, nature (sustainable sourcing and biodiversity) and carbon.



Reimagining packaging

We remain focused on creating a world where great packaging never becomes waste and investing in alternative solutions to packaging.

This involves innovating to provide shoppers and consumers with a variety of options – from recyclable plastic or aluminium packaged drinks in multiple formats, to flavouring billions of water occasions with small bottles of concentrated squashes and syrups, to offering products with no packaging at all.

Our leading flavour concentrates across the globe continue to champion healthy hydration, reducing packaging per serve while delivering great tasting drinks for all occasions. In France, Teisseire sponsored the Women's Tour de France and Robinsons sponsored The Hundred cricket competition in Great Britain, putting dilutes in the spotlight at global events. In Great Britain, Fruit Shoot entered the concentrates category with its new Fruit Shoot Squash, launched on Amazon and Ocado.

There's no single, obvious answer to the packaging challenge, and we continue to learn how interrelated the different aspects of environmental sustainability are. For instance, using an aseptic production line can eliminate the need for preservatives in a drink but will also consume more energy. Similarly, switching from one type of packaging to another might offer wins across water, carbon or nature, but may not be as beneficial when considering the logistics and packaging weight, per serve.

Across our 39 brands globally, we continue to make steady progress, generating a range of solutions to this complex, vast and rapidly changing aspect of our business. Regardless of their choice, consumers must feel confident what they buy has the least possible effect on the planet throughout its lifecycle.

Sustainable business continued

Healthier Planet continued

Reimagining packaging continued

In April, it was announced that a Deposit Return Scheme (DRS) for drinks containers will go live in Great Britain in October 2027. By introducing a deposit, it's designed to increase recycling rates and reduce bottles and cans becoming litter or ending up in landfill. It will also ensure that high quality materials from returned containers can be recycled. There are over 50 international schemes already in place, including in Ireland, which went live in February this year. The Britvic team in Ireland fully embraced the Re-turn nationwide initiative, which has reached the incredible milestone of half a billion bottles and cans returned for recycling.

Beyond the Bottle

Our expertise in dispensing solutions ensures our products reach consumers efficiently, at the highest quality and with the lowest environmental footprint.

Recognised as a pioneering innovation, the Aqua Libra Flavour Tap was awarded Product Innovation of the Year at the 2023 Food and Drink Federation Awards. Currently available in Great Britain and Ireland, the tap is ideal for workplaces, hospitality and retail, using state-of-the-art technology to dispense still, sparkling and flavoured water with zero calories. Critically, the Flavour Tap reduces packaging waste by 99% compared with 500ml bottled soft drinks. This financial year, Aqua Libra has served an estimated 1,962,000 packaging-free drinks.

Following a successful trial at the sustainability event Blue Earth Summit in October, we established a formal partnership with the environmental services charity Ocean Co., allowing us to work with our Aqua Libra customers to remove ocean plastic.

Since February, we've funded the collection of plastic equivalent to 552,498 ocean-bound plastic bottles. Thanks to 426 collectors and workers, over 6,300kg of plastic has been recycled, or reused, fully traceably, supporting a zero waste to landfill policy.

The Aqua Libra Flavour Tap has also encouraged healthier hydration habits by providing zero-calorie flavoured water options. Real-time data analytics and personalised flavour adjustments have allowed Aqua Libra to offer a better user experience.

The brand continues to provide choice and packaging solutions for partners and consumers, with the introduction of still and sparkling water in slimline cans in January.

The French government took the lead globally with its law to gradually phase out all single-use plastics by 2040. As a key market and as part of our reimagining packaging plans, assessing how we can deliver great tasting drinks through dispense, reuse, refill, and flavour concentration delivery systems will continue to be core to our Healthier People, Healthier Planet strategy.

In 2024, our data gathering processes have become more sophisticated with the adoption of an assessment tool, the Footprinter by Anthesis. It allows our business in Great Britain and Ireland to create sustainability profiles of our products at a SKU level. This was used to help develop a sustainable brand plan for London Essence and a multipack can packaging assessment. The metrics include carbon, water, recycled content and recyclability, as well as nutritional measures, using a standard 250ml serve.

Collaborating with our suppliers

As part of our ongoing collaboration with suppliers and in the quest to understand the latest innovations and possibilities, our sustainable business and R&D teams visited Novelis' aluminium recycling plant in Warrington, Great Britain. The trip was made possible by one of our can suppliers, Ardagh.



Ireland's Deposit Return Scheme

We continue to actively support the roll out of well-designed Deposit Return Schemes to increase recycling rates and establish a functioning circular economy for packaging. This needs to happen so we have enough recycled food-grade quality plastic PET to reuse in our bottles.

Around two billion drinks containers are consumed in Ireland every year, with over 30% going unrecycled – and Ireland's DRS, Re-turn, launched on 1 February. The scheme was quickly adopted and, in its first six months, there were over 2,500 reverse vending machines and 323 manual return points nationwide.

By September, over 500 million containers had been returned with research finding a noticeable reduction in litter on the streets.

Kevin Donnelly, Britvic Ireland's Managing Director, serves as a Non-Executive Director on the Re-turn board.

The UK Government and devolved administrations published a joint policy statement in April, announcing a framework to ensure compatibility across the UK with DRS to be launched in October 2027.

We continue to work closely with governments and the wider industry to make sure a deposit management organisation is appointed to administer the UK schemes in 2025, ahead of a successful launch.

Reimagining packaging continued

Beyond the Bottle continued



Top quality service on tap

This year a collaboration between Aqua Libra and Irish customer the Gleneagle Hotel in Killarney, Co. Kerry, helped both brands meet their sustainability goals.

As the hospitality industry in Ireland tackles sustainability challenges, the Gleneagle is at the forefront of driving innovative, sustainable changes. The impressive 279-bedroom property welcomes a quarter of a million people every year. The management team was looking for a way to keep hotel guests, visitors and staff sustainably hydrated.

Before the partnership the hotel was using around 330,000 plastic bottles a year to provide complimentary water for the guests. Aqua Libra installed 18 Aqua Libra Alto refill stations throughout the Gleneagle complex, eliminating the need for single-use plastic bottles and supporting the hotel with its carbon reduction targets.

Having robust data is fundamental to the decisions we make, especially to meet regulatory requirements and increasing demands from customers and consumers. It's also crucial we continue to promote close collaboration with suppliers, customers and industry experts, to understand the impact of our decisions. For example, the carbon footprint of dispense systems and the increased logistics, resources and washing requirements of reuse.

Exploring the possibilities of packaging

Britvic Executives took time out to dive into the challenges and possibilities of packaging. The training was run by Shameem Kazmi, Group Research and Development Director, and our Sustainable Packaging Technologist, Jamie Field. It walked the senior leadership team through the production of four key packaging types: plastic (both virgin and recycled PET), aluminium, glass and cartons. The team explored the opportunities for each and the innovations to improve recyclability and the packaging lifecycle.



Valuing water

Water is a key ingredient for our soft drinks, and we're committed to protecting this natural resource through stewardship initiatives and improving our operations.

In all markets, valuing water is core to our operations. Specifically for Brazil, it's close to the hearts of all employees working in the region where the changes in climate are profoundly felt. As we make continued progress on our water ratio target, we remain restless. Several areas of our global operations have inched us forward in 2024.

After securing the Alliance for Water Stewardship (AWS) certification for one of our factories in Brazil last year, we've made progress on the water target, with our water intensity ratio decreasing to 1.94 compared to 2.05 last year. This has been driven by more effective planning of production procedures; reducing cleaning in place cycles and reusing water in all sites including treated waste water to supply cooling towers and clean the floors.

To help us further reduce our water use, we worked with water pump specialists Grundfos. By installing their systems at our Beckton factory in London, we've increased the speed of our water treatment process. In Rugby, we set up a student mentoring project with the Rugby High School for Girls – a partnership that led to an amazing 34.6 million litres of water savings per year, worth over £87,000 (read more on page 48).



Sustainable business continued

Healthier Planet continued

Valuing water continued

Several stories in this report have already captured the fundamental interconnectedness between Healthier Employees, Sustainable Communities and Healthier Planet.

Our partnership with The Rivers Trust, employee volunteering in response to the floods in Brazil, and the mentoring of talented students at Rugby High School for Girls all demonstrate the value of community, and the value we place on water as a precious resource.

It plays a critical role within every living entity and within our business of creating soft drinks. So, valuing water increasingly underlines our sustainable business strategy.

We're a corporate partner to The Rivers Trust's water stewardship programme, working together to improve river health and water quality near our factories in Great Britain.

This year, we continued to support the Aire Rivers Trust alongside organisations such as City of Bradford Metropolitan Council and the West Yorkshire Combined Authority, to complete a project to reduce flood risk and boost wildlife at Chellow Dene Wetlands, seven miles from our factory in Leeds. A new flood storage area has been created allowing a natural flow for fish, and a dam now holds back rainwater, reducing flood risk to local properties. In addition, wildflower seeds have been planted to attract pollinators and enhance the habitat.

“

Water is essential to life and livelihoods and, as a soft drinks manufacturer, it's our primary ingredient. We know that in the coming decades, water stress will become a growing threat and it's one we need to take as seriously as the climate crisis and the war on waste.”

Sarah Webster

Director of Sustainable Business at Britvic

As celebrated last year in Brazil, the Alliance for Water Stewardship certification, was reconfirmed in Astolfo Dutra. With our certification now in its second year, this global initiative aims to promote responsible water use through a holistic approach. That means not only assessing efficiency and environmental aspects regarding water practices, but also considering social and economic aspects by providing a solid framework to assess, improve and communicate water stewardship efforts. We're in the process of applying what we've learned from Astolfo Dutra and preparing other sites in our network for certification.

This year, Brazil experienced severe floods in the state of Rio Grande do Sul. Heavy rains resulted in widespread landslides and a dam collapse, further highlighting the importance of taking water related risks and future resilience, seriously.

Significant work continues to deepen all employees' awareness of material issues for the market, with a focus on water. We work with our Brazil-based team members, with regular activities to motivate water saving at sites and in their homes.

Employees globally, attended a webinar marking the UN's World Water Day in March, stressing the value to our business, the need to reduce our water use and key related challenges. Further education on production efficiencies and the three main types of water (treated or filtered, reverse osmosis and mineral) with different mineral content and how it's used across our portfolio, continues to be key to our Healthier People, Healthier Planet internal engagement programme.

Our ongoing efforts to improve water and energy efficiency, continue at our largest factory in Rugby, Great Britain, through our involvement in the PepsiCo Positive resource and conservation programme, ReCon. The project aims to achieve climate and water goals while improving our productivity as a business. What we've learned will be taken from Rugby and applied, where appropriate, to our other manufacturing sites.



Case study

Sustainable communities in action

An example of how we make a difference in communities, is our new partnership with Emater in Brazil to build a septic tank for waste water treatment. The project aims to reduce the environmental consequences of waste water in rural communities. The system consists of a tank built with layers of rubble, gravel, sand and soil. Sewage is collected in a chamber, filled with tyres and debris, where it decomposes and is treated by micro-organisms. Water is absorbed by the roots of plants grown in the tank and released into the environment, without infiltrating the soil, avoiding contamination of the water table. The project is simple to build, low cost and highly efficient in treating sewage, as well as reusing nutrients to grow ornamental plants. This solution is a more sustainable method of sanitation in rural communities, preserving soil and water resources, and requires little maintenance and integration into the local landscape.



Sustainable business continued

Healthier Planet continued

Valuing water continued

Passion for water is a major theme in the Rugby site

Sustainability Engineer, Darryl Stanley, is an ardent champion of our water reduction targets. Over his long career at Britvic, he's driven innovations in cleaning procedures, water measurement and mapping. "My Britvic water sustainability journey started by asking questions and continues today.

Due in part to the complexity of our huge product range and customer planning commitments driving additional cleans, our water ratio is a challenge that we are determined to reduce."



In spring, we launched a project to reduce water waste during the carbon bed backwash at Rugby. This backwash process helps improve the carbon filter's effectiveness in water treatment. By reversing the water flow, the backwash stirs up the carbon, increasing the surface area that the water passes through to remove impurities. Normally, the wastewater is flushed out. Now, it is captured and treated to be reused for cleaning. This project is expected to save 31,000 cubic metres of water annually.

Collaborations with suppliers and customers were behind many of our water-related initiatives in Great Britain. On World Water Day, we announced a partnership with leading caterer Elior UK. It has worked with Water Unite for the past five years and has donated over £100,000 towards the non-profit's programmes in East Africa, funding progressive initiatives to support water, sanitation and recycling projects. In addition to Elior's donation of 1p per can of Aqua Libra water, Britvic now also donates a further 1.5p per canned drink sold across Elior sites to Water Unite.

Since 2020, Robinsons has also partnered with Water Unite to address water poverty and scarcity issues.

With every purchase of Robinsons and Fruit Shoot drinks at Co-op and Nisa stores, shoppers play a role by making a 1p per litre donation towards Water Unite's initiatives.

Agricultural crops used to make raw materials for our business are at risk due to water scarcity. Since 2023, alongside several other food and drink manufacturers, we've partnered with climate action NGO WRAP, on a Water Stewardship Project in southern Spain. The project is looking at farmers' sustainable use of water, biodiversity, irrigation innovation, improving water bodies and the legal use of water.



It's crucial that we engage and build plans with our suppliers on their water management systems and stewardship as we deliver against our Healthier People, Healthier Planet objectives. The work WRAP is doing in Spain is a great example of how we can collaborate with suppliers and showcase best-in-class sustainable water practices which are necessary to protect future business growth, and farmers livelihoods."

Matt Swindall

Chief Procurement Officer

In Ireland, Ballygowan Mineral Water retains its number one position in the bottled water market. The brand's story begins way back in the 12th Century, when a water source was discovered by the legendary Knights Templar and founded as St David's Well, in an area of Ireland that would eventually become Newcastle West in Co. Limerick.

Fast forward to the 1980s and St. David's Well became the exclusive property of Ballygowan. Our bottling plant still sits beside the well to this day, in 40 acres of protected land, ensuring our mineral-rich water source is never tainted.



Case study

Student project saves 34 million litres of water

A student mentoring project produced exciting results and demonstrates the power of innovation and collaboration. Throughout this year, Production Unit Manager, Adam Barker, took responsibility for six 'Industrial Cadets' aged 16 to 17, working to pinpoint areas for water savings at our Rugby factory.

The young women from Rugby High School for Girls, looked at how robotics, engineering and microbiology come together to make a final product and examined how to reduce its environmental implications.

Thanks to their incredible dedication and insight, the team identified over 34.6 million litres of water savings per year, worth over £87,000.

The initiative was organised through the Engineering Development Trust, a nationwide charitable organisation which offers young people active learning experiences in STEM careers. It gives them the opportunity to gain knowledge and exposure to experiences that will help them make decisions about their future.

Adam said: "To work with these female students, so often under-represented in the engineering and manufacturing industries, has been an absolute pleasure. To ignite their interest and curiosity about manufacturing careers and to support them with driving such incredible results, was a truly rewarding experience for everyone involved."



Nature

We're committed to having a positive impact on nature across our value chain through regenerative agriculture. This burgeoning and wide-reaching approach aims to restore and improve the health of the land and waterways, while reducing the environmental impacts of farming. Focus areas for us include a sourcing strategy in line with these principles; respecting biodiversity and ensuring the ingredients we use are sustainable and affordable. We're also taking steps to help nature flourish in and around our manufacturing sites.

Nature: Sustainable ingredients

Understanding the fruit juice value chain is fundamental to our business meeting its sustainability commitments. In recent years, adverse weather conditions, low harvest yields and citrus greening disease have all contributed to higher costs and challenges in sourcing stable, sustainable supplies of our key ingredients globally.

The juice procurement team regularly visits key regions and suppliers to review the value chain, onboard new factories, ensure quality compliance and gather market insights.

In August, Helen White, our Group Supplier and Material Assurance Manager, and Nadine Wuntke, our Procurement Manager of Agricultural Ingredients for Great Britain and Ireland, visited four factories in Vietnam and Thailand. There they saw manufacturing sites, farms and orchards for pineapple and passion fruit crops, both providing key juices used across our markets.



Nadine explains: "With Britvic giving me the opportunity to visit our manufacturers and their farmers, it allows us to gather insight and knowledge that can only be learned when speaking to people on the ground and seeing the crop conditions first hand. This information is of great value to us as it helps us understand the challenges each crop faces and plan to ensure we can offer quality juice for years to come."

Nature: Biodiversity

Protecting biodiversity is fundamental to our business and the communities where we operate.

Britvic in Ireland became a member of the All Ireland Pollinator Plan in 2023, rolling out a roadmap for managing our site landscapes to support pollinating insects, which are in dramatic decline across Ireland. At our Ballygowan production facility in Newcastle West, Co. Limerick, the team continues to take action to help nature flourish. The site boasts over 40 acres of protected land, and celebrated World Bee Day in May with the proud announcement that it had become an official area of conservation for the native Irish honeybee which plays a critical role in the pollination of plants and crops.

We're also continuing to make an impact across Healthier People and Healthier Planet, with a rewilding project on our 160-acre site of solar panels in Northamptonshire, Great Britain.

We've planted, sowed and installed a variety of assets to help the natural habitat thrive. Working closely with an ecological contractor, the biodiversity plan introduced bat boxes, fence gates for small mammals such as foxes and badgers to move freely, log piles around seasonal ponds to encourage reptiles to take refuge, with grasses, wildflowers, hedges, shrubs and trees including oak, wild cherry, birch and hornbeam taking root.

Sustainably sourced sugar

In France, all sugar is now 100% sustainably sourced from suppliers certified using the Farm Sustainability Assessment platform. This tool enables food and drink businesses to assess, improve, and validate on-farm sustainability in their supply chains. The cane sugar we use for making our drinks globally, is certified by Bonsucro.

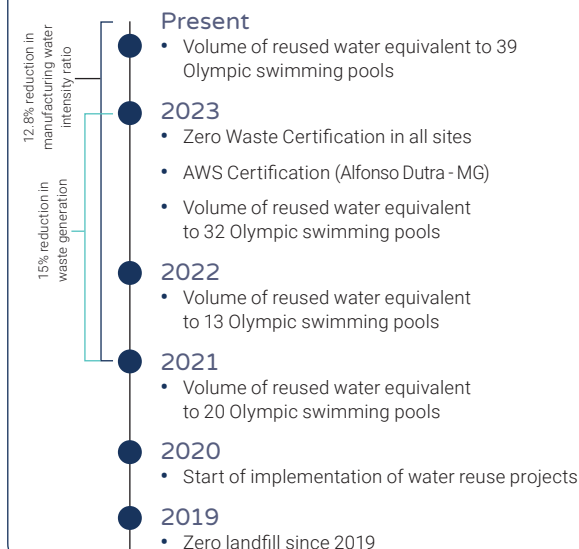
To help make sure our future sourcing strategies are deforestation free, we have also carried out risk assessments on key commodities. In Europe, we're committed to ensuring that we meet the requirements of the European Union Deforestation Regulation. None of our finished products are listed within Annex I of the Regulation, so our drinks are not in scope. However, given the global nature of our operations, we're working to ensure that commodities such as cocoa, coffee and soy included in some of our drinks are deforestation free by the end of 2025.

All the paper and cardboard packaging materials we use are already 100% Forest Stewardship Alliance certified.

Zero waste to landfill

All Britvic manufacturing sites globally send zero waste to landfill, and in Brazil the team has been focusing on a number of key projects and priorities:

- Achieving zero waste certification: The current percentage destined for composting and recycling at our sites at Araguari 95.4%, Aracati 74.2% and Astolfo Dutra 47.1%
- Sending 100% of waste from any passion fruit we use for composting
- Using shells and coconut fibres as biomass to feed boilers on site





Path to net zero

We're committed to achieving net zero carbon emissions by 2050, making good progress in achieving carbon reductions this year.

Since February, 75% of the grid electricity used to make our drinks in Great Britain comes from a 160-acre solar farm in Northamptonshire. A 10 year solar power agreement signed in 2023 provides clean energy to factories in Rugby, London, and Leeds.

We continue to collaborate with suppliers to make improvements in our value chain to address climate change. Logistics improvements have reduced the number of trucks on roads and trials of electric alternatives are planned for 2025. In Ireland, using a 30% HVO/diesel blend saves 600–700 tonnes of carbon dioxide equivalent annually.

Recognising our efforts in this space, the installation of our heat recovery system in Beckton won us the NetZero Champion award for the reduction in carbon emissions and energy at the Engineering & Manufacturing Awards 2024.

We continue to increase the efficiency of the gas fired combined heat and power plant in Rugby, which represents 67% of our Scope 1 and 2 market-based emissions.

[+ Read more on page 63](#)



We led the industry as the first UK soft drinks company to have a 1.5°C consistent emission reduction target approved by the Science Based Targets initiative (SBTi) and are approaching the five-year anniversary of being accredited. Consistent with the review required, we're working on our decarbonisation roadmaps which include Forest, Land and Agriculture (FLAG) and non-FLAG emissions.

This year, we've undertaken various initiatives which support our path to net zero.

We continue to pursue action to reduce and remove emissions outside of our direct supply chain in addition to the near and long-term science-based targets set in 2019. As part of this, we continue to engage and collaborate with top tier suppliers to understand the effect of climate change on their businesses. We hosted learning sessions with sugar and juice suppliers to address industry-specific challenges and identify opportunities for decarbonisation with suppliers for Great Britain, Ireland and France. We also advanced our supplier relationship management programme in 2024, to enhance opportunities for teamwork, innovation and transparency.

Our logistics and transportation represent a significant challenge for carbon but also present many opportunities for improvement. Since 2017, downstream logistics advances have resulted in 7,200 fewer of our trucks on British roads and a move to rail from road for many of our Scottish deliveries.

Moving freight from road to rail has achieved substantial sustainability gains, particularly removing the reliance on diesel road haulage to customers in Scotland. Over the last six years, over 10,553 loads have travelled to Scotland by rail, with 3,600 million road miles and an estimated 4,700 tonnes of carbon saved.

An upcoming trial of electric trucks in 2025 is another example of the steps we're taking to support our transition to net zero.

35% reduction

in Group carbon emissions since 2017



Case study

Rewilding and renewable energy

Our solar energy farm in Northamptonshire generates 27.1 gigawatt hours of electricity a year for Britvic, cutting as much as 642 tonnes of carbon dioxide from our supply chain annually.

Since February, three quarters of the total grid electricity we need to make our drinks across Great Britain comes from the site, which supplies clean energy to our factories in Rugby, London and Leeds. The 650,000m² solar installation will eventually scale up to produce 28 gigawatt hours.

Gurpreet Gujral, Managing Director, Renewable Energy at provider Atrato Group says: "We're thrilled to complete this landmark and unique agreement with Britvic, reducing carbon emissions while delivering attractively priced energy."

The project makes use of a former quarry site that is unsuitable for farming, with double-sided solar panels that use tracking devices to follow the sun, increasing efficiency by 10%. As of September, the land is also benefiting from an intense rewilding project, with trees, grasses, hedges, shrubs and wildflowers (including British favourites cowslip, common sorrel and ragged robin) sowed and planted to support and encourage biodiversity.

Path to net zero continued

Case study

Customer experience: Morrisons, Great Britain

Supermarket chain Morrisons operates nearly 500 stores across Great Britain. Changes to delivery schedules were vital to support the company with carbon reduction and it historically only changed the rosters twice a year.

However, after a successful test on merchandising units, resourced by Britvic, Morrisons adopted a new efficient system with monthly logistics planning reviews. This improved sustainability through a reduction in carbon emissions, saved time and increased forecast accuracy - a very welcome outcome for customer partners.

Plans are also underway to reduce deliveries for 500 of our smaller customers, to one day a week, based on postcode.



Last year we invested £8m to install a heat recovery system at our Beckton site. The Industrial Energy Transformation Fund, managed by the Department for Energy Security and Net Zero in Great Britain, provided a substantial £4.4m grant to enable us to switch from natural gas boilers to carbon free heat extractors.

This is now operational at Beckton, one of our major factories in Great Britain, with six bottling lines producing 2,000 Britvic drinks every minute.

The system will decarbonise 50% of Beckton's heat demand, cutting emissions by an estimated 1,200 tonnes a year – equivalent to the annual energy used by around 500 British homes.

Storing the heat generated during production is key to the site being very close to becoming a net zero facility – Britvic's first in the UK.

The project is also shortlisted for sustainable manufacturing at The Manufacturer MS (Manufacturing Excellence) Awards and heat decarbonisation project of the year at the edie Net Zero Awards both taking place in November.

In Ireland, we signed a three-year power purchase agreement with Flogas which came into effect in March, increasing our reliance on renewable energy over a longer term. Skehanagh Wind Farm hosts five turbines and is owned by locals Nigel and Sandra, who are an integral part of the community in Tipperary, just one hour away from our factory in Newcastle West.

Also in Ireland, experimentation with hydrogenated vegetable oil presents exciting opportunities for carbon savings. Freight transport in this market is predominately road based, with diesel-fuelled vehicles.

Switching to hydrogenated vegetable oil is a relatively simple conversion process for diesel vehicles and this switch can significantly reduce emissions. However, hydrogenated vegetable oil prices cannot currently be managed through traditional commodity risk management strategies. We're working to establish a hedging mechanism to increase our use of hydrogenated vegetable oil usage over the next two years, while managing price volatility.

Our trucks in Ireland, through our logistics partner, are now using a 30% hydrogenated vegetable oil/diesel blend. This results in an estimated annual saving of 600-700 tonnes of carbon dioxide equivalent.

Empowering every employee to play their part in our journey to net zero, is central to our continued progress. One example of enabling this, is the recent change we made to our travel booking system in Great Britain. We switched to a new provider called Navan, whose platform suggests less carbon intensive ways to travel when they're available.

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 64.



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 fifth 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 and PLC Executive 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.

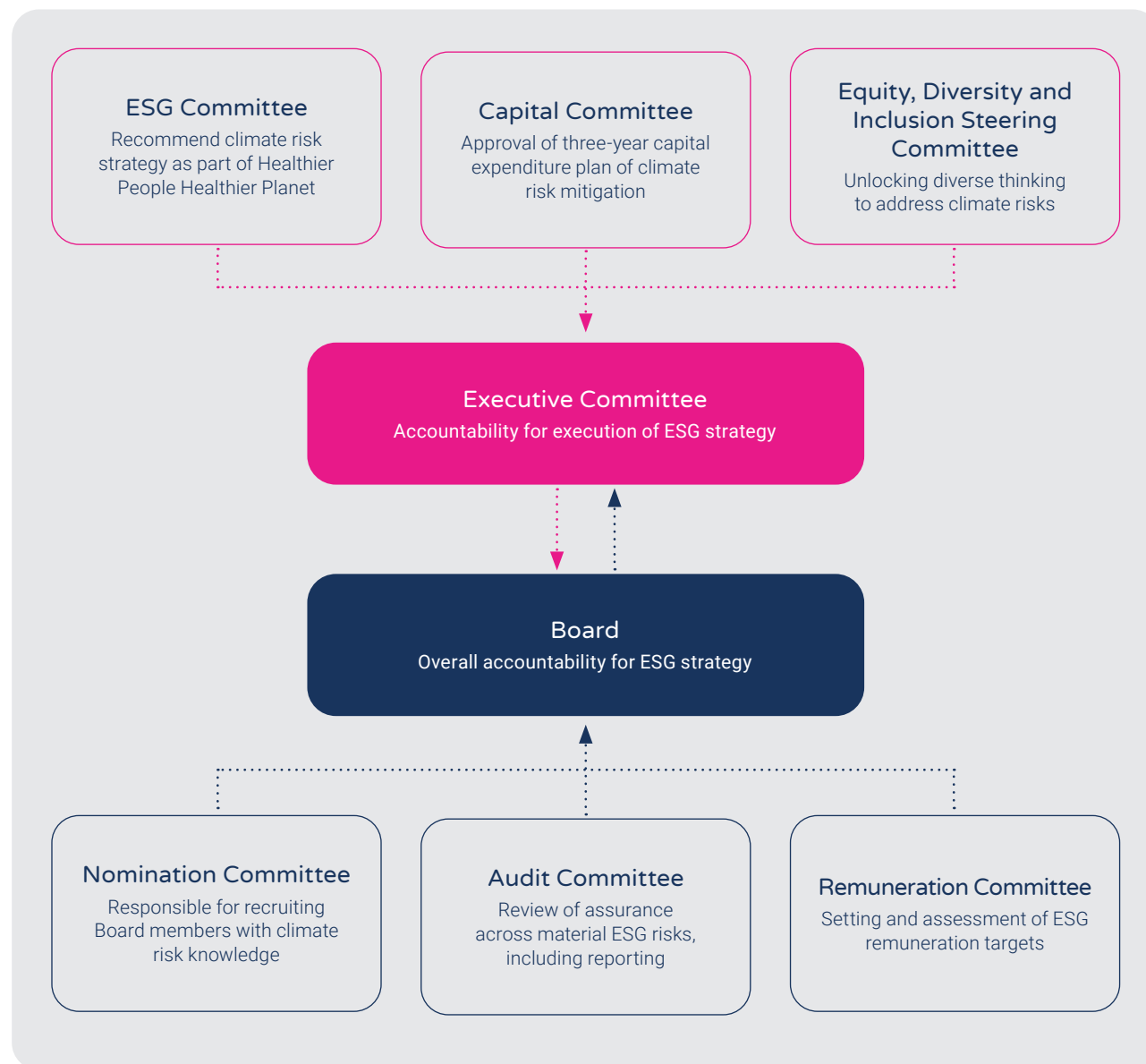


TCFD recommended disclosures	Reference
Governance	
1. Describe the Board's oversight of climate-related risks and opportunities	+ Page 53-54
2. Describe management's role in assessing and managing climate-related risks	+ Page 54
Strategy	
3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	+ Pages 55-56
4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	+ Page 57
5. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	+ Pages 58-61
Risk management	
6. Describe the organisation's processes for identifying and assessing climate-related risks	+ Page 62
7. Describe the organisation's processes for managing climate-related risks	+ Page 62
8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	+ Page 62
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 62-63
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 (TCFD) 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 Environmental, Social and Governance (ESG) Committee, the Executive Committee and the Audit Committee. The ESG Committee met twice during the year and was chaired by the CFO, this was supplemented with a full day executive committee meeting in December, and follow up executive committee meetings in January, March and June as part of the Healthier People, Healthier Planet strategic review.

As a member of the Board, the CFO 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 favourites 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 Board, however, has overall accountability for ESG strategy. 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.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Governance continued

1. Board oversight of climate-related risks and opportunities continued

The internal audit function has conducted a number of reviews covering ESG risks, and it continues to form a key pillar in the development of the risk-based internal audit plan, with an increased focus on Scope 3 to support more comprehensive oversight. During the year the business has conducted a full review of its Healthier People, Healthier Planet strategy, this has included multiple sessions with the Board and the executive, including specific education sessions on our most material impacts.

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, Georgina Harvey was a member of the ESG Committee of Capita and Hounaida Lasry drove ESG integration across Procter and Gamble.

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.

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

Board, 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 bringing the heat recovery system fully online at Beckton, achieving a 70-75% reduction in steam load.

We progressed with Alliance for Water Stewardship certification in Astolfo Dutra in Brazil, enhanced water efficiency through various upgrades, and the reverse osmosis system went live in Kylemore, Ireland. Emissions were further reduced by transitioning to electric-powered equipment and optimising vehicle utilisation and direct-to-customer deliveries. Additionally, we embedded sustainability clauses in contracts with 81% of targeted suppliers.

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.

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 (TCFD) continued

Strategy

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

Climate-related risks 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 on page 77. Since 2023, we have continued our partnership with Risilience, 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 Risilience, 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 acute 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 recent years, this year we had dedicated workstreams to address Britvic material issues, including the four key risks explained in section five. Each workstream was sponsored by an Executive Committee member, and led by members of our leadership team, with subject matter experts together 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.

In 2024, 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.	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
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			
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.	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
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			

* Representative concentration pathway.

Task Force on Climate-related Financial Disclosures (TCFD) 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 2025–2029, medium term referring to 2030–2034 and long term referring to 2035–2050. This aligns with our new climate financial modelling partner, Risilience'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 and long-term impacts and these flow through into our net zero planning on page 63. 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 cash flow at risk: Low £0–50m, Medium £50–100m, High >£100m

Our TCFD risk	Risk event	Unmitigated short-term risk - five-year discounted cash flow		
		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 47 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 wider adoption of Deposit Return Schemes for packaging beyond the Irish Market. 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.

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 and interconnected. Healthier Planet focuses on the four key areas of our business where we believe we can have the greatest impact: packaging, carbon, water, and agriculture, 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.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Strategy continued

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

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 worked with Anthesis to develop product-level environmental Impact Assessment Tool. The Impact Assessment Tool has been used to improve sustainability efforts by providing data-driven insights into the sustainability profiles of products, allowing for informed decision making on packaging choices, ingredient use and environmental impact, which supports the development of sustainability roadmaps.

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, water & nature). 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 m*lk and healthy fruit shot categories, and the expansion of Aqua Libra, 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 58.

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 98.8% recyclable. We support the introduction of deposit returns schemes, which went live in Ireland on 1st February 2024, this helps 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.

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 on page 59 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.



Task Force on Climate-related Financial Disclosures (TCFD) continued

Strategy continued

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

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, 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 the ingredients, the fruit, barley and sugar, that go into our brands.	As leader in flavour 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 concerns 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 (TCFD) continued

Strategy continued

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

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
Unmitigated risk and time frame	<p>The highest financial impact is experienced under the no policy and stated 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>Water scarcity is expected to have a significant impact on agricultural productivity, affecting both the availability and quality of key ingredients sourced from water-stressed regions.</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 grape, orange, coconut, citrus, apple, mango, 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>Additionally, 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>Green Enthusiasts (Baby Boomers and Gen X) in higher-income, smaller households prioritise sustainable purchasing and prefer eco-friendly brands.</p> <p>Value Seekers (Millennials and Gen Z) in middle to lower-income, larger households prioritise affordability and convenience over sustainability.</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 & Energy efficiency	Stakeholder engagement and understanding the environmental impacts of our brands

Task Force on Climate-related Financial Disclosures (TCFD) continued

Strategy continued

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

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
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 addressing climate change impacts on ingredient sourcing through our third year with WRAP's Water Stewardship project, aiming for sustainable water management by 2030. In 2024, the project focused on sustainable farming practices and local collaboration in key Spanish regions to enhance supply chain resilience.</p> <p>Research and development: The liquid development team is reformulating products by prioritising the use of lower-carbon ingredients. Leveraging our Impact Assessment Tool, the team identifies and selects ingredients with reduced environmental impact and proactively considers raw materials that are likely to be more severely affected by climate change. This approach not only minimises our carbon footprint but also enhances the resilience of our product portfolio in the face of future climate-related risks.</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 suitable solutions, 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 that is still effective today.</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>Healthier consumer choices: 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 towards improving the sustainability of our existing brands by using data to optimise ingredient choices and packaging formats, thereby reducing their carbon and water footprints. This ongoing effort helps ensure our products meet growing consumer demand for greater environmental responsibility. Additionally, our sustainable brand claims process within the global marketing code remains in place to mitigate any potential reputational risks from greenwashing, reinforcing our commitment to transparency and trust in our sustainability communications.</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	Optimise production processes and implement energy-saving technologies to reduce energy usage	Positive packaging strategy

Task Force on Climate-related Financial Disclosures (TCFD) continued

Strategy continued

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

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
Progress and Resilience	<p>Water efficiency: We currently have a goal to improve our water efficiency by 20% by 2025. Recent projects include the optimisation of waste treatment and cleaning processes, along with enhanced water reuse practices.</p> <p>Adopt catchment-based approach: We are in the fourth 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>Supply Chain Resilience: To address the impact of water scarcity on agricultural productivity, we are mapping our agro-commodity supply chain using Everstream Analytics and the WWF Water Risk Filter to identify water-related risks and we are developing a roadmap to mitigate these risks through targeted water management strategies, ethical sourcing assessments, and continuous monitoring.</p>	<p>Sustainable sourcing strategy: We are advancing our sustainable sourcing strategy by mapping high-risk agro-commodities, achieving an 81% adoption of sustainability clauses among suppliers, encouraging science-based targets, and committing to 100% Bonsucro certification for our sugar cane by 2025 to reduce environmental impact and improve labour conditions.</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>Sustainable consumer choices: To meet growing consumer demand for healthier, natural products, we are prioritising sustainable ingredient sourcing through regenerative agriculture and responsible supply chain management. By aligning with consumer expectations for transparency and environmental stewardship, we aim to enhance our market position and comply with evolving regulations.</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 self-generation, including replacing gas boilers with electric ones in Ireland and implementing a heat recovery system at Beckton, which has achieved a 70-75% steam load reduction. Further optimisations are planned to reduce gas consumption further.</p> <p>Production process: We have stopped pasteurising Robinsons squash in Ireland and two of our factories in Great Britain to cut energy use. Additional measures, such as energy-efficient pumps, reverse osmosis efficiencies, and optimising heat recovery and air systems, are enhancing our overall energy efficiency.</p> <p>Supplier engagement: We continue to engage with top-tier suppliers to understand the impact of climate change on their businesses and carbon footprints (Scope 3). In 2024 we hosted learning sessions with sugar and juice suppliers to address industry-specific challenges and identify opportunities for decarbonisation. We also advanced our Supplier Relationship Management program to enhance collaboration, innovation and transparency with key suppliers, supporting both decarbonisation efforts and climate resilience.</p>	<p>Recycled material: Our ambition is to use more recycled materials. During FY24, we increased our rPET recycled content to an average of 29%.</p> <p>Dispense: We are driving packaging free solutions, such as with our Aqua Libra Flavour Taps.</p> <p>Circular economy: As a board member of Deposit Return Scheme Ireland, which launched on 1 February 2024, we are actively working to reduce the impact of packaging, a key contributor to our Scope 3 carbon emissions, while preparing for the extension of Deposit Return Scheme to Great Britain in 2027 and setting up the capability to deliver there.</p> <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>

Task Force on Climate-related Financial Disclosures (TCFD) 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 Committee, Executive Committee and the Board 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 £83/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 (TCFD) 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

What we have achieved

- Reduced operational emissions by 35.4%
- Moved to 100% renewable purchased certified electricity
- Biomass boilers replaced gas boilers across Brazil
- Switching equipment from gas powered to electric powered
- Installation of heat recovery system in our Beckton site
- Upgrading equipment to enhance efficiency and reduce carbon emissions.
- Reduced emissions by lowering sugar content and transitioning from steel to aluminium cans
- Enter into long-term power purchase agreements in Great Britain and Ireland

How will we reduce Scopes 1 & 2 emissions

- Reduce absolute emissions by installing low carbon heating/energy systems and Invest in on-site renewables
- Roll out electric and hybrid vehicles across our fleet
- Continuous improvement programmes to drive energy efficiency and productivity
- Continuously monitor technology developments/innovation for new potential solutions

How will we reduce Scope 3 emissions

Ingredients

- Use product reformulation to move to lower carbon ingredients
- Partner with suppliers to implement regenerative agricultural practices, enhancing soil health, biodiversity, and carbon sequestration

Zero emissions transport

- Reduce road miles
- Move to renewable fuels and energy sources for transportation

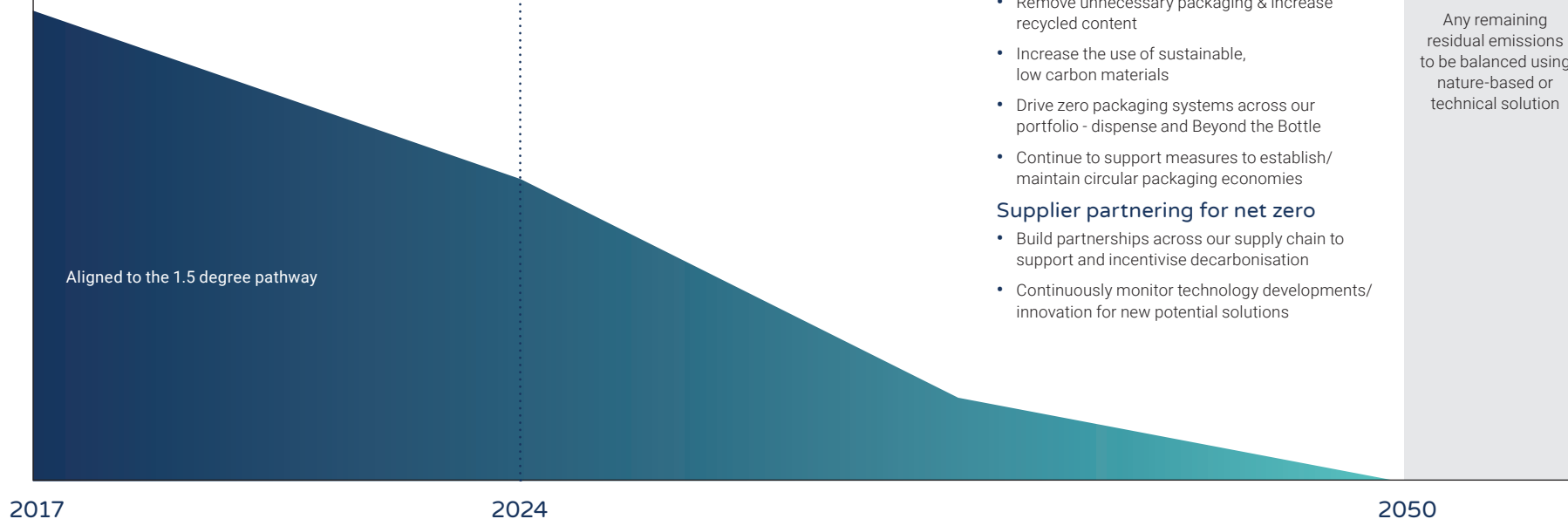
Reimagining packaging

- Remove unnecessary packaging & increase recycled content
- Increase the use of sustainable, low carbon materials
- Drive zero packaging systems across our portfolio - dispense and Beyond the Bottle
- Continue to support measures to establish/maintain circular packaging economies

Supplier partnering for net zero

- Build partnerships across our supply chain to support and incentivise decarbonisation
- Continuously monitor technology developments/innovation for new potential solutions

Any remaining residual emissions to be balanced using nature-based or technical solution



Task Force on Climate-related Financial Disclosures (TCFD) continued

2024 Streamlined Energy and Carbon Reporting (SECR)

Britvic Scope 1, 2 and 3 emissions 2017-2024

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
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)	174,717	132,994	124,866	126,929	127,172	132,410†
Total Scope 1, 2 (market based)	38,851	41,573	39,267	36,997	37,936	35,426†
Scope 1	28,660*	18,506*	16,083*	13,595*	12,827*	11,554†
Scope 2 – market based	10,191	23,067	23,184	23,402	25,109	23,872†
Scope 2 – location based	34,765	36,916	31,364	31,021	32,681	33,512†
Scope 3 (consisting of the categories below)	107,205*	110,863*	92,433*	92,877*	90,020*	96,984†
– Upstream emissions of purchased fuels	–	2,561	2,841	2,766*	3,144	2,316†
– Upstream emissions of purchased electricity and heat	–	5,247	7,455	7,175*	9,142	8,947†
– Transmission and distribution losses	2,340	1,589	1,519	1,443*	1,698	1,824†
– Waste	534	604	546	477	453	247†
– Water supply	1,633	1,441	667	668	808	682†
– Effluent	–	1,203	465	480	368	331†
– Business travel	3,567*	1,647*	455*	1,673*	1,648*	2,467†
– Logistics **	52,590*	51,192*	44,792*	48,277*	41,858*	47,361†
– Electricity from refrigeration on customer sites	46,541	45,379	33,693	29,917	30,901	32,809†

† Audited figure.

* Restatement summary

This year we conducted a review of our prior year data, we reviewed our emissions data, corrected errors, and refined our methodology to enhance reporting accuracy and consistency. As per our basis of reporting, changes exceeding 3% were restated, impacting Scope 1 company cars/vehicles and Scope 3 logistics & business travel due to data classification errors, omitted data estimates, and updated calculation methods aligned with industry best practices. For more details, refer to the sustainability data sheet at britvic.com/sustainability/sustainability-reports.

** Logistics Prior to FY23

An error in FY23 "French logistics emissions" data was identified, revealing incomplete emissions information. Emissions for FY23 were recalculated using available supplier distances, with cost-based estimates applied where distances were missing. Prior years were not adjusted due to the impracticality and undue cost of restating such data. Therefore, comparative periods prior to FY23 were not restated.

2024 figures refer to the 52 weeks ended 30 September 2024. Please refer to Britvic's 2024 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 2024, our Great Britain operations accounted for 46% of total energy consumption included above 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:

- Optimisation of the Rugby combined heat & power plant through more efficient components and use of artificial intelligence
- At the Beckton site, a heat recovery system has been installed, expected to achieve a 70-75% reduction in steam load
- Crolles facility in France has replaced two natural gas pallet-wrapping machines with electric ones, leading to reductions in both energy consumption and carbon emissions
- Optimising energy consumption by replacing traditional lighting with LED lights in France and optimising the temperature of storage facilities across sites in France, Great Britain and Ireland

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 2024 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 (TCFD) continued

2024 Streamlined Energy and Carbon Reporting (SECR) continued

Britvic Scope 1, 2 and 3 emissions 2017-2024 continued

Energy consumption by source	2018/19 MWh	2019/20 MWh	2020/21 MWh	2021/22 MWh	2022/23 MWh	2023/24 MWh
LPG – liquid petroleum gas	8,217	5,955	6,232	6,434	5,709	2,203
Natural gas	94,283	70,023	53,746	48,475	44,127	40,691
Diesel	710	1,022	374	328	230	353
Medium/heavy fuel oil	22,169	1,165	3,184	964	1,307	323
Biogas	–	–	37	–	2	50
Total biomass	48,752	77,380	92,069	108,988	123,326	112,291
Grid electricity	123,260	98,862	87,815	90,665	88,841	95,018
Electricity from combined heat and power plant	13,913	40,387	36,043	39,058	41,669	41,244
Heating from combined heat and power plant	27,075	59,697	50,507	54,488	55,063	55,445
Other renewable - Bio LPG (Blend 40% Biopropane, 60% LPG) & HVO	–	–	–	–	–	3,816
Total energy consumption	338,379	354,490	330,007	349,400	360,274	351,435

	2018	2019	2020	2021	2022	2023	2024
Total energy consumption by source							
Great Britain	41%	45%	46%	45%	46%	45%	46%
Ireland	9%	8%	7%	7%	6%	6%	6%
France	17%	14%	13%	6%	5%	5%	4%
Brazil	33%	33%	34%	42%	43%	45%	43%

	2018	2019	2020	2021	2022	2023	2024
Total greenhouse gas emissions by source							
Great Britain	59%	55%	71%	75%	79%	86%	86%
Ireland	5%	6%	5%	6%	5%	3%	3%
France	13%	14%	13%	8%	6%	6%	6%
Brazil	23%	25%	10%	11%	6%	6%	5%

	2018	2019	2020	2021	2022	2023	2024
Energy intensity ratios (market-based) (kWh/tonnes)							
Great Britain	91.61	109.25	114.05	98.42	103.72	101.28	98.17
Ireland	101.09	103.07	100.29	89.71	85.59	88.53	91.77
France	169.81	169.57	191.01	201.53	198.92	205.88	208.06
Brazil	380.95	448.41	441.25	423.84	426.03	495.45	417.63
plc	138.08	155.43	161.57	150.91	155.45	161.26	151.75[†]

Task Force on Climate-related Financial Disclosures (TCFD) continued

2024 Streamlined Energy and Carbon Reporting (SECR) continued

Britvic Scope 1, 2 and 3 emissions 2017-2024 continued

		2018	2019	2020	2021	2022	2023	2024
Total Scope 1 and 2 Emissions (market-based) (tCO ₂ e)	Great Britain	28,784	21,089	29,190	29,449	30,184	32,091*	30,376
	Ireland	2,299	2,360	2,112	2,406	1,720	1,219	1,134
	France	6,942*	6,016*	6,082*	3,183*	2,803*	2,560*	2,063
	Brazil	10,977	9,387	4,188	4,230	2,294	2,066	1,854
	plc	49,001*	38,851*	41,573*	39,267*	36,997*	37,936*	35,426
Total Scope 1 and 2 (market-based) carbon intensity ratio		2018	2019	2020	2021	2022	2023	2024
	Great Britain	21.59	15.25	20.26	19.36	19.43	20.12	18.55
	Ireland	9.04	8.89	8.95	10.07	6.72	5.19	5.02
	France	23.34	21.69	24.67	32.21	31.34	31.87	28.02
	Brazil	43.04	37.27	15.48	12.90	6.58	6.37	5.07
plc	22.90	17.85	18.95	17.96	16.46	16.98	15.39	
Water		2018	2019	2020	2021	2022	2023	2024
	Manufacturing water withdrawn (thousand m ³)	4,582	4,746	4,404	4,473	4,484	4,571	4,455
	Manufacturing water intensity ratio (m ³ /tonne production)	2.14	2.18	2.01	2.05	1.99	2.05	1.94[†]
	Manufacturing water effluent (thousand m ³)	2,112	2,205	1,700	1,708	1,766	1,827	1,784
Waste	Manufacturing water effluent (m ³ /tonne production)	0.99	1.01	0.77	0.78	0.79	0.82	0.77
	% of manufacturing waste sent to landfill	1%	1%	0%	0%	0%	0%	0%[†]
	% of manufacturing waste recycled/reused	44%	44%	38%	31%	35%	41%	42%
Outside of Scopes 1 and 2			2018/19 MWh	2019/20 MWh	2020/21 MWh	2021/22 MWh	2022/23 MWh	2023/24 MWh
Biomass – wood chip			48,752	77,380	81,503	92,176	103,705	90,312
Biomass – wood logs			–	–	10,566	16,812	19,621	21,979
Total biomass			48,752	77,380	92,069	108,988	123,326	112,291

Task Force on Climate-related Financial Disclosures (TCFD) continued

2024 Streamlined Energy and Carbon Reporting (SECR) 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 64–67). 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

Risks

Water stress

2025 Risk Target:

- 20% reduction in water ratio by 2025 vs 2020 baseline

Current performance:

1.94

Energy and carbon pricing in the value chain

2025 Risk Target:

- 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

Current performance:

(35.4)%

Consumer and customer preferences

2025 Risk Target:

- All bottles in Great Britain and Ireland to be made from 50% rPET or sustainably sourced PET

Current performance:

29%

Opportunities

Sustainable procurement

2025 Opportunity Target:

- 100% sustainably sourced sugar

Current performance:

69%

- 100% priority tier one suppliers signed up to EcoVadis

Current performance:

93%

Decarbonising manufacturing

2025 Opportunity Target:

- Reduce Scope 1 and 2 market-based emissions by 50% by 2025 and net zero across all scopes by 2050

Current performance:

(35.4)%

Building local favourite and global premium brands

2025 Opportunity Target:

- All bottles in Great Britain and Ireland to be made from 50% rPET or sustainably sourced PET

Current performance:

29%

- <30 calories per 250ml serving

Current performance:

20.76



A confident financial performance

Overview

The Company has delivered a strong financial performance this year across our key metrics. Volume increased 3.1% and positive price strong price/mix growth delivered Average Realised Price (ARP) growth of 6.2%. Consequently, Group revenue increased 9.5% (statutory +8.6%) year on year.

We delivered our highest ever adjusted EBIT on record, increasing by 15.2% (actual exchange rate +14.9%) to £250.9 million at an adjusted EBIT margin of 13.2% (2023:12.5%). Adjusted Earnings Per Share (EPS) increased 13.9% 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, which was suspended following the announcement of the proposed acquisition of Britvic by Carlsberg Group. Basic EPS for the period was 50.8 pence, an increase of 5.2% on last year, while diluted EPS for the period was 50.2 pence, an increase of 4.8% on the same period last year. This was primarily due to the impact of non-cash adjusting items.

Chief Financial Officer's review continued

Overview continued

Statutory profit after tax increased 1.8% from £124.0 million to £125.8 million. Adjusting items totalled £48.0 million, of which £46.9 million are EBIT-related (year ended 30 September 2023: £36.9 million). Costs this year include an impairment on the Norwich site, which closed in 2019, and costs related to the acquisition of Britvic by Carlsberg.

Our cash performance remained robust, with a free cash flow of £85.5 million, driven by a continued focus on cash management and the impact of an additional payment run in 2024. Consequently, our adjusted net debt/EBITDA ratio remained broadly flat at 1.98x. During the year, we acquired Extra Power for cash consideration and returned cash to shareholders through the dividend and share buyback programme. Subject to the proposed takeover by the Carlsberg Group being successfully completed, shareholders would receive a special dividend payment of 25p per Britvic share, which is expected to be paid to shareholders within 14 days of the effective date. The Board has decided not to declare the normal final dividend as Carlsberg reserves the right to decrease the acquisition price for any dividend declared, made, paid or that becomes payable by Britvic on or prior to the effective date (other than the special dividend).

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 2024 £m	Year ended 30 September 2023 £m	% change actual exchange rate
Great Britain			
Volume (million litres)	1,781.9	1,750.2	1.8%
Average Realised Price (ARP) per litre	72.3p	67.9p	6.5%
Revenue	1,288.7	1,187.7	8.5%
Brand contribution	541.2	479.6	12.8%
Brand contribution margin	42.0%	40.4%	160bps

In Great Britain, revenue increased by 8.5%, with ARP growth of 6.5% and volume growth of 1.8%, an impressive performance against the backdrop of another summer of poor weather. The ARP growth was driven through a combination of improved mix, price realisation and optimising promotional activity. Consequently, brand contribution increased 12.8% and brand contribution margin increased 160bps to 42.0%.

Both our owned-brand and PepsiCo portfolios were in growth. Pepsi, led by MAX, and Tango were the major growth drivers, with revenue increasing 7.5% and 11.1% respectively. J20, Fruit Shoot and Lipton also enjoyed strong growth. Robinsons was in modest growth, across both the squash and ready to drink ranges, reflecting the impact on the squash category from the poor summer weather. We continued to leverage the strength of the Britvic operating model to deliver the potential of new growth spaces. Plenish revenue increased 101.6% and packaged Aqua Libra increased 109.5%, benefiting from our innovation capability, distribution model and strong customer relationships. London Essence revenue increased an impressive 37.6%. This year also included the first full year benefit of Jimmy's, which was acquired in July 2023, giving us immediate access to the Iced Coffee category.

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m	% change actual exchange rate	Adjusted % change constant exchange rate
Brazil				
Volume (million litres)	355.0	296.5	19.7%	19.7%
Average Realised Price (ARP) per litre	56.5p	52.7p	7.2%	13.0%
Revenue	200.5	156.2	28.4%	35.3%
Brand contribution	61.2	36.2	69.1%	77.9%
Brand contribution margin	30.5%	23.2%	730bps	730bps

In Brazil, revenue increased 35.3%, on a constant currency basis, with volume +19.7%. Brazil benefited from strong growth in the existing portfolio, with organic revenue increasing 20.9% as well as the first-year benefit of the Extra Power brand, which was acquired in October 2023. Revenue growth was achieved across the portfolio, with concentrates up 12.0%, Fruit Shoot up 32.4% and RTD juices up 24.3%. Extra Power was a major contributor to growth, with revenue up 32% compared to the previous year when it was under different ownership. The combination of positive price/mix and a targeted regional commercial approach has resulted in a strong brand contribution performance and a significant increase in brand contribution margin to 30.5%.

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m	% change actual exchange rate	Adjusted % change constant exchange rate
Other International				
Volume (million litres)	402.1	416.5	(3.4)%	(3.4)%
Average Realised Price (ARP) per litre	101.9p	97.2p	4.8%	6.5%
Revenue	409.8	404.7	1.3%	2.8%
Brand contribution	110.6	99.6	11.0%	12.6%
Brand contribution margin	27.0%	24.6%	240bps	240bps

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 other international the combined markets volume declined 3.4%, with strong price/mix ARP growth of 6.5% resulting in revenue growth of 2.8%. In Ireland, revenue increased 7.8%. The implementation of the DRS was expected to have an adverse impact on volume as the trade and consumers get used to the concept of returning bottles and cans for a nominal deposit. Consequently, Ireland saw a modest volume decline of 1.8%, with volume returning to growth in the final quarter. Scale brands in revenue growth were Pepsi up 15.4%, 7UP up 6.1%, MiWadi up 12.5% and Ballygowan up 27.3%.

In France, volumes in the year went down compared to last year. While branded volumes improved in the second half of the year, total volume declined as we took a strategic decision to exit private label contracts, and we faced stiff competition in the juice category. While volume was down, revenue was slightly up on last year at 0.1%. Branded syrups and Fruit Shoot revenue growth was offset by the decline in private label syrups and Pressade, our organic juice brand. Other International brand contribution increased 12.6% and brand contribution margin increased 240bps to 27.0%.

Chief Financial Officer's review continued

Overview continued

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m	% change actual exchange rate	% change like for like at constant exchange rate
Fixed costs – pre-adjusting items				
Non-brand A&P	(18.0)	(11.8)	(52.5)%	(52.5)%
Fixed supply chain	(170.6)	(145.5)	(17.3)%	(18.2)%
Selling costs	(105.0)	(96.7)	(8.6)%	(9.4)%
Overheads and other	(168.5)	(143.0)	(17.8)%	(18.5)%
Total	(462.1)	(397.0)	(16.4)%	(17.2)%
<i>Total A&P investment</i>	(87.2)	(67.0)		
<i>A&P as a % of own brand revenue</i>	4.6%	3.8%		

Overall, our fixed cost base increased 17.2% on a constant currency basis, due to inflationary pressure and investment in our future growth drivers. Total A&P was £20.2 million higher year on year, an increase of 30.9%, 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.

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 reward, 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 2024 is £30.8 million, compared with £24.7 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 £48.0 million of pre-tax adjusting items, of which £46.9 million was EBIT-related (2023: £36.9 million). Adjusting items comprise:

EBIT-related

- Strategic restructuring and M&A costs of £6.7 million including Group organisational transformation costs and M&A costs in relation to the acquisition in Brazil
- Ballygowan trademark impairment reversal credit of £3.6 million
- Impairment and running costs of the Norwich site of £8.4 million
- £3.0 million in relation to costs for the setup of the DRS in Ireland
- £21.3 million of costs related to the proposed Carlsberg transaction, and
- Acquisition-related amortisation of £11.1 million

Interest-related

- £1.1 million of interest in relation to consideration payable for the acquisition in Brazil.

Taxation

The adjusted tax charge was £49.0 million (2023: £38.5 million), which equates to an effective tax rate of 23.3% (2023: 20.6%). The adjusted tax charge increased from the prior year primarily due to the increase in profits and an increase in the applicable tax rate in the UK from 22% to 25%. The statutory net tax charge was £47.4 million (2023: £32.8 million), which equates to an effective tax rate of 27.4% (2023: 20.9%). The statutory effective tax rate is higher than the adjusted effective tax rate as certain expenses included within adjusting items, primarily related to the Carlsberg transaction, are non-deductible tax expenses.

Earnings per share (EPS)

Adjusted basic EPS for the year was 69.5p, an increase of 13.9% 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 50.8 pence, an increase of 5.2% on last year, while diluted EPS for the period was 50.2 pence, an increase of 4.8% on the same period last year. This was due to the impact of adjusting items, which were primarily non-cash.

Dividends

Subject to the proposed takeover by the Carlsberg Group being successfully completed, shareholders would receive a special dividend payment of 25p per Britvic share, which is expected to be paid to shareholders within 14 days of the effective date. The Board has decided not to declare the normal final dividend as Carlsberg reserves the right to decrease the acquisition price for any dividend declared, made, paid or that becomes payable by Britvic on or prior to the effective date (other than the special dividend). The special dividend combined with the interim dividend paid in July 2024 represents a total value of £85.5 million, or 34.5 pence per share.

Share buyback programme

In May 2023, the Company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75.0 million. The purpose of the programme was to reduce share capital and, accordingly, the shares repurchased were subsequently cancelled. During the year ended 30 September 2024, the Company completed this share buyback programme.

In May 2024, the Board approved a share buyback programme for a further £75.0m, to be executed over the period to 28 February 2025. This programme was suspended following the acquisition offer from the Carlsberg Group announced on 21 June 2024. The Board will evaluate recommencement of the programme should the circumstances change.

Excluding transaction costs, the Company has returned £43.1 million to shareholders via the buyback programmes during the year ended 30 September 2024.

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 £85.5 million, compared with £129.8 million in the previous year, with the impact of an additional payment being absorbed into the cash flow this year.

Chief Financial Officer's review continued

Free cash flow continued

Net cash flow from operating activities was £190.9 million, compared to £238.4 million in the previous year. There was a working capital outflow of £80.9 million (2023: £16.6 million outflow), comprising an outflow from increases in inventory of £5.0 million (2023: £37.8 million outflow) and an inflow from increase in provisions of £0.2 million (2023: £0.9 million outflow), offset by an outflow from decreases in trade and other payables of £64.1 million (2023: £5.8 million inflow) and an outflow from increases in trade and other receivables of £12.0 million (2023: £16.3 million inflow).

Net income taxes paid in the year were £34.5 million (12 months ended 30 September 2023: £21.9 million). Cash capital expenditure was £68.6 million (2023: £76.6 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. An impairment loss from prior years of £3.6 million was fully reversed on the Ballygowan brand in Britvic Ireland as a result of strong performance in year and the projected performance of Ballygowan's Hint of Fruit range in the flavoured water category. Otherwise, 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 2024, the Group had £1,039.9 million of committed debt facilities, consisting of a £400.0 million bank facility of which £8.3 million was drawn, and a series of private placement notes, with maturities between February 2025 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 2025, when notes with outstanding principal amounts of £35.0 million will be due for repayment.

On 30 September 2024, the Group's adjusted net debt, including the impact of cross currency swaps hedging the private placement notes, was £607.1 million, which compares with £538.1 million at 30 September 2023. Adjusted net debt to EBITDA leverage at 30 September 2024 was 1.98x, broadly maintaining the same level as at 30 September 2023.

The Group uses derivative financial instruments to hedge its exposure to movements in interest rates, foreign exchange rates and commodity prices. At 30 September 2024, the Group's balance sheet included derivatives with a net fair value of £5.1 million (2023: £24.8 million), comprising cross currency swaps of £10.0 million (2023: £22.3 million), interest rate swaps of £0.8 million (2023: £2.4 million), forward currency contract liabilities of £4.1 million (2023: £0.2 million assets), commodity swaps liabilities of £0.1 million (2023: £0.1 million) and a solar power purchase agreement liability of £1.5 million (2023: £nil). The decrease in fair value compared to 30 September 2023 is driven by settlements during the year and fair value decreases linked to the appreciation of sterling against the dollar and the euro.

Acquisitions and disposals

At the start of the financial year, the Group completed an acquisition in Brazil, which includes the Extra Power and Flying Horse energy drink brands, juice brand Juxx and acai smoothie brand Amazoo. The consideration for the acquisition comprised initial cash consideration of £24.1 million (net of derivatives hedging the acquisition) and deferred and contingent consideration as set out further in note 12 to the financial statements.

In June 2024, Britvic terminated the existing contract for the sale of the Norwich production site. Management remains committed to the sale of the site and have an active programme to locate a buyer. The assets remain classified as held for sale but have been revalued downwards to reflect latest market conditions, resulting in an expense of £7.7 million for the year presented within adjusting items.

Pensions

At 30 September 2024, the Group recognised IAS 19 defined benefit pension surpluses in Great Britain and Ireland totalling £68.3 million and an IAS 19 pension deficit in France of £1.6 million (30 September 2023: pension surpluses in Great Britain, Ireland and Northern Ireland totalling £74.0 million and a pension deficit in France of £1.4 million). In aggregate, the net pension assets and liabilities decreased by £5.9 million, comprising a net remeasurement loss of £14.4 million and a translation loss of £0.3 million recognised in other comprehensive income, partially offset by an asset increase from employer contributions of £5.8 million and net income recognised in profit and loss of £3.0 million. The net remeasurement loss includes £9.1 million on the Great Britain scheme and £6.3 million on the Northern Ireland scheme.

The net income for the defined benefit schemes recognised in the income statement for the year ended 30 September 2024 was £3.0 million (2023: net expense of £15.2 million). In the prior year, the Group recognised a £20.5 million past service cost for the Great Britain scheme, presented within adjusting items, which arose following an amendment to the scheme rules in relation to pension increases. There is no equivalent past service cost recognised in the current year.

Contributions are ordinarily paid into the defined benefit section of the Great Britain 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
19 November 2024



Throughout the past year, we have been working to further develop our risk management processes across all levels of the organisation. This has helped to promote an effective and consistent approach to identifying and responding to the key risks and opportunities impacting our projects, functions, and sites.”

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 Great Britain 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.

Our focus

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 material changes to the assessment of our principal risks in the past 12 months, we have continued to monitor changes to these risks and looked to implement enhancements to our control environment throughout the year. These have been covered on pages 75–80.

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, tailoring training and support from the Group Risk team, partnering with external specialists in order to continue to drive rigour and unlock value across the organisation.

Risk management continued

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

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 them occurring 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.

This year, the review considered a number of emerging risks facing the organisation, largely driven by developments in the external environment. Increased geopolitical uncertainty and volatility continues to pose a threat to the stability of the economic environment. The implementation of the EU directive for a minimum 30% rPET content in plastic bottles from January 2025 is likely to have an impact on our operations and supply chain. Similarly, the costs involved to transition to a net zero economy and to mitigate the impacts of climate change represent a significant challenge across our business.

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.



Case study

Supply chain

As production volumes continue to increase, we are investing to build capacity and capability across the supply chain.

A number of significant programmes have now been completed during the year, including the commissioning of new production lines at our Rugby and Beckton sites, and a major infrastructure upgrade at the national distribution centre.

This additional capacity has allowed us to focus on developing our future growth plans.

Although operational pressures remain across the wider value chain – such as the risk of availability and price fluctuations for some agricultural commodities – we consider that the overall supply chain risk remains unchanged since last year.

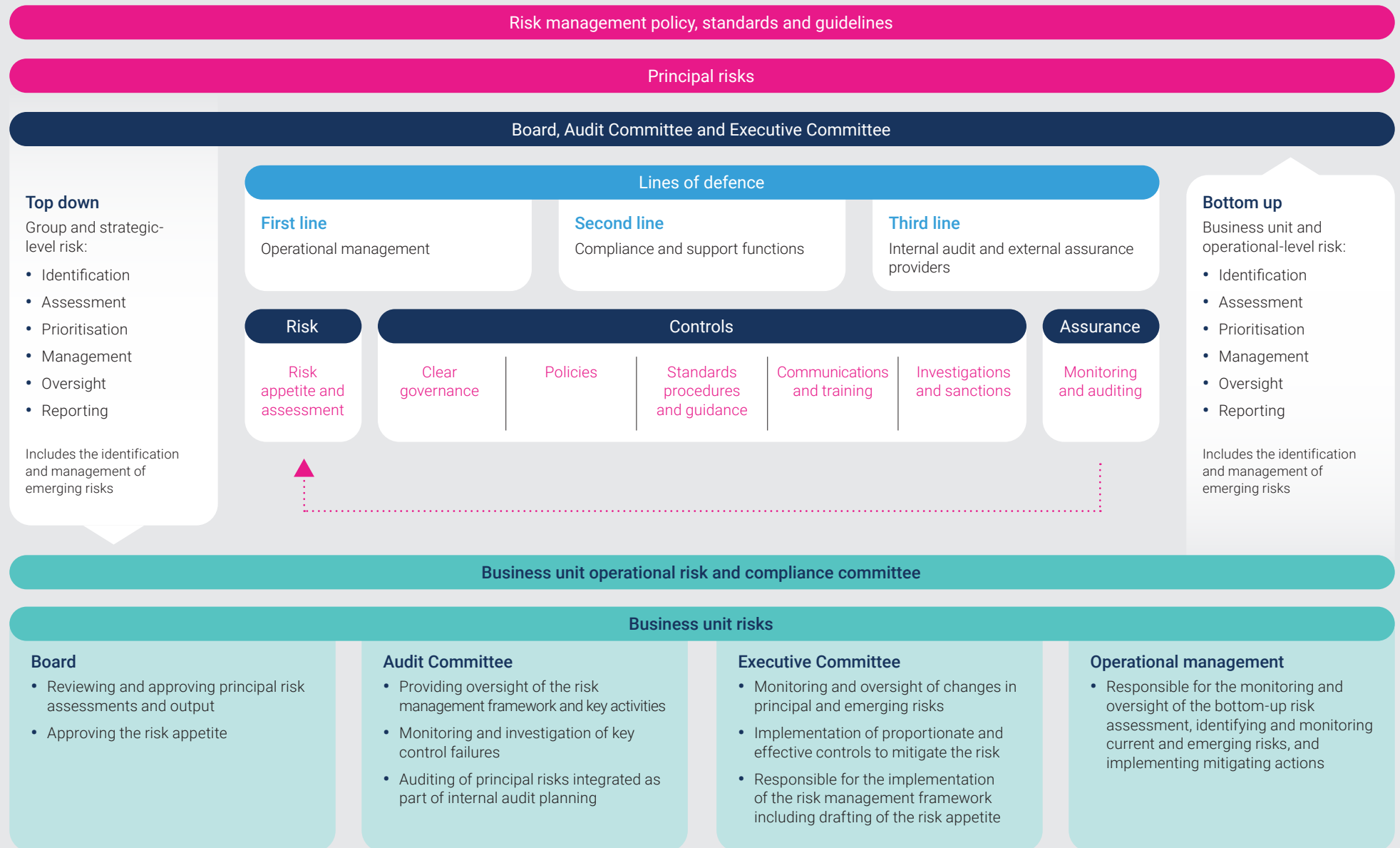
Technology and information security

The external cyber risk environment continues to be very dynamic, with technological advancements of generative artificial intelligence bringing new risks as well as opportunities. We have continued to invest in enhancing our controls and improving our processes across technology. This includes implementing a cross-functional governance committee to review and approve the deployment of generative artificial intelligence solutions.

While the external risk environment continues to evolve with emerging risks, it is deemed that the residual risk is unchanged since last year as a result of the improvements made to the control environment.

Risk management continued

Risk management framework



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.

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		
Link to strategic objective	Risk owner	Residual risk trend
<p>1 2 3 4</p> <p>Risk description 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 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>Chief Marketing Officer</p> <p>Change during the year and residual risk Flavouring billions of water occasions, is operating as a separate workstream, focusing purely on innovation; innovating to scale are key parts of our 2025 strategic plans.</p> <p>We have continued to develop and build our innovation pipeline with the launch of new products and flavours over the last 12 months, including Pepsi Electric, J20 Mocktail range and new Tango flavours.</p> <p>As consumer preferences continue to evolve and broaden, we remain well positioned with a strong portfolio of trusted brands and continue to invest in innovation and the capabilities of our teams to unlock opportunities and deliver growth.</p>	<p>▶</p> <p>Risk mitigation</p> <ul style="list-style-type: none"> • Continuous assessment of consumer and customer trends and insights 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 with Extra Power and Jimmy's Iced Coffee

Risk management continued

Principal risks and uncertainties continued

- 1 Healthier People, Healthier Planet
 2 Build local favourites and global premium brands
 3 Flavour billions of water occasions
 4 Access new growth spaces
 ▲ Increased
 ▶ No change
 ▼ Decreased

2 Health concerns

[Link to strategic objective](#)
 1 3 4
 Risk owner: Chief Marketing Officer
 Residual risk trend: ▶

Risk description
 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.

Impact on the business
 The failure to respond positively to health concerns could result in declining appetite for soft drinks, and/or our share of the category.

Change during the year and residual risk
 The importance of health and wellbeing both for consumers and customers has continued to evolve, with an increasing focus on natural products and increased scrutiny around ultra-processed ingredients such as artificial sweeteners. However, there remains a high degree of polarisation with a significant proportion of consumers who are focused on taste.

We have continued to expand and grow our portfolio of low calorie, no calorie and clean label brands with Plenish, Aqua Libra and Ballygowan all driving significant growth in the last 12 months.

Risk mitigation

- 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

3 Retailer landscape and customer relationships

[Link to strategic objective](#)
 1 2 3 4
 Risk owner: Business Unit Managing Directors
 Residual risk trend: ▶

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).

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 pace with input inflation, and not keeping up with consumer trends.

Change during the year and residual risk
 While inflationary pressures have reduced, the retailer landscape continues to be highly competitive across our markets.

We have continued to invest in the development of our commercial systems and revenue growth management capabilities across the organisation.

We remain well placed with strong and established commercial relationships across our key customers, demonstrated by Britvic being shortlisted for the Supplier of the Year at the 2024 Grocer Gold Awards and winning Branded Supplier of the Year at the Waitrose & Partners 2024 Supplier Conference.

Risk mitigation

- 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

Risk management continued

Principal risks and uncertainties continued

- 1 Healthier People, Healthier Planet 2 Build local favourites and global premium brands 3 Flavour billions of water occasions 4 Access new growth spaces
- ▲ Increased ▶ No change ▼ Decreased

4 Supply chain

Link to strategic objective **Risk owner** **Residual risk trend**

1 2 3 4 Business Unit Managing Directors ▶

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.

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 affecting customer relationships.

Change during the year and residual risk
A number of major operational projects have reached completion over the past year, creating greater capacity and capability to support future growth.

Input cost inflation has eased in the past 12 months and we continue to improve our internal controls and processes to improve our material supply resilience and capability.

However, the risk of availability and price for agricultural commodities – particularly orange juice – has increased significantly due to the impact of climate trends and weather events creating greater uncertainty of crop yields.

- Risk mitigation**
- 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

5 Sustainability and environment

Link to strategic objective **Risk owner** **Residual risk trend**

1 2 3 4 Chief Financial Officer ▶

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.

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.

Change during the year and residual risk
We have continued to develop our modelling of the key climate risks and opportunities as part of TCFD and to embed risk mitigation actions across our business operations.

An £8 million heat recovery system has been installed at our Becton site, reducing factory emissions by 1,200 tonnes annually. The 10-year power purchase agreement on a 160-acre solar farm in Northamptonshire has now been implemented, providing clean energy to power 75% of our grid electricity in Great Britain.

We have successfully navigated the introduction of the DRS scheme in the Republic of Ireland, and are now looking ahead to the expected launch across the UK in 2027.

- Risk mitigation**
- 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
 - For more on our approach and progress with our Healthier Planet strategy see pages 44–51. Our TCFD disclosure can be found on pages 52–67

Risk management continued

Principal risks and uncertainties continued

- 1 Healthier People, Healthier Planet 2 Build local favourites and global premium brands 3 Flavour billions of water occasions 4 Access new growth spaces
- ▲ Increased ● No change ▼ Decreased

6 Market

Link to strategic objective **Risk owner** **Residual risk trend**

1 2 3 4 Business Unit Managing Directors ●

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 achieve our plans or external market factors (e.g. economic downturn).

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.

Change during the year and residual risk
The macroeconomic conditions have continued to stabilise to more typical conditions with grocery price inflation falling throughout FY24 to its lowest levels since September 2021. The business has traded positively over the last twelve months.

Our brands have demonstrated strong performance throughout the year and continue to be highly visible in the marketplace, with Pepsi having benefited from a global brand relaunch in March 2024.

Risk mitigation

- 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**

1 2 3 4 Business Unit Managing Directors and General Counsel ●

Risk description
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.

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.

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.

We have strong employee engagement with programmes to promote health and safety, food safety and quality awareness. See page 35 for more information on our various initiatives to promote employee health and safety during the year.

Risk mitigation

- 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 (AIB), and Beckton achieved our highest food safety score of 925 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

Risk management continued

Principal risks and uncertainties continued

- 1 Healthier People, Healthier Planet
- 2 Build local favourites and global premium brands
- 3 Flavour billions of water occasions
- 4 Access new growth spaces
- ▲ Increased
- ▶ No change
- ▼ Decreased

8 Legal and regulatory

Link to strategic objective
Risk owner
Residual risk trend ▶

1
2
3
4
General Counsel

Risk description
 Non-compliance with local laws or regulations or breach of our internal policies and standards.

Impact on the business
 Failure to comply with such requirements could have a significant impact on our reputation and/or incur financial penalties.

Change during the year and residual risk
 The regulatory landscape continues to be increasingly complex with a number of changes impacting the business, including tethered caps and minimum rPET levels in Ireland and France, stricter advertising restrictions for high sugar products in the UK, and the continued impact of Brexit. There also continues to be a growing trend of activism by various stakeholder groups in relation to legal and regulatory breaches.

We have put in place an enhanced control framework – including improved employee training and procedures across key areas such as sustainability claims.

- Risk mitigation**
- 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 us to assess the impact of potential and incoming legislation

9 Technology and information security

Link to strategic objective
Risk owner
Residual risk trend ▶

1
2
3
4
Chief Information & Transformation Officer

Risk description
 Disruption to business due to loss or failure of systems or exposure to loss of information or technology due to cyber-attacks.

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.

Change during the year and residual risk
 The external cyber risk environment continues to be dynamic, with technological advancements of generative artificial intelligence offering both new risks and opportunities to the business.

We have continued to invest in the strengthening and improving our control environment by enhancing organisational and technical security measures across Information Technology and Operational Technology improving employee awareness of cyber security risks and investing in assurance across our key risks.

- Risk mitigation**
- 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

Risk management continued

Principal risks and uncertainties continued

- 1 Healthier People, Healthier Planet 2 Build local favourites and global premium brands 3 Flavour billions of water occasions 4 Access new growth spaces
- ▲ Increased ▶ No change ▼ Decreased

10 Talent

Link to strategic objective

- 1 2 3 4

Risk owner

Chief People Officer

Residual risk trend



Risk description

The lack of 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 controls and behaviours have strengthened over the last twelve months, with greater depth of capability and capacity across both functional and operational site levels.

We have a maturing approach to talent and become more strategic and less reactive in our recruitment, which has resulted in both increased retention and improved employee engagement levels.

The latest Heartbeat feedback survey was very positive, with our employees demonstrating that they take pride in our products and performance.

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 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

The wider treasury risk environment has continued to improve as interest rates and inflation have stabilised. We have demonstrated that we can continue to access new financing, which has improved our liquidity headroom to support growth.

The most recent pension valuation indicated that the defined benefit scheme in Great Britain remains in a surplus funding position. The investment strategy of the scheme maintains a prudent and balanced profile.

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

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 September 2024.

The Board's review includes consideration of the appropriateness of the key assumptions and underlying risks and uncertainties associated within the plan. The Group has a strong financing position, including committed bank borrowing facilities of £400m, of which £391.7m was undrawn at the end of September 2024. The bank borrowing facility is maturing within the next three years, with £33.3m maturing in February 2025 and the remaining £366.7m maturing in February 2027. Britvic has a strong credit profile and maintains good relationships with both existing and potential new lenders and is highly confident that this facility could be refinanced at a similar size on acceptable commercial terms – page 122 provides 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 starting 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 2025 and a continued impact thereafter in financial year 2026 and 2027,

which is considered to reflect the impact of the assessed risk. This reflects the risk of a potential impact of an economic recession caused by a geopolitical shock event

- **Sustainability risk:** the severe but plausible modelling includes the potential consumer demand impact from the changing climate conditions and adverse weather conditions during the summer period
- **Supply chain risk:** the severe but plausible modelling includes the potential for a significant inflationary increase on the cost of goods and services, driven by a geopolitical shock event

The significantly moderated profit and cash delivery in the severe but plausible modelling versus the Group's strategic plan across financial year 2026 and 2027 is also considered to capture an appropriate level of impact from the following principal risks and uncertainties:

- Retailer landscape and customer relationships 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.
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 12-month period.

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 Directors have considered the impact of completion of the acquisition by Carlsberg UK Holdings Limited (Carlsberg), which still remains subject to the satisfaction or waiver of the remaining conditions set out in the Scheme Document, including, but not limited to, certain regulatory approvals and the scheme receiving sanction of the court. As detailed in the Going Concern note 3, the Directors are confident that Carlsberg has the financing in place to acquire and operate the Group after completion of the acquisition, and the potential acquisition would not result in the loss of the Group's bottling arrangements with PepsiCo. On the basis of this review, no risk events relating to the proposed acquisition by Carlsberg have been included in the viability assessment.

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. 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 2027.

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

Simon Litherland
Chief Executive Officer
19 November 2024

Chair's introduction to corporate governance



The Board's recommendation to approve the Carlsberg offer is testament to the strong governance framework that we have in place, which has enabled us to deliver against our strategy and generate value for shareholders, while promoting the long-term success of the Company."

Ian Durant
Non-Executive Chair

Dear Shareholder

Welcome to the Corporate governance report for the year ended 30 September 2024. The report sets out our governance framework, the Board's key activities during the year and our engagement with stakeholders.

Board composition

This year has seen change at both Board and Executive level with two Non-Executive Directors appointed, including a new Remuneration Committee Chair. We have also welcomed a new Chief Information and Transformation Officer and Managing Director, Britvic Teisseire International to the Executive team.

Engagement with employees

The Board has continued to engage with employees during the year through a variety of activities that allow all Directors to have direct contact with employees in different settings. These activities included a site visit to our Kylemore office and factory in Ireland, a visit to our São Paulo office and one of our Brazil factories, discussions and Q&As with employees at the Employee Involvement Forum, as well as the Leadership Forum and a breakfast event with UK-based members of the Executive team and its direct reports. Further details of our employee engagement approach can be found on page 92. Information on how the Directors have fulfilled their duties to our other key stakeholders under Section 172 of the Companies Act 2006 can be found on pages 28-29.

Future outlook

On 8 July 2024, it was announced that the Board had reached agreement with Carlsberg UK Holdings Limited, a wholly owned subsidiary of Carlsberg A/S, on a recommended cash offer to acquire the entire issued share capital of the Company. The acquisition is currently expected to complete during the first quarter of 2025 via a court-sanctioned scheme of arrangement, subject to the receipt of various regulatory clearances.

Following the offer from Carlsberg, considerable time and effort has been spent by the Board, whose response has demonstrated that it operates proactively and cohesively during pivotal moments.

Ian Durant
Non-Executive Chair
19 November 2024



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 of and complied with all provisions set out in the Code during the year under review, with the exception of provision 21 following the Board's decision to defer the annual Board evaluation (see page 94 for more details). A copy of the Code, issued by the Financial Reporting Council, can be found at [frc.org.uk](https://www.frc.org.uk).

This Corporate Governance Report, 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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5 Remuneration

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Case study

Board site visits

In October 2023, the Board held a meeting at our Kylemore office and manufacturing site in Ireland and took part in a site tour and an employee engagement session. The factory manufactures our iconic Irish brands MiWadi, Club, TK Red, Cidona and Energise Sport and makes and distributes Pepsi MAX, 7UP and Mountain Dew on behalf of PepsiCo.

In January 2024, the CFO together with the General Counsel and Company Secretary visited Brazil. The Chair together with two of our Non-Executive Directors, William Eccleshare and Emer Finnan, also visited Brazil in March 2024. On both trips, the Board members visited the São Paulo office and met with employees and the Brazilian leadership team to discuss strategy and performance. They also visited Uberlândia to tour our Araguari factory and undertook trade and market visits.



The right skills to deliver our strategy

Key:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair



N

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.



A

N

R

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 Team1TG.

External public directorships

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



A

N

Emer Finnan
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, Remuneration and Nomination Committees

Board of Directors continued

As at 30 September 2024



Georgina Harvey
Independent Non-Executive Director

Georgina was appointed as a Non-Executive Director and Chair of the Remuneration Committee in January 2024.

Skills, competence and experience

Georgina has many years of experience in advertising and media and delivering successful transformational change, having been Managing Director, Regionals at Trinity Mirror Group, Managing Director at Wallpaper Group, and Managing Director at IPC Advertising. After stepping down from her executive career in newspapers, Georgina has built a successful career as a Non-Executive Director, with a particular focus on remuneration committee chair roles, transferring her skills across a wide range of sectors and situations.

As a senior board member, she currently serves on two boards – Capita and M&C Saatchi – and has previously served on the boards of Superdry plc, McColl's Retail Group plc, Big Yellow Group plc and William Hill, all as Chair of the Remuneration Committee.

External public directorships

- Non-Executive Director and Senior Independent Director of Capita plc, Chair of the Remuneration Committee and a member of the ESG, Audit & Risk and Nomination Committees
- Non-Executive Director of M&C Saatchi plc and a member of the Remuneration, Audit & Risk and Nomination Committees



Romeo Lacerda
Independent Non-Executive Director

Romeo was appointed as a Non-Executive Director in March 2024.

Skills, competence and experience

Romeo is currently the Chief Executive Officer, Americas for Inchcape, the automotive retail and distribution business, based out of Santiago.

Romeo has many years of extensive commercial experience in the FMCG sector, having started his career at Unilever before moving to Mondelez. He has led multi-country businesses of scale across Europe, Latin America, the Middle East and Africa. He has extensive knowledge of commercial strategy, brand building and experience running supply chain as a general manager.

Romeo, who is a Brazilian national, has a degree in Business Administration from the Universidade Federal do Rio Grande do Sul and an MBA from Universidade de São Paulo-USP, Brazil.



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 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., Chair of the Remuneration Committee and a member of the Nomination Committee



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 (the largest listed global law firm). Mollie also previously worked for Suntory Beverage and Food, where she was the Director of Business Development for EMEA and prior to that General Counsel of their GB&I 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.

Key:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chair



The right skills to deliver our strategy



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



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, 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 2024



Remy Sharps
Managing Director, Britvic Teisseire International

Remy joined the business in January 2024. He has extensive knowledge and experience of the French and international FMCG markets and a proven track record for delivering significant growth in his previous leadership roles. He spent 10 years in the beverage industry with the Carlsberg Group, working across various sales roles before being appointed Chairman and CEO of Kronenbourg SAS, France's leading brewer and subsidiary of the Carlsberg Group. Prior to this role, he acted as Chief Sales Officer for the Carlsberg Group globally, working across some 80 markets to transform sales and revenue growth, especially in China and Western Europe, and as Sales VP in France. Before Carlsberg, he spent 20 years with Colgate-Palmolive in various sales and marketing roles in France, Switzerland and Spain.



Vanshikrishna Suvarna
Chief Information and Transformation Officer

Vanshi joined Britvic in April 2024 and is responsible for all aspects of technology, data, analytics and cross-functional transformation programmes. He has extensive knowledge and experience of the FMCG industry and a proven track record for delivering significant technology related transformation programmes in his previous roles. Vanshi spent seven years in the beverage industry with SABMiller & ABInbev, working across various global and regional leadership positions within IT and supply chain. Prior to joining Britvic, as the Chief Information Officer of a leading global construction business, he had oversight of transformation programmes including the successful launch of an e-commerce channel for customers and the implementation of a digital footprint in manufacturing, supply chain and group functions like HR, finance and procurement.



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

2,367 shareholders as at 30 September 2024

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 Emer Finnan, Georgina Harvey, Romeo Lacerda, Hounaida 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. In addition, 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

Responsible for day to day operational management, the communication and implementation of strategic decisions, and administration matters. Identifies and reviews matters for recommendation to the Board and its Committees.

CEO

Chief Information and Transformation Officer

Managing Director, Brazil

Chief Marketing Officer

Managing Director, Britvic Teisseire International

CFO

Chief People Officer

Managing Director, Great Britain

General Counsel and Company Secretary

Managing Director, Ireland

Executive Committees

ESG

Equity, Diversity and Inclusion

Tax and Treasury

Pensions

The Board in 2024 – how key activities supported 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 22–23 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 for each market and business unit including a two-day strategy meeting in March 2024 which included discussions on the evolution of the strategy
- Frequent discussions on both organic and inorganic growth
- Market perspectives with corporate broker Morgan Stanley
- Detailed discussions about the offer from Carlsberg
- Monitoring performance of brands, including relative market share, current performance, consumer behaviours, future strategy and innovation
- Discussions on debt and refinancing considerations
- Presentation from the Chief Marketing Officer to discuss marketing strategy and an update from the Commercial Director on innovation brands focusing on London Essence

Decisions

- Approval of a recommended cash offer from Carlsberg to acquire the entire issued share capital of the Company (see page 13 for further information)
- Approval to enter into various agreements including a four-year contract with a supplier of pallets in Great Britain and Ireland, a five-year agreement for the supply of aluminium cans to Great Britain, a three-year deal for the supply of glass bottles to Great Britain and Ireland, a three-year agreement for the supply of Plenish nut-based products, a two-year co-packing agreement for the supply of Plenish bottle products, a seven-year contract for transportation and warehousing services in Ireland and a three-year agreement for the supply of tinplate syrup cans in France

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 15.9% for the interim dividend of 9.5 pence (2023: 8.2 pence)
- Approval of new £75m share buyback programme and the suspension of that programme in June 2024 following the commencement of the offer period with respect to the acquisition offer from Carlsberg
- Approval of annual budget and operating plans
- Approval to proceed with a US private placement issuance for approximately £150m for tenors of 5 to 12 years

Alignment to strategy



Internal controls and risk management

The Board considers and sets the Company's risk appetite for each of its 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 page 102) and the Board receives regular reports and recommendations from the Committee.

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 2024 – how key activities supported 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 throughout the year, noting safety performance against targets. It 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 and Executive team, following advice and recommendations made by the Nomination and Remuneration Committees.

The Board engages with the wider workforce using a number of channels, including taking part 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 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
- Visits to local sites and employee engagement activities

Decisions

- Appointment of two new Non-Executive Directors
- Appointment of the new Chief Information and Transformation Officer and Managing Director, Britvic Teisseire International

Alignment to strategy

1

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 ESG metrics for employees (accidents and diversity), consumers (complaints and calories per 250ml serve), carbon (direct and indirect emissions) and water (ratio and projects)
- Presentations on the reset of the Healthier People, Healthier Planet programme
- Updates relating to the Deposit Return Scheme in GB and Ireland

Decisions

- Approval to upgrade the condensers on the Rugby chilling system to more energy efficient cooling towers. This will reduce the electricity use at the site and gas burnt in the combined heat and power engines, helping to reduce global carbon impact (circa 650 tCO₂e and £200,000 cost savings per year)

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

- Anti-bribery and corruption refresher training and an update on the new Economic Crime and Corporate Transparency Act 2023
- Briefings on governance related matters, including the publication of the UK Corporate Governance Code 2024 and changes to the UK Listing Rules
- Regular updates on governance, legal and regulatory matters
- 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
- Approval of the updated Statement of Authorities required for decision making on financial and non-financial transactions

Alignment to strategy

1 2 4

The Board in 2024

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 and the CFO at each Board meeting, including comprehensive data from an independent capital market advisory firm about the Company's major shareholders. Morgan Stanley gave a presentation to the Board in March, providing market insight and how investors see the Company.

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 shareholders during the year to discuss governance matters with investors as appropriate, in particular, following the recommendation by the Board of the Carlsberg proposed cash offer and prior to the court and general meetings to discuss their views. 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. They also met, along with the Board, Europa Partners and Morgan Stanley following the Carlsberg cash offer to discuss the proposed transaction.

Private shareholders are encouraged to access the Company's website for 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 185.

Our 2024 Annual General Meeting (AGM) was held in London and all resolutions were passed. The CEO provided an update on the performance, positioning and outlook for the Group. Shareholders were also invited to attend our Court and General Meetings in London on 27 August 2024 to approve the scheme of arrangement (the Scheme), to authorise the Directors to implement the Scheme and to approve amendments to the articles of association to give effect to the Scheme, respectively, following the Board's recommendation of the Carlsberg proposed cash offer. The resolutions were passed at both meetings. Shareholders were encouraged to vote at all meetings by appointing the Chair as proxy if they were unable to attend in person. Shareholders were invited to ask questions during the meetings and these were followed up by one-to-one discussions with the Directors afterwards if required.

The 2025 AGM is planned to be a physical meeting in London. The Notice of Meeting can be viewed at britvic.com/agm and will be published in early March should the Company remain a public company at the time.

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 28–29 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 they remain effective. Information on how the Board has engaged with key stakeholders during the year can be found on pages 24–27 and information on Board engagement with employees can be found on page 92.

Stakeholder engagement timeline



The Board in 2024 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, enabling all Directors to have direct contact with employees in different settings.

The Board acknowledges that this is not one of the specified approaches set out in the Code. However, by adopting a range of engagement practices the Board has greater opportunities to hear from employees in a variety of situations. 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.

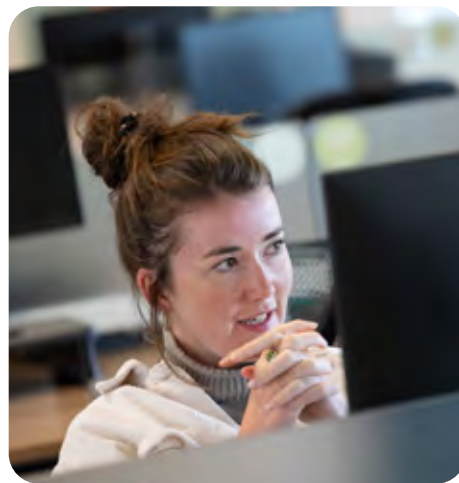
The Board sets out an engagement plan at the start of each financial year, including in-person site visits, face to face meetings and virtual interactions.

Site visits

In October 2023, the Board held a meeting at our Kylemore office and manufacturing site in Ireland and took part in a site tour and an employee engagement session.

In January and March 2024, different Board members visited Brazil, seeing the São Paulo offices, the Araguari factory, and undertaking trade and market visits.

+ See page 83 for more detail



Engagement surveys

Our employee engagement framework – Employee Heartbeat – measures employee sentiment, providing the Company 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 96% of them took part, giving over 11,000 comments. This was the highest response rate we have ever had, doubling the volume of comments compared to last year.

+ For more information on the survey outputs see page 34

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.

The Chair attended an EIF meeting in December 2023 and the Chair of the Remuneration Committee, Georgina Harvey, attended an EIF meeting in September 2024, where the discussions focused on remuneration and reward. The Board received an update following each session and Directors will continue to participate in future EIF meetings.

Executive team and Leadership Forum

The Leadership Forum is attended by senior management from across Britvic's business units. The Chair attended the Forum meeting in December 2023 and provided his perspective on current performance as well as taking part in a Q&A session.

In May 2024, the Board met for a breakfast event with the Great Britain-based members of the Executive team and their direct reports.

Board inductions

Process

All new Directors are offered a structured induction which they can tailor to their individual needs. This is organised by the General Counsel and Company Secretary and the process is 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, the CFO, individual Non-Executive Directors, members of the wider Executive team and Group leadership. This is 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 remuneration consultants, lawyers, brokers and PR consultants.

Site and market visits

As well as 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



Georgina Harvey
Independent Non-Executive Director

- Meetings with the Chair, CEO and CFO on key strategic and business issues, commercial structure, Board governance and financial and non-financial performance and outlook
- Meetings with other Board members, including the outgoing Chair of the Remuneration Committee
- Meetings with the Director of Reward and remuneration consultants to discuss topics relating to remuneration and the Remuneration Committee including the Remuneration Policy
- Meetings with all Executive team members to provide an overview of their business units
- Meeting with the General Counsel and Company Secretary to receive information about Board policies, procedures and processes and an overview of key legal matters
- Meetings with the Chief People Officer and the Chair of the Employee Involvement Forum to discuss employee related topics
- Meeting with the Chief Strategy Officer to discuss M&A
- Meetings with the Director of Corporate Affairs and the Director of Investor Relations to discuss stakeholders, analysts and the media
- Meeting with the external auditor
- Visit to the Rugby factory site



Romeo Lacerda
Independent Non-Executive Director

- Meetings with the Chair, CEO and CFO on key strategic and business issues, commercial structure, Board governance and financial and non-financial performance and outlook
- Meetings with all Executive team members to provide an overview of their areas of the business
- Meeting with the General Counsel and Company Secretary to receive information about Board policies, procedures and processes and an overview of key legal matters
- Meeting with the Chief People Officer to discuss employee related topics
- Meeting with the Chief Strategy Officer to discuss M&A
- External training on UK plc governance and the 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 updated in January 2024 to incorporate current best practice and legal and governance standards.

The articles were subsequently updated in August 2024 at the Company's General Meeting to give effect to certain matters in connection with the Carlsberg offer on its completion.

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.

+ The matters reserved 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 96–117

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 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.

Board effectiveness review

The Board recognises the benefit of a thorough evaluation process to reflect on its strengths and the challenges it faces, and to identify opportunities to continuously improve effectiveness. An externally facilitated evaluation carried out by an independent consultant was due to be undertaken in 2024. Early planning for this review was completed during the year, including first-stage interviews with a short-list of independent evaluators held by

the Chair and General Counsel and Company Secretary, with an external evaluator appointed. However, this coincided with the proposed offer for the Company by Carlsberg, so the Board decided to defer this year's external review. The Board further decided not to undertake an internal effectiveness review so that priority could be given to focusing on the Carlsberg transaction. Should this not complete for any reason, it is the Board's intention that an external effectiveness review would be undertaken at the next appropriate opportunity.

During the year, the outcomes and focus areas from the 2023 Board effectiveness review were discussed by the Board, with a number of actions implemented during the year including enhancing the employee voice programme.

The Board also agreed that, due to the proposed Carlsberg transaction, it was not necessary for individual Director performance appraisals to be undertaken for this financial year, and the Senior Independent Director did not appraise the performance of the Chair with the other Non-Executive Directors.

Board and committee meeting attendance

Membership and attendance	Board (scheduled)	Board (ad hoc relating to Carlsberg)	Audit Committee	Remuneration Committee *	Nomination Committee	AGM attendance
Ian Durant	●●●●●●● 7/7	●●●●●●● 7/7			●●● 3/3	✓
William Eccleshare	●●●●●●● 7/7	●●●●●●● 7/7	●●●● 4/4	●●●●●● 6/6	●●● 3/3	✓
Emer Finnán	●●●●●●● 7/7	●●●●●●● 7/7	●●●● 4/4		●●● 3/3	✓
Georgina Harvey ¹	●●●● 4/4	●●●●●●● 6/7		●●●●●● 6/6	● 1/1	
Romeo Lacerda ²	●●● 3/3	●●●●●●● 6/7	●●● 2/3		● 1/1	
Hounaida Lasry	●●●●●●● 7/7	●●●●●●● 7/7	●●●● 4/4	●●●●●● 6/6	●●● 3/3	✓
Simon Litherland	●●●●●●● 7/7	●●●●●●● 7/7				✓
Rebecca Napier	●●●●●●● 7/7	●●●●●●● 7/7				✓
Former Directors						
Sue Clark ³	●●● 3/3			●● 2/2	●● 1/2	✓
Euan Sutherland ⁴	●● 2/2		● 1/1		● 1/1	

* Includes two ad hoc meetings relating to the Carlsberg offer.

1. Georgina Harvey joined the Board on 26 January 2024. She was unable to attend one ad hoc Board meeting relating to the Carlsberg offer due to prior commitments.
2. Romeo Lacerda joined the Board on 27 March 2024. He was unable to attend one ad hoc Board meeting relating to the Carlsberg offer and one Audit Committee meeting due to prior commitments.
3. Sue Clark resigned from the Board and committees on 20 March 2024.
4. Euan Sutherland resigned from the Board and committees on 18 December 2023.

How the Board works continued

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 seven times during the year as scheduled, excluding sub-committee meetings to approve the financial results, and there were seven additional meetings held in relation to the offer from Carlsberg. Details of the meeting attendance is contained in the opposite. 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 either held in person or via 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 about all relevant matters. Board papers are circulated electronically via a secure Board portal in advance of meetings to ensure there is adequate time for them to be read and to allow for 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.

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 98).

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 115. 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.

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 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 the external appointment of Georgina Harvey to the board of M&C Saatchi plc, further to recommendation from the Nomination Committee and after careful consideration of the time commitment required of the role under review.

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 issues connected to their responsibilities to the Company, at Britvic'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

Ian Durant (Chair)

William Eccleshare

Emer Finnan

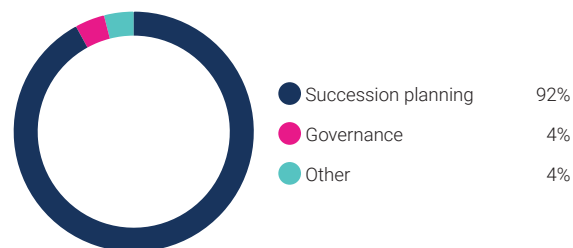
Georgina Harvey

Romeo Lacerda

Hounaida Lasry

✚ Each member's attendance at the Committee meetings can be found at page 94

Allocation of time



On behalf of the Nomination Committee (the Committee), I am pleased to present our report for the year ended 30 September 2024. 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, to ensure the Company's 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 business 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 several 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 with the exception of Sue Clark who was unable to attend one meeting due to a prior commitment. 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.

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 and in particular when considering renewal of contracts and potential new appointments. The Directors have each completed a self-capability assessment, which enables the Committee to assess the balance of skills on the Board. The results are shown in the matrix opposite.

Nomination Committee report continued

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 its 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 40-43

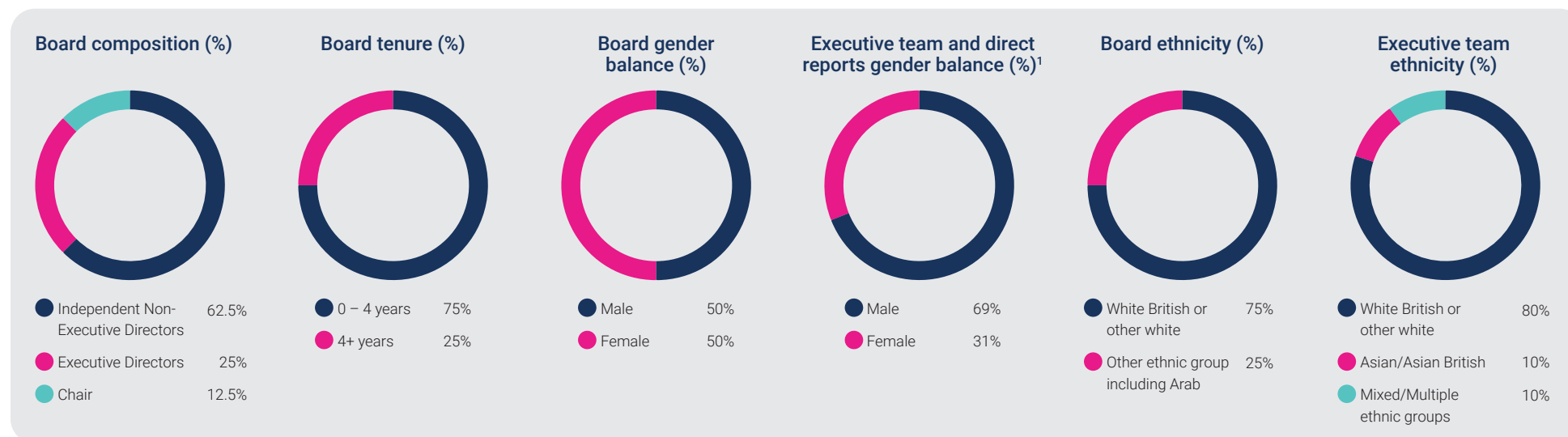
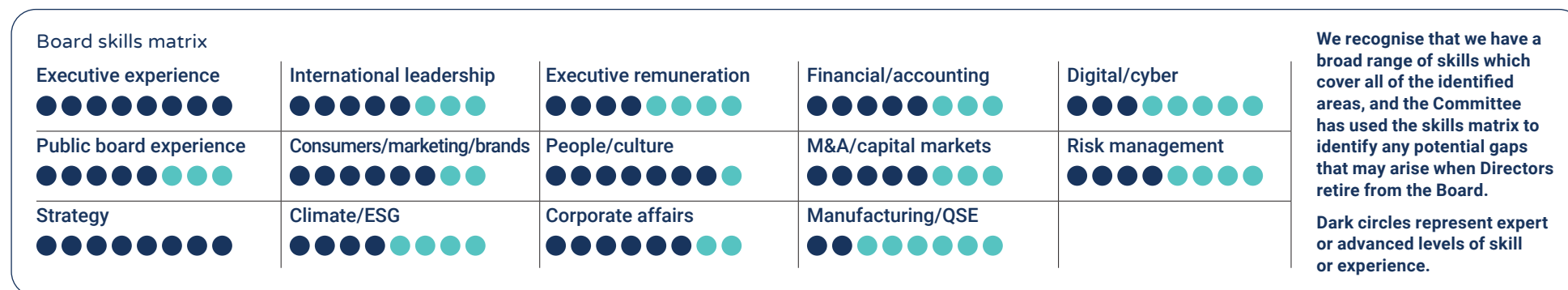
The Board meets the diversity targets set in the Listing Rules with over 40% of members being women, one of the senior Board positions being held by a woman and two Board members being from a minority ethnic background. These targets were met on 30 September 2024 and no changes have occurred since then 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 121.

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.

Succession planning and recruitment

William Eccleshare completed his second three-year term contract in November 2023 and the Committee considered and approved his renewal for a further and final three years.

Sue Clark and Euan Sutherland left the Board during the year with Georgina Harvey and Romeo Lacerda joining. In its review of the composition of the Board, the Committee was mindful of the requirement of the Corporate Governance Code and that Board appointments must be based on merit, objective criteria and cognitive and personal strengths while promoting diversity of gender, ethnicity and social background.



1. Executive team means 'senior management' for the purposes of the UK Corporate Governance Code 2018 (Provision 23) and includes the Company Secretary.

Nomination Committee report continued

Succession planning and recruitment continued

A wide range of candidates were considered, keeping in mind the requirements for specific roles such as the need for a replacement Remuneration Committee Chair. The Committee followed a formal, rigorous and transparent process, as described opposite.

An external specialist partner, Lygon, worked with the Committee on long-term succession planning for the Board.

Talent development for senior management and high potential employees was covered in Board discussions (see page 90) including development of a diverse pipeline in line with our diversity targets (see pages 40–43).

External appointments

All Directors are required to request approval from the Board before accepting any new external directorship appointments. The Committee reviewed one request during the year from Georgina Harvey to join the board of a public company. After careful consideration of the time commitment required of the role under review, we recommended approval of Georgina's external appointment to the board of M&C Saatchi plc.

Executive team appointments

The Committee considered and approved the appointment of Vanshikrishna Suvarna as Chief Information and Transformation Officer and Remy Sharps as Managing Director, Britvic Teisseire International.

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, 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

An externally facilitated evaluation carried out by an independent consultant was due to be undertaken in 2024, including an evaluation of the Committee. However this coincided with the offer for the Company by Carlsberg, so the Board decided to defer this year's review, so that priority could be given to focus on the transaction.

The last evaluation undertaken in 2023 did not highlight any issues with the Committee and it continues to perform effectively, as described in more detail on page 94.

Ian Durant

Nomination Committee Chair

19 November 2024

Appointment of new Non-Executive Director

Criteria

At the July and October 2023 meetings, the Committee discussed the search criteria for the planned succession for a new Non-Executive Director and Remuneration Committee Chair to replace Sue Clark. At the January 2024 meeting, the Committee discussed the search criteria for a Non-Executive Director to replace Euan Sutherland who resigned from the board on 18 December 2023. Both roles were considered against the skills profile of the Board.

For the first role the criteria included an individual with prior UK plc remuneration committee chair experience, who had undertaken a remuneration policy review and had experience within the industry to allow them to contribute to Board discussions over and above remuneration and other HR related topics. The Committee insisted that diversity of the Board be emphasised in the search, and that this should be looked at in its widest sense. For the second role, the Committee ideally wanted a senior executive with global FMCG experience, including experience running a complex supply chain.

Search

Two external search consultancies were assessed, and Lygon was appointed, with a brief to review the available talent for this position and to ensure both the longlist and shortlist contained extensive diversity. Lygon has no other connection with the Company or any individual Directors.

Interviews

For both roles, five candidates were interviewed initially by the Chair and Senior Independent Director. Two shortlisted candidates then went on to a second stage interview with the CEO and Chief People Officer before meeting all other Board members.

Offer and contract

The Committee confirmed Georgina Harvey and Romeo Lacerda as the preferred candidates and recommended to the Board that offers be made to both.

Audit Committee report



Emer Finnan

Audit Committee Chair

Members

Emer Finnan (Chair)

William Eccleshare

Romeo Lacerda

Hounaida Lasry

Each member's attendance at the Committee meetings can be found at page 94

Allocation of time



On behalf of the Audit Committee (the Committee), I am pleased to present our report for the year ended 30 September 2024. 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 Britvic'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 Britvic'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 them out, 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, Risk and Compliance 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.

Committee meetings

The Committee met four times this year. In November and May we reviewed the Annual Report and Accounts and interim report respectively and considered the external audit findings. In April, we received an update on the Britvic Controls Framework and discussed the new UK Corporate Governance Code 2024.

Audit Committee report continued

Committee meetings continued

At each meeting, the performance and findings of the internal audit team were reviewed, including any outstanding audit actions. Principal risk reviews were also completed, and updates on the regulatory environment considered.

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 Audit, Risk and Compliance without others present.

All members of the Committee attended all meetings that they were eligible to join with the exception of Romeo Lacerda who was unable to attend one meeting due to a prior commitment. Only Committee members have a right to attend meetings, but the Chair, the CEO, the CFO, the Group Finance Director, the Director of Audit, Risk and Compliance and the external auditor are invited to attend as appropriate. Other members of the senior management team can join if the Committee feels necessary for a full discussion of matters on the agenda. Meetings were held in person with presenters and attendees taking part via video conference when appropriate.

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 101
- 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 2024 Annual Report and Accounts

At the request of the Board, the Committee considered whether the 2024 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 below.

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 122.

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

The Committee assesses key judgements based on reports 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. Both the going concern and viability statement were considered on Britvic being a standalone business.

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.

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 as these are at greater risk of impairment due to lower headroom. 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 is comfortable with the conclusions reached.

In light of the Group's decision to terminate the contract to sell the Norwich land and buildings and seek a new buyer, the Committee also reviewed the assumptions used to remeasure the carrying value of these assets.

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 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 is comfortable with the conclusions reached.

Taxation

The Committee reviewed the uncertain tax positions, challenging the completeness of the balance sheet provisions and is 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.

Climate-related financial disclosures in accordance with TCFD arrangements

The Committee reviewed the disclosures on pages 52–67 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.

Accounting treatment of the solar power purchase agreement

Britvic entered into a solar power purchase agreement (PPA) in July 2023. The contract is not eligible for the own-use exemption under IFRS 9 and accordingly is measured at fair value on the balance sheet as a derivative. The Committee reviewed key assumptions made in arriving at the accounting treatment to designate the PPA as a cash flow hedge, including advice from specialist advisors.

Acquisition accounting

On 4 October 2023, Britvic completed the acquisition of GlobalBev Comércio de Bebidas Ltda (GCB) in Brazil. GCB owns the Extra Power and Flying Horse energy drinks brands as well as the juice brand Juxx and acai smoothie brand Amazoo. To account for the acquisition, management performed valuations of the consideration payable and the identifiable assets and liabilities, as at the acquisition date. The Committee reviewed management's judgements and estimates for this purchase price allocation, including forecast cash flows, forecast synergies, the applicable discount rate used in valuations and the disclosures provided in the financial statements. It concluded they were appropriate.

Audit Committee report continued

Internal audit

The internal audit function carries out work across the business, providing independent and objective assurance and advice to help the Company identify and mitigate any potential control weaknesses. The function, headed by the Director of Audit, Risk and Compliance, reports to the Committee and is made up of in-house employees with significant internal audit experience, supported with external third-party specialist expertise when 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 its coverage across the organisation's principal risks, emerging risks, scope of operations and prior significant findings were considered by the Committee in conjunction with the internal audit function. 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 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 Company in pursuit of its strategic priorities. In the year, the plan covered a breadth of business areas, across all business units, including but not limited to financial controls, cyber security, sustainability, quality management, and supply chain operations. 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 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 Audit, Risk and Compliance 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 Committee meeting 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 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 Britvic'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 this work can be found on pages 52–67.

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 operation 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 issues 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 2024 financial year.

The Company continued to operate the Britvic Controls Framework during FY24. This is intended to effectively manage rather than eliminate the risk of failure to achieve the Group's business objectives. Management self-assesses against the operating effectiveness of the key controls captured in the framework on a quarterly basis. 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 the internal and external auditor. Any control improvements or deficiencies identified are addressed in a timely manner, with action plans tracked and reported. The Committee is committed to continuing to enhance the internal control environment.

We discussed the updated UK Corporate Governance Code 2024 and its requirement for directors to make a control effectiveness statement. This would be effective from our 2027 Annual Report and Accounts. As noted, we have a robust framework around material financial reporting controls, and we are currently in the process of identifying material non-financial reporting controls based on our principal risks.

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 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 the platform, and the actions taken to investigate and resolve them, were reported to the Board.

Audit Committee report continued

Whistleblowing continued

mySpeakup allows employees and external stakeholders to raise any concerns they may have in confidence and anonymously if they wish. It provides a clear audit trail of cases and enables detailed reports to be produced.

Mandatory online training has been relaunched for employees in Great Britain, Ireland and our international business outside Brazil and France. Our updated Code of Conduct was introduced in France and Brazil with leadership training and support materials during the last 12 months.

External audit

Deloitte were appointed as Britvic's auditor effective 1 October 2022, following a full and competitive tender process, and were re-appointed as auditor at the AGM in January 2024. The lead audit partner is Georgina Robb who has been in place since the financial year 2023 audit.

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 its 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 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.

Over the course of the year, Deloitte provided data-driven insights and analytics to management and the Committee, as part of its audit procedures around areas such as revenue and rebates. Deloitte prepared a comprehensive report of its audit findings at the year end, which it took the Committee through at its meeting in November 2024. 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's report of its findings at the half year was undertaken by the Committee.

We considered a number of areas in relation to the external auditor, including its performance in discharging the audit and the interim review, its independence and objectivity, and its reappointment and remuneration. The Committee Chair had regular contact with the external audit partner outside of Committee meetings without the presence of management.

Assessment of external auditor

Deloitte presents findings from the annual FRC review on Audit Quality Inspections of audits carried out by Deloitte

Committee discusses and agrees at the planning stage the draft list of specific risks to audit effectiveness and quality (specific audit quality risks) and approves auditor remuneration

Committee assesses audit planning work in respect of specific audit quality risks and ensures that matters of key interest (including those listed as significant issues above) are addressed in the audit plan

Deloitte reports against audit scope and subsequent meetings provide the Committee with an opportunity to monitor progress and raise questions

Committee discusses both internally and with Deloitte the extent to which Deloitte has demonstrated professional scepticism and challenged management's assumptions through the audit process, particularly in areas of estimation and judgement

Private discussions take place at every Committee meeting between the Audit Committee and representatives from the external auditor without management being present to encourage open and transparent feedback by both parties

Committee assesses final audit work and reporting along with the overall conclusion reached regarding significant audit risks

Regular meetings held between the Chair of the Committee, the CFO and the audit engagement partner

All Committee members, key members of management, and those who regularly provide input into the Committee or have regular feedback with the external auditor are asked for their views on Deloitte's performance and the quality and technical skills of the audit team

Feedback and conclusions are discussed, along with the conclusion and transparency of reporting regarding specific audit risks and issues, with an overall conclusion on audit effectiveness and quality reached. Any opportunities for improvement are brought to the attention of the external auditor

The Committee, having considered all relevant matters, concludes that it is satisfied that auditor independence, objectivity and effectiveness have been maintained

Audit Committee report continued

External audit continued

Based on the Committee's recommendation, the Board would propose that Deloitte LLP be reappointed to office at the AGM in March 2025. However, in light of the potential Carlsberg acquisition, Deloitte may not be reappointed by the Company as the Carlsberg group uses an alternative auditor.

Effectiveness and quality of audit

A formal framework for the assessment of the effectiveness of the external auditor, as detailed on page 103, the external audit process and the quality of the audit was adopted by the Committee. This covered all aspects of the services provided by Deloitte. The effectiveness and quality of the external audit process was monitored and continued to evolve during Deloitte's second year as our external auditor.

FRC Review

In June 2024, the FRC's Audit Quality issued its report following its review of Deloitte's audit of the Company's financial statements for the year ended 30 September 2023. I met with the inspection team to discuss the outcome. In addition to meeting the inspection team to discuss the results, as an Audit Committee we also reviewed the outcome of the most recent Deloitte inspections and quality results as part of our auditor effectiveness review.

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 and the Pepsi Agreed Upon Procedures audit. The ratio of fees for non-audit services to those for audit services for the year was 18.2%, 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 its objectivity and independence was not compromised by the non-audit work undertaken during the year.

Committee evaluation

An externally facilitated evaluation carried out by an independent consultant was due to be undertaken in 2024, including a review of the Committee. However, this coincided with the offer for the Company by Carlsberg, so the Board decided to defer this year's review so that priority could be given to focus on the potential transaction.

The last evaluation undertaken in 2023 did not highlight any issues with the Committee and it continues to perform effectively.

Emer Finnan
Audit Committee Chair
19 November 2024



Directors' remuneration report



Georgina Harvey
Remuneration Committee Chair

Members

Georgina Harvey (Chair)

Hounaïda Lasry

William Eccleshare

+ Each member's attendance at the Committee meetings can be found on page 94

Key performance indicators

Our executive compensation framework is designed to support the delivery of the Company's strategy as set out on pages 22–23.

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 constant currency)

£1,915.6m

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

£95.7m

Why do we measure this?

Cash management allows us to invest in capital projects and acquisitions and return value to shareholders.

Bonus

Adjusted PBTA

£222.3m

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

£65.9m

Why do we measure this?

Focus on driving smaller growing brands through appropriate resource allocation.

Bonus

Healthier People, Healthier Planet

100%

Why do we measure this?

One of our strategic pillars focusing on society, environment and governance.

Bonus

Relative TSR (FTSE 250 excluding investment trusts)

Top Quartile

Why do we measure this?

Includes dividend reinvestment and seeks to measure our ability to deliver relative sustainable value to our shareholders.

PSP

Adjusted diluted EPS

68.7p

Why do we measure this?

Aligns to shareholder experience.

PSP

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 2024. I joined the Board on 26 January 2024 as Remuneration Committee Chair, succeeding Sue Clark, who stepped down from the Board on 20 March 2024. I would like to thank Sue for her contribution as Chair since her appointment in 2017.

There have been two key considerations for the Committee during the 2024 financial year: the renewal of our Directors' Remuneration Policy and the proposed acquisition of Britvic plc by Carlsberg UK Holdings Limited, a wholly owned subsidiary of Carlsberg A/S.

At the date of publication of the 2024 Annual Report, the CMA and the European Commission merger reviews were ongoing. I address the impact of the proposed Carlsberg acquisition on Directors' remuneration in my letter. It was agreed as part of the Co-operation Agreement dated 8 July 2024, made available on the Company website, that the Committee would, save as set out in the Co-operation Agreement, continue to make decisions in respect of remuneration in accordance with normal practice.

Directors' remuneration report continued

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) £'000	Rebecca Napier (CFO) £'000
Salary	715.7	480.0
Benefits ¹	21.4	20.7
Pension	53.7	36.0
Total fixed pay	790.8	536.7
Annual bonus	1,252.5	720.0
Long-Term Incentive Plan (LTIP)	2,646.4	0.0
Total performance related pay²	3,898.9	720.0
Grand total	4,689.7	1,256.7

1. This includes for Simon Litherland and Rebecca Napier £4,250 and £4,040 respectively in total in free and matching shares through the all-employee Share Incentive Plan.

2. Variable pay outcomes are detailed on pages 112 to 114.

Remuneration in context

The Group delivered an exceptionally strong set of results. Revenue has increased by 9.5%, adjusted EBIT grew by 15.2% and adjusted ROIC has increased from 17.9% to an impressive 19.4%.

These strong underlying financial results have been underpinned by innovation across our portfolio of much-loved brands which has contributed to growth. Drivers of this growth include the strong performance of London Essence and the successful integration of Extra Power in the Brazil market.

Continued progress has been made on Healthier People, Healthier Planet. During the year, the business undertook a comprehensive review of its ESG strategy to ensure it was completely aligned both with the Company's stakeholder views and future growth plans, and the Board has fully endorsed the revised approach. Progress on water initiatives has led to the water intensity ratio reducing from 2.05 to 1.94. On carbon, Britvic has removed an estimated 35,400 tonnes of carbon dioxide equivalent through work with its suppliers in reducing Scope 3 emissions, and the Group has continued to achieve a reduction in calories per serve from 21.7 to 20.8¹.

These exceptional results are testament to the diligent efforts of our people, led by our management team, who have remained focused and committed to our day to day operational excellence.

Shareholder experience

In the period preceding the initial offer from Carlsberg on 5 June 2024, total shareholder return grew 16%. The Carlsberg offer of 1,290 pence per Britvic share along with a special dividend payment of 25 pence per Britvic share represented a premium of approximately 36% to the closing price per Britvic share of 970 pence on 19 June 2024 (being the closing price on the day prior to speculation around a possible offer).

Employee experience

The Committee is extremely mindful of the continuing 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 a similar approach in 2025, albeit the rate of increases has subsided.

I held a formal session with the Employee Involvement Forum which focused on reward. Inevitably the main point of discussion was the impact of the deal on a range of issues such as share-based payments, which included Executives' share arrangements, terms of the Co-operation Agreement and the process. Nonetheless, other topics such as gender pay gap were also included. I was pleased that the tone of our discussions was positive, and employees generally felt supported and informed by the Company.

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, by also awarding free shares to c.2,000 employees, they will share financially in the Company's success.

Remuneration Committee focus areas in 2024

Policy review

Prior to the initial offer, the Committee had undertaken a comprehensive review of the Directors' Remuneration Policy that was approved by 91.65% of shareholders at the 2022 AGM and was due for its triennial approval at the 2025 AGM. The review considered how outgoing policy had performed since it was adopted in 2022 including the linkage between pay and performance, its ability to recruit and retain executives of a high calibre, the Group's future strategic ambitions and evolving market practice and best practice expectations of shareholders and their advisory bodies. The Committee concluded that current policy continued to remain appropriate, although some minor modifications to aid flexibility, provide clarity and ensure features including clawback and malus align with best practice would be made. As Chair of the Committee, I wrote to shareholders in early June summarising the proposed changes. The feedback, which was generally positive and aligned to our intentions, was shared with the Committee at our September meeting. It is the Committee's intention that a new Directors' Remuneration Policy, will be included in the 2025 AGM notice should the Court Sanction not occur before the date publication is required.

Impact of the proposed Carlsberg acquisition

The other key development in the 2024 financial year is the proposed Carlsberg acquisition which the Committee considered at length in respect of the retention of critical talent, the impact on 'in-flight' incentive awards and decisions on our approach to remuneration in the 2025 financial year. Assuming the acquisition completes during the 2025 financial year, 'in-flight' incentive awards held by Executive Directors (including the deferred bonus awards granted in respect of bonuses for the 2024 financial year), the CFO's buyout awards, and awards of other employees, will be treated in accordance with the applicable incentive plan rules, the Co-operation Agreement dated 8 July 2024 and, where relevant, Directors' Remuneration Policy.

Directors' remuneration report continued

Bonus and Long-Term Incentive Plan (LTIP) in 2024

Annual bonus payouts

Stretching targets for the 2024 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 2024 annual bonus was based on 30% adjusted PBTA, 20% total net revenue, 10% innovation revenue, 20% adjusted free cash flow and 20% non-financial measures.

Given the outstanding financial performance of the year, the Group's results have exceeded all forecasts and maximum financial targets, and will therefore pay a maximum bonus against these.

With regard to the non-financial measures aligned to the Healthier People Healthier Planet framework, the Committee determined that 100% of maximum was appropriate given the overall achievement against the objectives that were set.

The full details of the annual bonus outcome are presented on pages 112 and 113.

In light of business and stakeholder context set out above, the Committee was comfortable that the formulaic outcome of 100% of maximum for the CEO and CFO was a fair reflection of business and individual performance and therefore no discretion was exercised.

PSP payouts

The PSP award that vests in respect of the three financial years ending 30 September 2024 is based 50% on EPS and 50% on relative TSR growth against the FTSE 250 index (excluding investment trusts). Adjusted diluted EPS was 68.7p versus a threshold level of 55.4p and a maximum of 65.0p so this element will vest at 100%. The Committee noted that prior to the initial Carlsberg offer, the Group's relative TSR performance over the period had been exceptionally strong at 20.1% versus the FTSE 250 (excluding investment trusts) of -9.9% and therefore considered a formulaic outcome of 100% a fair reflection of performance and the shareholder experience. Overall vesting of the PSP will be 100% on the vesting date in January 2025.

The Committee considered whether the PSP outcomes should be adjusted considering overarching business performance and the experience of shareholders, noting that adjusted ROIC increased to 19.4%, even in the face of rising UK corporate tax rates. After due consideration the Committee determined the formulaic outcome a fair and appropriate outcome and so no discretion was exercised.

The application of policy in 2025

The Co-operation Agreement permits the Committee to agree salary increases, set annual bonus targets and grant PSP awards in 2025 providing it is in a manner consistent with normal practice and with reasonable regard to the impact of the acquisition. Consequently, the Committee has approved:

- That 2.5% increases will be afforded to the CEO and CFO from 1 January 2025 which is the effective date for salary increases for all of the Group's employees and compares with a UK workforce increase where c.70% will receive an increase of 4% and 95% of at least 3% for 2025
- The annual bonus opportunity for the CEO and CFO in 2025 will remain at 175% and 150% of salary respectively. Given the impact of the acquisition, the Committee decided to simplify the performance targets to focus solely on profit and revenue with ESG, cash flow and innovation removed
- Awards of performance shares will be made after the 2024 results announcement with awards levels unchanged at 250% of salary for the CEO and 175% for the CFO. Awards have been subject to equally weighted EPS and TSR targets for several years, although TSR is no longer appropriate due to the pending acquisition. Therefore for 2025 awards the Committee decided that EPS would be the sole performance metric with ROIC continuing to operate as an underpin

The remainder of the Directors' remuneration report comprises:

- The KPIs and a summary of the remuneration outcomes for 2024 on pages 105 and 106
- The annual report on remuneration, which is subject to an advisory shareholder vote should the AGM proceed

Conclusion

In the context of the pending approvals by the competition authorities and the court sanction of the scheme of arrangement the Committee carefully considered the decisions made on executive remuneration and believes that the 2024 outcomes are a fair reflection of company and individual performance and align with the broader stakeholder experience.

Simon Litherland, his senior leadership team and all our employees have once again to be commended for their commitment and contribution in 2024 during what has been a historic year for Britvic.

As I noted earlier in my letter, should there be a 2025 AGM, a new Directors' Remuneration Policy will be included in the AGM notice issued to shareholders and tabled for approval along with this Directors' remuneration report. I hope that you will support the decisions made by the Committee.

If you have any questions on executive remuneration, please feel free to contact me at investors@britvic.com.

Georgina Harvey
Remuneration Committee Chair
19 November 2024

Annual report on remuneration

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	<p>To ensure the continued alignment of executive and shareholder interests, the greatest potential pay opportunity for executives is via our PSP.</p> <p>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.</p>
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.

2025 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 2025. 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 and to reward value-creating outcomes which are also achieved in accordance with our people, planet and performance strategy. Historically, the use of the ESG scorecard aligned to our Healthier People, Healthier Planet agenda was a good example of this, and 20% of annual bonus opportunity for our top c.100 leaders was aligned to these measures. For 2025, as explained in the Chair's letter, ESG will not be included.



Directors' remuneration report continued

Statement of implementation of the Directors' Remuneration Policy in 2025

The full Directors' Remuneration Policy can be found in the 2021 Annual Report, available on the Britvic website at britvic.com.

	Simon Litherland (CEO)	Rebecca Napier (CFO)	
FIXED PAY	Base salary	£738,121 2.5% increase.	£492,000 2.5% 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 2025, the following performance metrics and weightings apply to the bonus: 70% Adjusted PBTA, 30% Total net revenue. 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.	
	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.
LONG-TERM INCENTIVE	PSP measures	100% based on EPS targets. Threshold performance will be 79.5p increasing on a straight-line basis to 100% vesting at 91.4p. 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.	

The Remuneration Policy summarised opposite will be implemented as follows:

Base salary and fees

Implemented in line with policy.

In the UK c.70% of the workforce will receive an increase of 4.0% and in total over 95% of the workforce will receive an increase of at least 3.0%. The CEO and CFO will receive a salary increases of 2.5%, effective 1 January 2025, to maintain market alignment.

	2025 base salary £'000	2024 base salary £'000	Increase
Simon Litherland	738.1	720.1	2.5%
Rebecca Napier	492.0	480.0	2.5%

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 Committee recommended an increase of 2.5% for the Chair. All increases to be effective 1 January 2025.

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 agreed in the context of the takeover that a simplified structure was relevant for 2025.

Accordingly, the bonus measures¹ and weightings for 2024/25 are:

- Adjusted PBTA (70%)
- Total net revenue (30%)

Performance measures are defined as follows:

- Adjusted profit before tax (Adj. PBTA) – measured as adjusted profit before tax and acquisition-related amortisation on a constant budgeted currency basis.
- Total net revenue – measured on a constant budgeted currency basis.

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.

Directors' remuneration report continued

Statement of implementation of the Directors' Remuneration Policy in 2025 continued

Performance Share Plan (PSP)

The PSP awards to be made in December 2024 in respect of 2025 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.

Given TSR is no longer appropriate due to the pending acquisition, for 2025 awards the Committee decided that EPS would be the sole performance metric with ROIC continuing to operate as an underpin. The EPS targets have been set at threshold performance of 79.5p increasing on a straight-line basis to 100% vesting at 91.4p. Awards vesting under the PSP will be subject to a two-year post-vest holding period.

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 wellbeing. 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

Directors' remuneration report continued

The Remuneration Committee continued

Committee meetings

The attendance of members for each meeting during the year can be found on page 94.

The key agenda items the Committee discussed during the year included:

- Reviewed and approved the 2023 Directors' remuneration report
- Reviewed and approved outcomes of the 2023 annual bonus
- Approved the measures for the 2024 annual bonus scheme and the 2024 PSP awards
- Received an update on Executive Directors' and Executive Committee members' shareholding requirement in line with policy
- Approved the 2024 salary reviews for the Executive Directors and Executive Committee members
- Reviewed the Directors' Remuneration Policy and consulted with major shareholders on amendments to it, for submission to a shareholder vote at the next AGM
- Reviewed and approved the retention and other remuneration matters relating to the Carlsberg bid
- Reviewed and approved the terms of reference for the Remuneration Committee

Advisors

Willis Tower Watson (WTW) is the independent advisor to the Committee, appointed in May 2023. 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 £125,620.

During the year, Addleshaw Goddard LLP was also engaged by the Committee to provide legal advice on contractual arrangements and share schemes for which they received fees to the value of £8,211. Addleshaw Goddard also provides advice to the Company on a range of other matters.

Linklaters also attended Committee meetings in its role as the Company's legal advisor on the takeover.

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

As described in more detail on page 94, due to the proposed offer for the Company by Carlsberg, a decision was made to defer this year's external review of the Board and its Committees including the Remuneration Committee.

Single total figure of Directors' remuneration (subject to audit)

Chair and Non-Executive Directors

The table opposite 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 2.5% to their basic fees effective on 1 January 2024. The Chair also received 2.5% and the Committee Chair fees increased by £1,000.

	Basic fee £'000		Remuneration Committee Chair £'000		Audit Committee Chair £'000		Senior Independent Director £'000		Total fees paid £'000	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Ian Durant	267.4	108.2	—	—	—	—	—	—	267.4	108.2
Sue Clark ¹	29.6	61.6	4.1	12.0	—	—	—	—	33.7	73.6
William Eccleshare	63.4	61.6	—	—	—	—	11.2	11.0	74.6	72.6
Euan Sutherland ²	13.2	61.6	—	—	—	—	—	—	13.2	61.6
Emer Finnan	63.4	61.6	—	—	12.7	12.0	—	—	76.1	73.6
Hounaida Lasry	63.4	61.6	—	—	—	—	—	—	63.4	61.6
Georgina Harvey ³	43.5	—	8.9	—	—	—	—	—	52.4	—
Romeo Lacerda ⁴	32.6	—	—	—	—	—	—	—	32.6	—

1. Sue Clark left Britvic on 20 March 2024.

2. Euan Sutherland left Britvic on 18 December 2023.

3. Georgina Harvey commenced on 26 January 2024.

4. Romeo Lacerda commenced on 27 March 2024.

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Salary	715.7	695.8	480.0	36.9
Benefits ¹	21.4	21.1	20.7	1.1
Pension	53.7	80.9	36.0	2.9
Total fixed pay	790.8	797.8	536.7	40.9
Annual bonus ²	1,252.5	1,093.1	720.0	0.0
LTIP ^{3,4}	2,646.4	1,034.4	0.0	0.0
Total performance related pay	3,898.9	2,062.5	720.0	0.0
Other – Replacement Awards	—	—	—	1,307.2
Grand total	4,689.7	2,860.3	1,256.7	1,348.1
LTIP value from share price growth	816.2	329.0	n/a	n/a

1. This includes for Simon Litherland and Rebecca Napier £4,250 and £4,040 respectively in total in free and matching shares through the all-employee Share Incentive Plan.

2. One third of the annual bonus will be deferred into shares with a two-year deferral period to vest in December 2025.

3. 2023 LTIP values restated based on the share price at vesting of 886.42p on 28 January 2024.

4. 2024 LTIP values based on the average share price over the last quarter of 2024 of 1,264.23 pence.

Directors' remuneration report 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 2.5%, below the level of the wider workforce. Rebecca Napier received no increase as she had only joined shortly before the date of salary increases.

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	53.7	0.0	53.7
Rebecca Napier	28.5	7.5	36.0

- Simon Litherland received a cash allowance of 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

iv) Annual bonus – corresponds to the total bonus earned under the bonus plan in respect of 2024 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	188.0	198.0	208.0	222.3	30.0
Net revenue	20	1,817.8	1,860.8	1,905.8	1,915.6	20.0
Adjusted free cash flow ¹	20	35.0	50.0	70.0	95.7	20.0
Innovation revenue	10	49.4	54.5	59.0	65.9	10.0
Healthier People, Healthier Planet	20	Strategic objectives			See pages 112 & 113	20.0

1. Definitions of measures are on page 109.

Performance measure	2024 maximum bonus opportunity % of salary		2024 bonus earned % of salary		2024 bonus earned £'000	
	CEO	CFO	CEO	CFO	CEO	CFO
Adjusted PBTA	52.5	45.0	52.5	45.0	375.8	216.0
Net revenue	35.0	30.0	35.0	30.0	250.5	144.0
Adjusted free cash flow	35.0	30.0	35.0	30.0	250.5	144.0
Innovation revenue	17.5	15.0	17.5	15.0	125.2	72.0
Healthier People, Healthier Planet objectives	35.0	30.0	35.0	30.0	250.5	144.0
Total	175.0	150.0	175.0	150.0	1,252.5	720.0

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 100% of the maximum bonus opportunity against the Healthier People, Healthier Planet objectives have been achieved. In reaching this judgement the Committee in particular noted the excellent work in delivering the revised ESG strategy, not only at executive level but also the involvement deep in the organisation to embed it across multiple stakeholders. The Committee also considered that calories per serve had exceeded the target, maintaining our leading position in healthier consumer choices. In addition, that the projects identified on reducing carbon emissions and improving water efficiency and stewardship had all been delivered and the improved water ratio.

Deliverable FY24	Supporting Commentary	Result
Deliver a reappraised roadmap for our end-to-end HPHP journey, on time, in full and with Board sign-off.	As per Scope of Work and PMO plan – shared with full Board.	A full HPHP strategy reset has been completed and signed off by the Board in July 2024. Exceeded expectations.
Retain our competitive advantage through an average calories per serve across global portfolio between 23 to 27 (reduction from FY23 range).	FY24 proposal takes recent acquisitions of Jimmy's and GlobalBev into account, as well as expected growth in Rockstar.	Average of 20.8 ⁺ calories per serve achieved. Exceeded max.

Directors' remuneration report continued

Single total figure of Directors' remuneration (subject to audit) continued

Healthier People, Healthier Planet scorecard assessment (20% of bonus opportunity) continued

Deliverable FY24	Supporting Commentary	Result
Continue decarbonisation progress with emissions reduction projects.	Scopes 1 and 2 emissions reduction will be delivered from:	All carbon reduction projects implemented, resulting in a reduction in all scopes at the upper end of our expectations:
Scopes 1 and 2 reduction 1,800-2,600 tonnes of carbon dioxide equivalent from specific projects.	Great Britain projects: implementing Beckton heat recovery system, a series of green energy conversion improvements at Rugby, continued energy efficiency projects across all facilities.	Scope 1 and 2 – estimated at 2,500 reduction.
Scope 3 reduction range 25,000-39,000 tonnes of carbon dioxide equivalent from procurement projects.	Ireland projects: continued energy efficiency projects across all facilities. Brazil projects: vehicle load efficiencies, electrifying forklifts, increase steam condensate return and optimising pasteurisation temperatures. International projects: increase use of biogas and renewables, local sourcing of organic sugar and moving more to local production.	Scope 3 – estimated 35,400 reduction achieved, primary drivers include logistics, packaging and ingredients. Nearly at max.
Completion of water efficiency and water stewardship programmes. <ul style="list-style-type: none"> Water reverse osmosis system upgrade in Rugby British Rivers Trust wetland projects continuation AWS Certification for Astolfo Dutra (Phase 2) Reuse of water from effluent treatment at Aracati (Phase 2) 	The projects continue the water efficiency measures and water stewardship plans started in FY23.	All projects completed, resulting in a reduction in our ratio year on year. Water ratio reduced from 2.05 to 1.94. At maximum.

v) Long-term incentives

Shown below are the outcomes for the January 2022 PSP.

PSP				
Measure	% weighting	Threshold	Maximum	% maximum achieved
EPS	50.0	55.4p	65.0p	68.7p
TSR	50.0	Median	Upper quartile	18th percentile
Total	100.0	0.0%	100.0%	100.0%



Directors' remuneration report 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 2022 PSP with three-year performance periods ended 30 September 2024

Jan 2022 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
Simon Litherland	EPS (50% weighting): threshold vesting for EPS of 55.4p. Maximum vesting for EPS of 65.0p. Vesting is on a straight-line basis between threshold and maximum.	68.7p	50.0	1,323.2	104.7
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.	18th percentile	50.0	1,323.2	104.7

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 the PSP.

3. A share price estimate of 1264.23p 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 table sets out the PSP awards granted to the CEO and CFO and the deferred bonus awards granted to the CEO during the year under review (2023/24). All awards are granted as conditional share awards.

Award name	Number of shares ¹	Face value of awards £'000	Date of award	Performance conditions and targets set ^{1,2}	Performance period	% of vesting at threshold	
Simon Litherland	PSP	206,707	1,756.4	12 December 2023	EPS (50% weighting): threshold vesting for EPS of 63.1p with straight-line vesting to 72.1p, 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 2026	20
Rebecca Napier	PSP	98,858	840.0				
Simon Litherland	Deferred bonus	42,882	364.4	12 December 2023	None.	Two-year deferral	n/a

1. The share price used to determine the award levels for the PSP was 849.70p 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 is the FTSE 250 (excluding investment trusts).

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 2024. 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 614% of salary.

The CFO was appointed on 4 September 2023 and currently has a shareholding of 27% 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.

Directors' remuneration report continued

Single total figure of Directors' remuneration (subject to audit) continued

Interest in shares in the Company as of 30 September 2024

	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	Vested in the period	Subject to service conditions	
Ian Durant	3,075	—	—	—	—	—	—	
Simon Litherland	453,226	614%	685,481	—	795,263	—	84,371	
Rebecca Napier	13,432	27%	102,314	—	—	24,841	128,754	
William Eccleshare	—	—	—	—	—	—	—	
Emer Finnan	—	—	—	—	—	—	—	
Hounaïda Lasry	—	—	—	—	—	—	—	
Georgina Harvey	—	—	—	—	—	—	—	
Romeo Lacerda	—	—	—	—	—	—	—	
Euan Sutherland	—	—	—	—	—	—	—	
Sue Clark	17,857	—	—	—	—	—	—	

1. Based on 12-month average share price of 975.29p and salaries as at 30 September 2024 of £720,118 for the CEO and £480,000 for CFO.

As at the date of this report, Simon Litherland has acquired a further 32 shares and Rebecca Napier a further 31 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 and Rebecca Napier do 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	16
Simon Litherland	14 February 2013	12
Rebecca Napier	4 September 2023	12
William Eccleshare	29 November 2017	25
Emer Finnan	1 January 2022	3
Hounaïda Lasry	29 September 2022	11
Georgina Harvey	26 January 2024	27
Romeo Lacerda	27 March 2024	29

1. Independence met on appointment.

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.

Directors' remuneration report continued

Single total figure of Directors' remuneration (subject to audit) continued

Remuneration history for the CEO from 2015 to 2024

£'000	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Simon Litherland total single figure of remuneration	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	4,689.7
Bonus (% of maximum)	53.3%	80.6%	82.1%	88.9%	46.9%	0.0%	84.9%	77.6%	89.8%	100%
LTIP (% of maximum)	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%)	100% (PSP 100%)

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 2024 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 %					Taxable benefits %					Bonus %				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Simon Litherland	2.9	3.6	2.5	2.5	2.5	1.4	1.0	16.8	1.1	(21.1)	14.6	19.8	17.2	n/a	(100.0)
Rebecca Napier ¹	1,200.8	n/a	n/a	n/a	n/a	1,781.8	n/a	n/a	n/a	n/a	0.0	n/a	n/a	n/a	n/a
Ian Durant ²	147.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sue Clark ³	-54.2	3.2	2.7	1.2	3.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
William Eccleshare	2.7	11.7	11.3	0.5	1.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Euan Sutherland ⁴	-78.5	3.5	1.9	0.5	1.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emer Finnan	3.4	48.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hounaïda Lasry	2.9	12,220.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Georgina Harvey ⁵	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Romeo Lacerda ⁶	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GB employees ⁷	5.3	6.6	2.5	2.8	2.5	10.1	0.2	23.1	1.6	(55.9)	0.6	33.0	10.2	1,385	(62.4)

Notes:

The Executive Directors' salaries were increased by the same level as the general workforce.

1. Rebecca Napier joined on 4 September 2023 and therefore 2023 was not a full year.
2. Ian Durant became Chair of the Board on 1 June 2023 and therefore 2023 was not a full year.
3. Sue Clark resigned on 2 March 2024.
4. Euan Sutherland resigned on 18 December 2023.
5. Georgina Harvey joined on 26 January 2024.
6. Romeo Lacerda commenced on 27 March 2024.
7. 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 2024. The increase in taxable benefits relates to a higher benefit in kind on private healthcare which proportionately impacts the general workforce more than Directors. The changes in bonus is less than the CEO as in 2023 the CEO earned 90% of max bonus whereas the majority of the workforce earned a full bonus.

Directors' remuneration report 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
2024 Remuneration report	187,105,431	89.6	21,838,111	10.5	208,607
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

CEO pay ratio

The Company has decided to use the prescribed Option B methodology when calculating the pay ratios, to align to the Gender Pay Gap calculations. 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 2024, 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.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024 total remuneration	136:1	87:1	57:1
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
2024 salary	25:1	16:1	13:1
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
2024		
25th percentile employee	£29,120	£33,282
Median employee	£44,405	£52,501
75th percentile employee	£56,154	£79,504

The increase in the total remuneration ratio in 2024 compared with 2023 is driven by the CEO's variable pay as his remuneration is more highly geared when compared to employees. 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:

Wages and salaries



Adjusted profit after tax¹



Dividend payout²



Capital expenditure³



Distribution statement (£m)

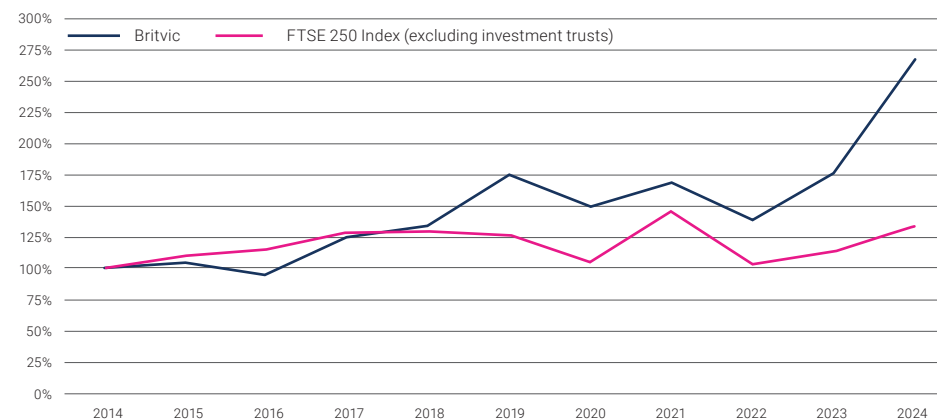
- Adjusted profit after tax is before the deduction of adjusting items.
- In 2024 £45.8m was returned to shareholders by way of the share buyback.
- Capital expenditure is defined as net cash flow from the purchase and sale of both tangible and intangible assets excluding cash related to government grants.

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 2024. The table on the opposite page shows total remuneration for the CEO over the same period.

Total shareholder return 2014-2024



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 2024. The Directors' report comprises the Corporate Governance report (from pages 82–117) and this Directors' report (from pages 118–121).

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, UK Listing Rules (UKLRs) and Disclosure Guidance and Transparency Rules (DTRs). For the purpose of DTR 4.1.8 R, the management report is made up of 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 82–117.

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 165–168
Employment of disabled persons	Sustainable business	Page 36
Employee engagement	Sustainable business Governance statement S.172 statement Stakeholder engagement	Pages 33–37 Page 92 Pages 28–29 Page 27
Engagement with suppliers and customers	Stakeholder engagement Sustainable business	Page 25 Pages 44–51
Engagement with other stakeholders	Stakeholder engagement Governance Report	Pages 24–27 Page 91
Greenhouse gas emissions	Sustainable business	Pages 64–67
Energy consumption	Sustainable business	Pages 64–67
Energy efficiency action	Sustainable business	Page 64
Accounting policies and financial instruments	Financial statements	Pages 134–141
Acquisition of own shares	Note 19 to the accounts	Pages 155–156

The following sets out where items required under UKLR 6.6.1, which are not located in the Directors' report, can be found:

Directors' interests	Remuneration report	Pages 114–115
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Disclosure table pursuant to UK Listing Rule UKLR 6.6

In accordance with UKLR 6.6.1(R), the table below sets out the location of the information required to be disclosed, where applicable.

Listing Rule	Information to be included	Disclosure
6.6(1)	Interest capitalised by the Group	n/a
6.6(2)	Unaudited financial information (UKLR 6.2.23R)	n/a
6.6(3)	Long-term incentive scheme information involving Board Directors (UKLR 9.3.3R)	Page 114
6.6(4)	Waiver of emoluments by a Director	n/a
6.6(5)	Waiver of future emoluments by a Director	n/a
6.6(6)	Non-pre-emptive issues of equity for cash	n/a
6.6(7)	Non-pre-emptive issues of equity for cash in relation to major subsidiary undertakings	n/a
6.6(8)	Listed company is a subsidiary of another company	n/a
6.6(9)	Contracts of significance involving a Director or a controlling shareholder	n/a
6.6(10)	Contracts for the provision of services by a controlling shareholder	n/a
6.6(11)	Shareholder waiver of dividends	Page 118
6.6(12)	Shareholder waiver of future dividends	Page 118
6.6(13)	Statement of compliance with UKLR 6.2.3R (controlling shareholder)	n/a

Operations and performance

Dividends and dividend waiver

The Group's profit before taxation attributable to the equity shareholders amounted to £173.2 million (2023: £156.8 million) and the profit after taxation amounted to £125.8 million (2023: £124.0 million). An interim dividend of 9.5 pence (2023: 8.2 pence) per ordinary share was paid on 5 July 2024.

In light of the proposed acquisition of the Company by Carlsberg, the Company will not be paying a final dividend. It was agreed with Carlsberg that payment of a special dividend of 25 pence per Britvic share would be made to shareholders on the register as at 6pm on the business day immediately after the date on which the Court makes its order sanctioning the scheme of arrangement. It was agreed that the special dividend will be payable within 14 days of the effective date of Carlsberg's acquisition of the Company.

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.

Directors' report continued

Operations and performance continued

Events since the balance sheet date

There were no material events after the reporting period requiring disclosure.

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 44–67 and in our Section 172 statement on pages 28–29.

Shares and shareholders

Share capital

The Company's issued share capital comprised a single class of shares divided into ordinary shares of 20 pence each (ordinary shares). As at 30 September 2024, the Company's issued share capital comprised 248,906,262 ordinary shares.

Allotment of shares

At the Company's AGM on 25 January 2024, shareholders approved an authority for the Company to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £32,940,420 (being approximately two thirds of the Company's issued share capital at that time). The Company intends to renew this authority at its 2025 AGM.

Share buyback programme

On 24 May 2023, the Company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75 million. During the year ended 30 September 2024, the Company completed the programme, purchasing 4,478,603 ordinary shares at an average price of 838.9 pence per share and an aggregate cost of £37.8 million including £0.3 million of transaction costs as part of the second share buyback programme.

On 3 June 2024, the Company announced the commencement of a further share buyback programme, with an aggregate market value equivalent of up to £75 million. The sole purpose of the share buyback programme was to reduce the Company's share capital. Authority for the buyback programme was renewed by shareholders at the 2024 Annual General Meeting. The programme was suspended by the Company on 25 June 2024 as a result of the Carlsberg proposed offer.

During the year ended 30 September 2024, the Company purchased 572,702 ordinary shares at an average price of 968.3 pence per share and an aggregate cost of £5.7 million including £0.1 million of transaction costs as part of the third share buyback programme.

For further information see note 19 to the accounts.

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 a 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 UK 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
- Pursuant to provisions in the Scheme document between the Company and Carlsberg

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. The Trustees hold shares to satisfy future share awards which at present have not been allocated to employees under the Plan and a dividend / voting waiver is in place. As at 30 September 2024, the Trustees held 1.33% (2023: 1.22%) 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. As at 30 September 2024, the Trustee held 0.61% (2023: 0.86%) of the issued share capital of the Company.

Major shareholders

At 30 September 2024, 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.

	Number of ordinary shares	Percentage of voting rights
The Goldman Sachs Group, Inc.	20,652,282	8.30%
Invesco Ltd	14,169,572	5.69%
NN Group N.V.	13,383,912	5.38%
Blackrock, Inc.	13,377,836	5.37%
FMR LLC	12,859,081	5.17%
Société Générale	12,559,598	5.05%
Incentive AS	12,320,963	4.95%
Morgan Stanley & Co. International plc	12,484,856	4.94%
Norges Bank	10,464,227	4.20%
BNP Paribas	7,952,461	3.19%
M&G Plc	Unknown	Below 5%

Directors' report continued

Rights and restrictions attaching to shares continued

Major shareholders continued

As at 14 November 2024, the Company had been notified of the following additional changes in interests:

	Number of ordinary shares	Percentage of voting rights
Société Générale ¹	15,022,463	6.04%
FIL Limited	14,241,000	5.72%
Morgan Stanley & Co. International plc ²	10,868,062	4.37%
The Goldman Sachs Group, Inc ³	4,691,667	1.88%
NN Group N.V. ⁴	4,527,000	1.82%
Barclays plc ⁵	143,624	0.06%

1. Prior to the most recent notification stated, Société Générale decreased its holding to 4.25% on 2 October, increased its holding to 5.46% on 3 October, decreased its holding to 4.30% on 8 October, increased its holding to 5.58% on 10 October, increased its holding to 6.36% on 21 October, decreased its holding to 5.29% on 25 October, increased its holdings to 6.84% on 29 October, decreased its holding to 5.73% on 5 November, increased its holding to 6.00% on 11 November and decreased its holding to 5.15% on 12 November 2024.
2. Prior to the most recent notification stated, Morgan Stanley & Co. International plc increased its holding to 5.13% on 1 October, decreased its holding to 4.97% on 22 October, increased its holding to 5.10% on 23 October, decreased its holding to 0% on 29 October, increased its holding to 4.91% on 30 October, decreased its holding to 0% on 1 November, increased its holding to 4.98% on 5 November and further increased its holding to 5.01% on 6 November 2024.
3. Prior to the most recent notification stated, The Goldman Sachs Group, Inc decreased its holding to 6.08% on 29 October, further decreased its holding to 5.98% on 30 October, further decreased its holding to 5.29% on 31 October, further decreased its holding to 4.70% on 4 November and further decreased its holding to 3.29% on 6 November 2024.
4. Prior to the most recent notification stated, NN Group N.V. decreased its holding to 4.63% on 4 November 2024.
5. Prior to the most recent notification stated, Barclays plc increased its holding to 5.49% on 7 October, further increased its holding to 6.04% on 18 October and decreased its holding to 5.99% on 21 October, increased its holding to 6.04% on 30 October, decreased its holding to 6.10% on 31 October and further decreased its holding to 5.09% on 1 November 2024.

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 August 2024 to give effect to certain matters in connection with the Carlsberg offer on its completion.

Compliance

Britvic has a global 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.

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 General Counsel and 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 the Group 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.

Four mySpeakup reports related to anti-bribery and corruption were received in 2024, 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 2026. Please refer to note 3 for our basis of preparation and 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. The UK Corporate Governance Code 2024 comes into force after the year end of the Company, hence the reference to the 2018 Code provisions.

Independent auditor

Deloitte LLP acted as auditor throughout the year. In accordance with Section 489 and Section 492 of the Companies Act 2006, resolutions proposing the reappointment of Deloitte LLP as the Company's auditor and authorising the Directors to determine the auditor's remuneration will be put to shareholders at the next AGM.

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 (2023: nil).

Annual General Meeting

The 2024 AGM will be held on Monday 31 March 2025 at 11.00am at the offices of Linklaters LLP, 1 Silk Street, London EC2Y 8HQ, subject to the Company remaining a public company at the time. Details of the resolutions to be proposed at the AGM will be published in early March should the Company remain a public company at the time and will be made available on the Britvic website at britvic.com/agm.

Engagement with other stakeholders

In the discharge of their various legal, statutory and governance obligations and duties, the Directors have endeavoured to act to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard for the interests of its stakeholders. Details of the various stakeholder groups and their associated engagement strategies are provided on pages 91–92 of this report. The Board ensures, in its discussion of relevant matters, that stakeholder interests are considered in related discussions and decision making processes and inform policies and procedures.

Directors

The following were Directors of the Company during the year: Ian Durant, William Eccleshare, Emer Finnan, Georgina Harvey (joined on 26 January 2024), Romeo Lacerda (joined on 27 March 2024), Hounaida Lasry, Simon Litherland, Rebecca Napier, Sue Clark (resigned on 20 March 2024) and Euan Sutherland (resigned on 18 December 2023).

Directors' report continued

Governance continued

Directors continued

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 UK Listing Rule 6.6.6R (10) is set out opposite, as at a reference date of 30 September 2024. Data is collected by self-disclosure directly from the individuals concerned.

Gender identity or sex

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive team	% of Executive team
Men	4	50%	3	6	60%
Women	4	50%	1	4	40%
Not specified/ prefer not to say	—	—	—	—	—

Ethnic background

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive team	% of Executive team
White British or other White (including minority white groups)	6	75%	4	8	80%
Mixed/Multiple Ethnic Groups	—	—	—	1	10%
Asian/Asian British	—	—	—	1	10%
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	2	25%	—	—	—
Not specified/prefer not to say	—	—	—	—	—

Directors' powers

Subject to company law and Britvic'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 115. 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.

On 24 June 2024, it was announced that PepsiCo and Carlsberg had reached an agreement whereby PepsiCo agreed to waive the change of control clause in the bottling arrangements it has with the Company and this waiver will come into effect should an acquisition of Britvic by Carlsberg proceed to completion.

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 19 November 2024.

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.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

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 Company and of the profit or loss of 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, International Accounting Standard 1 requires that the Directors:

- 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 Group'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.

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

This confirmation is given and should be interpreted in accordance with the provisions of S.418 of the Companies Act 2006.

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 provides 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 19 November 2024 and is signed on its behalf by:

Simon Litherland
Chief Executive Officer
19 November 2024

Rebecca Napier
Chief Financial Officer
19 November 2024

Independent Auditor's Report to the members of Britvic plc

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 2024 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"; and
- 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 statement of cash flows;
- the related notes to the consolidated financial statements 1 to 35;
- the company balance sheet;
- the company statement of changes in equity; and
- the related notes to the company financial statements 1 to 18.

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 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:

- Commercial rebate liabilities; and
- Impairment of goodwill and intangible assets.

Within this report, key audit matters are identified as follows:

- ! Newly identified
- ^ Increased level of risk
- ↔ Similar level of risk
- ✓ Decreased level of risk

Materiality

The materiality that we used for the group financial statements was £11m which was determined on the basis of 5% of adjusted profit before tax.

Scoping

The group is organised into five operating divisions, each of which has multiple trading entities. We have identified the operating divisions as separate components, as well as a head-office function. Two components were subject to full scope audits, with the other three subject to an audit of specified account balances. Balances in scope account for 87% of the group's revenue, 89% of the profit before tax and adjusting items and 91% of net assets.

Significant changes in our approach

There have been no changes in our key audit matters from the prior year or significant changes in our audit approach.

Independent Auditor's Report continued to the members of Britvic plc

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;
- 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;
- in respect of the potential transaction, we obtained management's assessment of the implications of the change of control clause in the group's financing facilities;
- evaluating the mathematical accuracy of the model used to prepare the group's going concern assessment;
- assessing management's sensitivity analysis 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; and
- assessing the appropriateness of the going concern disclosures in the financial statements, including in relation to the potential acquisition by Carlsberg UK Holdings Limited.

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. Commercial rebate liabilities

Key audit matter description

The Group has a commercial rebate liability of £111.8m (FY23: £123.3m) as at the balance sheet date as shown in note 23b.

The Group agrees joint business plans and promotional discounts with customers. This represents variable consideration which is payable to the customer. There is estimation in determining the transaction price recognised upon sales as the commercial rebate terms may be linked to forecasted customer net revenue year which spans the Group's year end, or may be based on estimated customer sales volume data.

Further details are included within "Other Sources of Estimation Uncertainty" as disclosed in the accounting policies within note 4 to the financial statements.

Due to the high level of estimation involved, and the impact the commercial rebate liability has on Revenue, we have determined there is a potential for fraud through possible manipulation of the commercial rebate liabilities balance. We have identified this risk specifically in relation the commercial rebate terms which are determined to have the highest degree of judgement and management estimate. These are determined to be growth drivers, which have an element of forecasting, and rate per case retrospective promotional discounts.

The Audit Committee and Risk Committee's consideration in respect of the risk is included on page 101.

Independent Auditor's Report continued

to the members of Britvic plc

5. Key audit matters continued

5.1. Commercial rebate liabilities continued

How the scope of our audit responded to the key audit matter	<p>We performed the following procedures in respect of this key audit:</p> <ul style="list-style-type: none"> Met with management and the key commercial team contacts to obtain an understanding of group commercial rebate accounting policy. Obtained an understanding of the control environment and the relevant controls over the commercial rebate process. Performed an analytical review over the commercial rebate liabilities balance, including assessing the year-on-year movement and the ageing of the liabilities. 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. Recalculated the commercial rebate liability for our sample by inspecting the signed contractual terms, third party information received from the customer. Where management used forecasting to determine the year-end commercial rebate liability, particularly in relation to growth drivers and rate per case retrospective promotional discounts, we have challenged management's forecasting by comparing to actual post-period end performance to assess the accuracy of the commercial rebate liabilities. Performed a stand back assessment on judgements made in the previous year, including examining a sample of commercial rebate liability releases. Inspected post year end debit notes to evaluate the completeness of the year-end liability. Assessing the appropriateness of the disclosures made in the financial statements.
Key observations	Based on the audit procedures performed, we are satisfied that the commercial rebate liabilities and related disclosures are appropriate.

5.2. Impairment of goodwill and intangible assets

Key audit matter description	<p>At 30 September 2024, the group held £215.8m (FY23: £212.4m) of goodwill and £224.4m (FY23: £221.9m) of intangible assets.</p> <p>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.</p> <p>Impairment of goodwill and intangible assets has been identified as a key audit matter because of the high level of judgement in forecasting future cash flows, determining future growth rates and estimating the discount rate to be applied.</p> <p>As outlined in notes 4 and 15 management have made judgements and assumptions including:</p> <ul style="list-style-type: none"> The selection of the appropriate methodology (fair value less costs of disposal 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 assumptions in relation to a market participant's ability to generate economic benefits from the highest and best use of the assets, in respect of the France group of CGUs. <p>Further details in relation to impairment of goodwill and intangible assets, are included in note 4 and 15 to the financial statements and in the Audit Committee report on page 101.</p>
How the scope of our audit responded to the key audit matter	<p>We performed the following procedures in respect of this key audit matter:</p> <ul style="list-style-type: none"> 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. Assessed the appropriateness of management's methodology, being the higher of fair value less costs of disposal and value in use. 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 and benchmarked the group's assumptions against external data for specific market segments. In conjunction with our valuation specialists and utilising available third-party evidence, we challenged the assumptions in relation to a market participant's ability to generate economic benefits from the highest and best use of the assets, in respect of the France group of CGUs. Involved our valuation specialists to benchmark the discount rates and appropriateness of the fair value less costs of disposal approach. Evaluated the appropriateness of management's sensitivities performed on key assumptions. Assessed the appropriateness of disclosures provided in the financial statements regarding the key sources of estimation uncertainty and reasonably possible changes.

Independent Auditor's Report continued

to the members of Britvic plc

5. Key audit matters continued

5.2. Impairment of goodwill and intangible assets continued

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.
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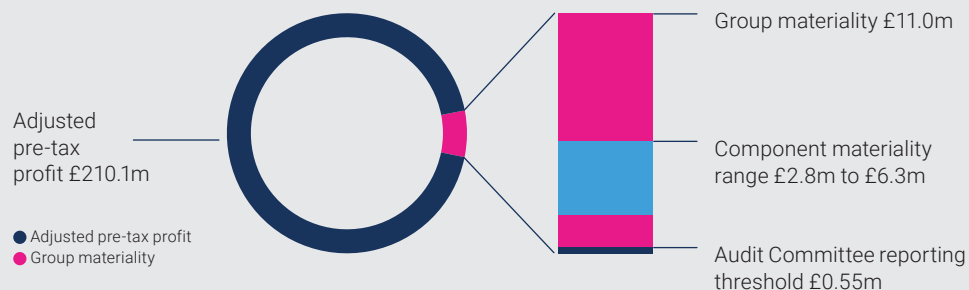
6. Our application of materiality

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	£11.0m (2023: £9.8m)	£10.9m (2023: £9.7m)
Basis for determining materiality	Approximately 5% of adjusted profit before tax (2023: 5%). For further details on adjusting items and management's reconciliation of this alternative performance measure, refer to the "Non-GAAP Reconciliations" section of the financial statements.	Materiality was determined using a benchmark of net assets and a factor of 1.6% (2023: 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. Use of this measure is consistent with the approach taken in the previous year.	We consider that net assets is the most appropriate measure given the company is an investment holding company with no revenue. This approach is consistent with the approach taken in the previous year.



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
Materiality	65% of group materiality (2023: 70%)	70% of company materiality (2023: 70%)
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> Our risk assessment, including our assessment of the group's overall control environment; and Nature and size of the misstatements identified in prior periods. 	In determining performance materiality, we considered the following factor: <ul style="list-style-type: none"> Our risk assessment, including our assessment of the group's overall control environment.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.55m (2023: £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 determined which components are financially significant by reference to a number of factors, including financial contribution and risk profile and performed full scope audits on two components (Great Britain and Centre). Three further components were subject to audit of specified account balances (Ireland, France and Brazil) where we considered there to be a reasonable possibility of material misstatement in specific balances within the financial statements. We have determined component materiality to be a range of £2.8m to £6.3m (2023: £2.8m to £6.1m), excluding the company component.

As each of the local finance functions maintain 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 Great Britain, Ireland and Centre components. 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 audit of specified account balances covered 87% of group revenue (2023: 100%), 89% of adjusted profit before tax (2023: 100%) and 91% of net assets (2023: 71%).

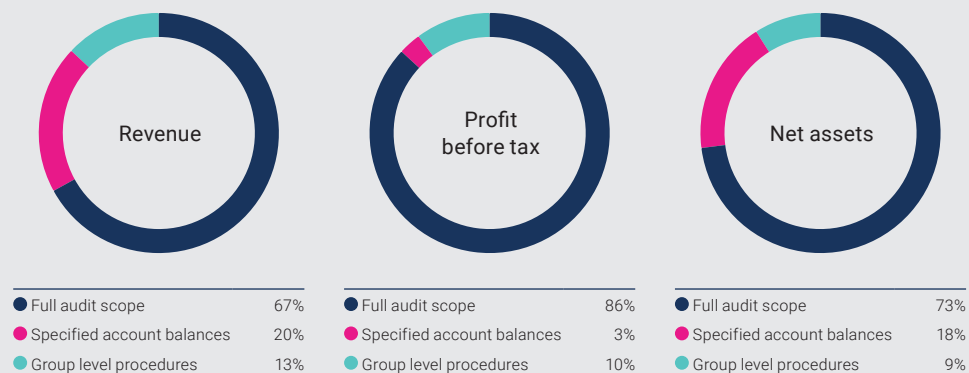
At the group level we also tested the consolidation process and carried out analytical procedures on the aggregated financial information of the remaining components not subject to full scope audit or audits of specified account balances.

Independent Auditor's Report continued to the members of Britvic plc

7. An overview of the scope of our audit continued

7.1. Identification and scoping of components continued

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 obtain an understanding of relevant controls in order to address the risks of material misstatement. This included controls relating to revenue recognition, commercial rebate liabilities and head office controls relating to central balances and processes such as post-employment benefit obligations, consolidation and financial reporting, and the Group's planning and budgeting process. We also included relevant entity level controls.

The group operates a range of IT systems which underpin the financial reporting process. These vary by business and/or geography. We obtained an understanding of the general IT controls associated with those financially relevant systems.

We did not seek to place reliance on controls for the purpose of our audit, except for certain valuation controls in relation to pension scheme assets. Any findings or observations identified through understanding the controls have been reported to the Audit Committee, together with recommendations for improvement. 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 52-67, viability statement on page 81, the principal risks on pages 75-80.

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.

Consistent with the previous year, the group has identified that the most significant impacts of climate 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; and
- Changing consumer preferences leading to greater demand for lower emission products.

The details regarding these impacts are provided on pages 52-67 of the Task Force for Climate-related Financial Disclosures section and on page 77 of the principal risks and uncertainties, which are included in the "Other Information" section. 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 pages 52-67 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 and viability (note 4), along with the associated disclosures.

In considering the disclosures presented as part of the Strategic Report, with the involvement of our climate change specialists, we assessed 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 component audit teams attended group planning meetings in April 2024 prior to commencement of our detailed audit work. The purpose of these planning meetings was to ensure a good level of understanding of the group's businesses, its core strategy and enable a discussion of the significant risks and our planned audit approach.

We held regular update calls throughout the year and attended component audit closing calls and other key meetings with management throughout the FY24 audit process. The group engagement team reviewed key audit documentation remotely during the reporting stage of the audit and conducted a site visit to our France component audit team during the year. During this visit we additionally attended key meetings with component management and the component auditor.

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.

Independent Auditor's Report continued to the members of Britvic plc

8. Other information continued

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.

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, pensions 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 areas: commercial rebate liabilities. 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 commercial rebate liabilities 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; and

Independent Auditor's Report continued to the members of Britvic plc

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.2. Audit response to risks identified continued

- 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; and
- 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.

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 134
- 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 122
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 102
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 102 and
- the section describing the work of the audit committee set out on page 99

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; or
- 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; or
- 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 25 January 2024 to audit the financial statements for the year ending 30 September 2024.

The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 30 September 2023 to 30 September 2024.

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) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Georgina Robb FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

19 November 2024

Consolidated income statement

	Note	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Revenue	5	1,899.0	1,748.6
Cost of sales		(1,089.2)	(1,049.1)
Gross profit		809.8	699.5
Selling and distribution expenses		(303.2)	(271.1)
Administration expenses		(302.6)	(246.9)
Operating profit	6	204.0	181.5
Finance income	9	3.6	1.1
Finance costs	9	(34.4)	(25.8)
Profit before tax		173.2	156.8
Income tax expense	10	(47.4)	(32.8)
Profit for the year attributable to the equity shareholders		125.8	124.0
Earnings per share			
Basic earnings per share	11	50.8p	48.3p
Diluted earnings per share	11	50.2p	47.9p

All activities relate to continuing operations.

Consolidated statement of comprehensive income

	Note	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Profit for the year attributable to the equity shareholders		125.8	124.0
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss			
Remeasurement losses on defined benefit pension plans	22	(14.4)	(55.5)
Deferred tax on defined benefit pension plans	10a	3.7	13.4
Deferred tax on other temporary differences	10a	(0.1)	—
		(10.8)	(42.1)
Items that may be subsequently reclassified to profit or loss			
Fair value losses on hedging instruments designated as cash flow hedges	26	(21.7)	(34.3)
Amounts reclassified to the income statement in respect of cash flow hedges	26	12.9	(4.6)
Current tax in respect of cash flow hedges accounted for in the hedging reserve	10a	0.1	(0.2)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	10a	1.8	7.3
Exchange differences reclassified to profit or loss on disposal of foreign operations	20	—	(0.3)
Exchange differences on translation of foreign operations	20	(37.9)	(3.4)
Tax on exchange differences accounted for in the translation reserve	10a	(0.9)	(0.6)
		(45.7)	(36.1)
Other comprehensive expense for the year, net of tax		(56.5)	(78.2)
Total comprehensive income for the year attributable to the equity shareholders		69.3	45.8

Consolidated balance sheet

	Note	30 September 2024 £m	30 September 2023 £m
Non-current assets			
Property, plant and equipment	13	551.0	535.3
Right-of-use assets	24	64.1	61.1
Goodwill and intangible assets	14	440.2	434.3
Trade and other receivables	17	11.1	8.1
Derivative financial instruments	26	9.7	16.0
Deferred tax assets	10f	7.9	4.2
Retirement benefit assets	22	68.3	74.0
		1,152.3	1,133.0
Current assets			
Inventories	16	202.9	209.8
Trade and other receivables	17	420.7	425.6
Current income tax receivables	10c	1.1	5.3
Derivative financial instruments	26	3.8	17.4
Interest-bearing deposits	18	11.3	10.9
Cash and cash equivalents	18	52.8	79.2
		692.6	748.2
Assets held for sale	33	9.1	16.8
		701.7	765.0
Total assets		1,854.0	1,898.0
Current liabilities			
Trade and other payables	23a	(477.7)	(533.6)
Commercial rebate liabilities	23b	(111.8)	(123.3)
Lease liabilities	24	(9.2)	(7.5)
Interest-bearing loans and borrowings	21	(43.5)	(50.9)
Derivative financial instruments	26	(6.7)	(8.3)
Current income tax liabilities	10c	(0.5)	(0.1)
Overdrafts	18	(16.5)	(48.9)
Provisions	27	(0.9)	(0.7)
Other current liabilities	28	(36.4)	(8.4)
		(703.2)	(781.7)

	Note	30 September 2024 £m	30 September 2023 £m
Non-current liabilities			
Lease liabilities	24	(62.3)	(59.8)
Interest-bearing loans and borrowings	21	(620.7)	(551.0)
Deferred tax liabilities	10f	(112.2)	(111.1)
Retirement benefit obligations	22	(1.6)	(1.4)
Derivative financial instruments	26	(1.7)	(0.3)
Provisions	27	(0.9)	(1.0)
Other non-current liabilities	28	(8.3)	–
		(807.7)	(724.6)
Total liabilities		(1,510.9)	(1,506.3)
Net assets		343.1	391.7
Equity			
Issued share capital	19	49.8	50.9
Share premium account		157.2	157.2
Own shares reserve	19	(23.4)	(21.4)
Other reserves	20	35.7	78.8
Retained earnings		123.8	126.2
Total equity		343.1	391.7

The financial statements were approved by the Board of Directors and authorised for issue on 19 November 2024. They were signed on its behalf by:

Simon Litherland

Rebecca Napier

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 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
Profit for the year		—	—	—	—	—	—	—	125.8	125.8
Other comprehensive loss		—	—	—	—	(6.9)	(38.8)	—	(10.8)	(56.5)
Total comprehensive (loss)/income		—	—	—	—	(6.9)	(38.8)	—	115.0	69.3
Share buyback programme	19,20	(1.1)	—	2.7	1.1	—	—	—	(46.2)	(43.5)
Own shares purchased for share schemes		—	—	(22.4)	—	—	—	—	—	(22.4)
Own shares utilised for share schemes		—	—	17.7	—	—	—	—	(17.7)	—
Proceeds from share schemes	29	—	—	—	—	—	—	—	6.0	6.0
Movement in share-based schemes		—	—	—	—	—	—	—	15.0	15.0
Current tax on share-based payments	10a	—	—	—	—	—	—	—	0.4	0.4
Deferred tax on share-based payments	10a	—	—	—	—	—	—	—	4.2	4.2
Transfer of cash flow hedge reserve to inventories		—	—	—	—	2.0	—	—	—	2.0
Transfer of cash flow hedge to goodwill		—	—	—	—	(0.5)	—	—	—	(0.5)
Payment of dividend	12	—	—	—	—	—	—	—	(79.1)	(79.1)
At 30 September 2024		49.8	157.2	(23.4)	3.8	(2.8)	(52.6)	87.3	123.8	343.1

Consolidated statement of cash flows

Note	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Cash flows from operating activities		
	173.2	156.8
Profit before tax		
Net finance costs	9	30.8
Other financial instruments		14.5
Depreciation of property, plant and equipment	13	48.4
Depreciation of right-of-use assets	24	10.2
Amortisation	14	19.1
Loss on disposal of property, plant and equipment and intangible assets		—
Reversal of impairment of intangible assets	14	(3.6)
Impairment of asset held for sale	33	7.7
Impairment of property, plant and equipment		—
Share-based payments charge		15.0
Net pension (credit)/charge less contributions	22	(8.8)
Net foreign exchange (gain)/loss		(0.2)
Exchange differences reclassified to profit or loss from other comprehensive income	20	—
		(0.3)
Operating cash flows before movements in working capital		
	306.3	276.9
Increase in inventories		(5.0)
(Increase)/decrease in trade and other receivables		(12.0)
(Decrease)/increase in trade and other payables		(54.1)
Decrease in commercial rebate liabilities		(10.0)
Increase/(decrease) in provisions		0.2
	225.4	260.3
Income tax paid		(34.5)
Net cash flows from operating activities		
	190.9	238.4
Cash flows from investing activities		
Purchases of property, plant and equipment		(63.4)
Government grants towards purchase of equipment		2.1
Purchases of intangible assets		(7.3)
Investments in interest-bearing deposits		(11.3)
Proceeds from interest-bearing deposits		10.9
Interest received		1.9

Note	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Acquisition of subsidiaries, net of cash acquired	34	(24.1)
Net cash flows used in investing activities		
	(91.2)	(100.3)
Cash flows from financing activities		
Interest paid, net of related derivative financial instruments		(25.9)
Net movement on revolving credit facility	21	(35.4)
Repayment of other loans		—
Payment of principal portion of lease liabilities	24	(8.8)
Payment of interest portion of lease liabilities	24	(2.1)
Proceeds from issue of private placement notes	21	150.0
Repayment of private placement notes, net of related derivative financial instruments	21	(39.2)
Other net derivative cash flows		—
Issue costs paid	21	(0.6)
Proceeds from employee share incentive schemes		6.0
Purchase of own shares related to share schemes		(12.5)
Share buyback programme		(45.8)
Dividends paid to equity shareholders	12	(79.1)
Net cash flows used in financing activities		
	(93.4)	(183.6)
Net increase/(decrease) in cash and cash equivalents		
	6.3	(45.5)
Cash and cash equivalents at the beginning of the year		30.3
Net foreign exchange differences on cash and cash equivalents		(0.3)
Cash and cash equivalents at the end of the year		
	36.3	30.3
Presented in the balance sheet as:		
Cash and cash equivalents	18	52.8
Overdrafts ¹	18	(16.5)
Cash and cash equivalents at the end of the year		
	36.3	30.3

1. 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.

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 (registration number 05604923). 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 19 November 2024.

2. Statement of compliance

The consolidated 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 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.

The financial statements have been prepared on a going concern basis.

Going concern

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern 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 2026. This period covers the upcoming maturity of £35m private placements notes in February 2025, and a further maturity of £46m private placement notes at hedged exchange rates in February 2026. The assessment period also covers the maturity in February 2025 of £33m of the Group's £400m revolving credit facility (of which £8.3m had been drawn at 30 September 2024).

As part of the going concern assessment, the Group has modelled both a base case scenario and a 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. The scenarios considered as part of the going concern assessment are consistent with those used in the longer-term viability statement.

At 30 September 2024, 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 £343.1m and the liquidity of the Group remains strong. 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 £607.1m and adjusted EBITDA of £306.6m for the preceding 12 months, the adjusted net debt/adjusted EBITDA ratio at 30 September 2024 was 1.98x and well within the covenant limit.

Under all the scenarios modelled, the Group's forecasts did not indicate a covenant breach or any liquidity shortfall.

Consideration of the acquisition by Carlsberg UK Holdings Limited ('Carlsberg')

The shareholders of Britvic plc have approved the terms of a recommended cash offer by Carlsberg to acquire the entire issued and to be issued share capital of Britvic plc. Completion of the acquisition remains subject to the satisfaction or waiver of the remaining conditions set out in the Scheme document, including, but not limited to, certain regulatory approvals. Subject to the satisfaction of those regulatory conditions and the scheme receiving the sanction of the court, the scheme is expected to become effective during the first quarter of 2025. The Directors have assessed the impact of this on the going concern basis of accounting below.

As stated in the Scheme document, Carlsberg has entered into a Bridge Facility Agreement with BNP Paribas, Danske Bank A/S and Skandinaviska Enskilda Banken AB. The proceeds of loans drawn under the Bridge Facility are to be applied towards financing the aggregate cash consideration payable by Carlsberg in connection with the acquisition, certain fees and expenses in connection with the acquisition and/or refinancing of Britvic's existing indebtedness. The Group's existing financing arrangements include change of control clauses as detailed in note 21 to the financial statements, that may result in certain facilities becoming repayable upon a change of control. However, as a result of the Bridge Facility the Directors are confident that Carlsberg has the financing in place to acquire and operate the Group after the completion of the acquisition. Accordingly, the Directors believe that sufficient liquidity should be in place to allow the Group to continue as a going concern.

The Group's existing bottling arrangements with PepsiCo include clauses that could become effective upon a change of control of the Group. On 24 June 2024, Carlsberg announced it had reached agreement with PepsiCo to waive the change of control clause in these bottling arrangements, should an acquisition of Britvic by Carlsberg proceed to completion. The Directors have therefore concluded that the proposed acquisition would not result in the loss of the Group's agreements with PepsiCo when assessing the Group's ability to continue as a going concern.

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; and
- 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.

Notes to the consolidated financial statements continued

3. Accounting policies continued

New standards, amendments and interpretations adopted in the current year

With effect from 1 October 2023, the Group applied for the first time the standards and amendments as set out below. These amended standards and interpretations have not had a material impact on the Group's financial statements.

IFRS 17 'Insurance Contracts'

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgements' – Disclosure of Accounting Policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates

Amendments to IAS 12 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 12 'Income Taxes' – International Tax Reform – Pillar Two Model Rules

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

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 customer 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 reduction in transaction price attributable to 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 overrider 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.

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

Notes to the consolidated financial statements continued

3. Accounting policies continued

Property, plant and equipment continued

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.

Business combinations and goodwill

Business combinations are 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.

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; and
- 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; and
- 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.

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.

Notes to the consolidated financial statements continued

3. Accounting policies continued

Derivative financial instruments and hedging continued

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.

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.

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.

Notes to the consolidated financial statements continued

3. Accounting policies continued

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.

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).

Notes to the consolidated financial statements continued

3. Accounting policies continued

Foreign currencies continued

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 value 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 asset 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 187–189.

New standards, amendments and interpretations not yet applied

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective (and in some cases have not yet been adopted by the UK Endorsement Board):

International Financial Reporting Standards (IFRS)		IASB effective date – periods commencing on or after
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 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The above standards and amendments are not expected to have a material impact on the Group's financial statements.

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.

Notes to the consolidated financial statements continued

4. Critical accounting judgements and key sources of estimation uncertainty continued

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 2024, these intangible assets have a remaining useful life of 18 years.

As at 30 September 2024, the franchise agreement itself had a remaining contract life of one year, 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 PepsiCo 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. While the agreement includes clauses that could become effective upon a change of control of the Group, on 24 June 2024 Carlsberg announced it had reached agreement with PepsiCo to waive the change of control clause should an acquisition of Britvic by Carlsberg proceed to completion.

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.

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 as key sources of estimation uncertainty. Further details and a sensitivity analysis 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.

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.

Notes to the consolidated financial statements continued

5. Segmental reporting continued

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; and
- 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 2024	Other International						Subtotal £m	Total £m
	GB £m	Brazil £m	Ireland £m	France £m	International £m			
Revenue from external customers	1,288.7	200.5	170.6	181.9	57.3	409.8	1,899.0	
Brand contribution	541.2	61.2	60.1	43.5	7.0	110.6	713.0	
Non-brand advertising and promotion ⁽ⁱ⁾							(18.0)	
Fixed supply chain ⁽ⁱⁱ⁾							(170.6)	
Selling costs ⁽ⁱⁱ⁾							(105.0)	
Overheads and other costs ⁽ⁱ⁾							(168.5)	
Adjusted EBIT⁽ⁱⁱⁱ⁾							250.9	
Net finance costs pre-adjusting items							(29.7)	
Adjusting items ⁽ⁱⁱⁱ⁾							(48.0)	
Profit before tax							173.2	

Year ended 30 September 2023	GB £m	Brazil £m	Other International			Subtotal £m	Total £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

(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 187–189 for further details on adjusting items.

Geographic information

Revenues from external customers

The analysis below is based on the location where the sale originated.

	2024 £m	2023 £m
United Kingdom	1,352.3	1,247.7
Republic of Ireland	134.5	129.1
France	181.9	185.1
Brazil	200.5	156.2
Other	29.8	30.5
Total revenue	1,899.0	1,748.6

Notes to the consolidated financial statements continued

5. Segmental reporting continued

Geographic information continued

Non-current operating assets

	2024 £m	2023* £m
United Kingdom	653.0	648.3
Republic of Ireland	128.3	122.1
Brazil	99.2	77.6
France	173.6	181.4
Other	1.2	1.3
Total	1,055.3	1,030.7

* The Group has restated the classification of prior period non-current operating assets for Brazil and France. There has been no impact of this disclosure change on the consolidated balance sheet.

Non-current operating assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

Revenues from major products and services

The Group derives revenue from contracts with customers in the following categories:

	2024 £m	2023 £m
Sale of soft drinks	1,876.4	1,730.9
Sale of other products and services	22.6	17.7
Total revenue	1,899.0	1,748.6

Sale of other products and services includes revenue attributable to the sale of natural ingredients and Aqua Libra commercial and flavour taps.

6. Operating profit

This is stated after charging/(crediting):

	Note	2024 £m	2023 £m
Cost of inventories recognised as an expense		1,086.9	1,033.3
– Including write-down of inventories to net realisable value		3.5	5.7
Research and development expense		6.8	5.9
Net foreign currency exchange differences		1.6	0.2
Depreciation of property, plant and equipment	13	48.4	44.8
Depreciation of right-of-use assets	24	10.2	10.1
Amortisation of intangible assets	14	19.1	15.7
Impairment of property, plant and equipment	13	–	3.8
Reversal of impairment of intangible assets	14	(3.6)	–
Loss on disposal of property, plant and equipment and intangible assets	13,14	–	3.2
Assets held for sale impairment charge	33	7.7	–
Government grants*		(11.5)	(9.0)
Gain on disposal of subsidiary**		–	(0.3)

* Government grants relate to 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.

7. Auditor's remuneration

	2024 £m	2023 £m
Audit of the consolidated and parent company financial statements	0.7	0.5
Audit of the Company's subsidiaries	1.1	0.9
Total audit services	1.8	1.4
Audit-related assurance services	0.4	0.2
Total non-audit services	0.4	0.2
Total fees	2.2	1.6

Notes to the consolidated financial statements continued

8. Staff costs

	2024 £m	2023 £m
Wages and salaries	214.1	200.9
Social security costs	32.8	25.1
Net defined benefit pension (income)/expense (note 22)	(3.0)	15.2
Defined contribution pension expense	10.9	9.8
Share-based payments expense (note 29)	15.1	9.3
	269.9	260.3

	2024 £m	2023 £m
Directors' emoluments	3.9	2.8
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 2024 is shown in the Directors' Remuneration Report on pages 105–107.

The average monthly number of employees during the year was made up as follows:

	2024 No.	2023 No.
Distribution	477	472
Production	2,179	2,158
Sales and marketing	1,462	1,345
Administration	690	563
	4,808	4,537

9. Finance income and costs

	2024 £m	2023 £m
Finance income		
Bank and other deposits	3.5	1.1
Finance income on net investment in finance leases	0.1	—
Total finance income	3.6	1.1
Finance costs		
Bank loans, overdrafts and loan notes	(30.3)	(22.1)
Interest on lease liabilities	(2.0)	(1.9)
Total interest expense	(32.3)	(24.0)
Other finance costs	(1.0)	(0.3)
Unwind of discount on consideration for acquisitions	(1.1)	—
Hedge ineffectiveness	—	(1.5)
Total finance costs	(34.4)	(25.8)
Net finance costs	(30.8)	(24.7)

10. Income tax

a) Tax on profit

	2024 £m	2023 £m
Income statement		
Current income tax:		
Current tax charge	(42.9)	(31.1)
Amounts over provided in previous years	2.3	2.5
Total current tax charge	(40.6)	(28.6)
Deferred income tax:		
Origination and reversal of temporary differences	(3.9)	(3.3)
Impact of change in tax rates	—	(0.1)
Amounts under provided in previous years	(2.9)	(0.8)
Total deferred tax charge	(6.8)	(4.2)
Total tax charge in the income statement	(47.4)	(32.8)

Notes to the consolidated financial statements continued

10. Income tax continued

a) Tax on profit continued

	2024 £m	2023 £m
Statement of comprehensive income/(expense)		
Deferred tax on defined benefit plans	3.7	13.4
Deferred tax on cash flow hedges accounted for in the hedging reserve	1.8	7.3
Current tax on cash flow hedges accounted for in the hedging reserve	0.1	(0.2)
Tax on exchange differences accounted for in the translation reserve	(0.9)	(0.6)
Deferred tax on other temporary differences	(0.1)	—
Total tax credit in the statement of comprehensive income	4.6	19.9
	2024 £m	2023 £m
Statement of changes in equity		
Current tax on share options exercised	0.4	0.2
Deferred tax on employee share schemes	4.2	0.2
Total tax credit in the statement of changes in equity	4.6	0.4

b) Reconciliation of the total tax charge

The tax expense in the consolidated income statement is higher (2023: lower) than the standard rate of UK corporation tax of 25.0% (2023: 22.0%).

The differences are reconciled below:

	2024 £m	2023 £m
Profit before taxation	173.2	156.8
Profit multiplied by the UK average rate of corporation tax of 25% (2023: 22%)	(43.3)	(34.5)
Non-deductible expenses	(12.2)	(3.7)
Non-taxable income and other beneficial items	3.2	3.8
Impact of change in tax rates on deferred tax liability	—	(0.1)
Current tax/deferred tax rate differential	(0.4)	(0.6)
Tax (under)/over provided in previous years	(0.6)	1.6
Overseas tax rate differences	3.8	1.2
Movement in deferred tax recognition	2.1	(0.5)
	(47.4)	(32.8)
Effective income tax rate	27.4%	20.9%

The total tax charge in 2024 of £47.4m is higher than the tax charge in 2023. This is mainly due to an increase in profits and the higher tax rate in the UK.

Non-deductible expenses increased in 2024 due to an increase in disallowable adjusting items in the UK primarily related to the proposed Carlsberg acquisition, and increased non-deductible expenditure in Brazil.

The prior year adjustment in 2024 mainly relates to the finalisation of the capital allowance claim in the submission of UK tax returns.

The increase in the overall overseas tax rate difference reflects the changing profit mix in overseas jurisdictions.

Movements in deferred tax recognition are in respect of changes in recognition of trading losses in Brazil.

c) Income tax receivables and liabilities

	2024 £m	2023 £m
Current income tax receivables	1.1	5.3
Current income tax liabilities	(0.5)	(0.1)
	0.6	5.2

The net income tax receivable has decreased mainly due to lower 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 if 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 2024 £m	Tax affected 2024 £m	Gross amount 2023 £m	Tax affected 2023 £m
Tax losses available indefinitely	16.0	4.6	27.3	8.4

The reduction in unrecognised tax losses available has reduced due to the recognition of losses in Brazil resulting in a deferred tax asset. The majority of losses relating to current and prior periods in overseas jurisdictions still remain unrecognised, and at current exchange rates amount to £16.0m (2023: £27.3m).

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.

Notes to the consolidated financial statements continued

10. Income tax continued

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 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)
(Charged)/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 1 October 2023	(57.0)	(32.7)	(27.3)	5.2	2.4	2.5	(106.9)
(Charged)/credited to the income statement	(13.3)	(0.2)	(0.9)	1.9	4.1	1.6	(6.8)
Credited to other comprehensive income	—	—	3.7	—	—	1.7	5.4
Credited to equity	—	—	—	4.2	—	—	4.2
Effect of foreign exchange rate changes	0.4	0.5	—	—	(0.4)	(0.7)	(0.2)
At 30 September 2024	(69.9)	(32.4)	(24.5)	11.3	6.1	5.1	(104.3)

In accordance with IAS 12, all balances giving rise to deferred tax liabilities are recognised in full, whereas deferred tax assets are only recognised to the extent to which they are recoverable. The increase in deferred tax on accelerated capital allowance claims is due to full expensing capital allowance claims in the UK. The deferred tax liability relating to post-employment benefits has decreased due to the change in valuation of the scheme. The increase in the deferred tax asset on the employee incentive plans relates to an increase in the closing share price. The increase in the deferred tax asset on tax losses is due to changes in recognition of losses in Brazil.

The deferred tax charge in the income statement has increased to £6.8m in 2024 (2023: £4.1m). This is predominantly related to higher accelerated capital allowance claims in the UK and an adjustment in the prior year which resulted in an increase in liabilities in the UK Pension scheme following a change in the rate for setting pension increases. This is partially offset by a recognition of deferred tax assets for tax losses in Brazil.

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:

	2024 £m	2023 £m
Net deferred tax assets	7.9	4.2
Net deferred tax liabilities	(112.2)	(111.1)
	(104.3)	(106.9)

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. As the Group is currently under a potential acquisition by the Carlsberg Group, it cannot be reasonably estimated what the future impact of this legislation would be. We would nevertheless not expect the rules to have a material impact on the tax payments of the Group.

Notes to the consolidated financial statements continued

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:

	2024	2023
Basic earnings per share		
Profit for the year attributable to equity shareholders (£m)	125.8	124.0
Weighted average number of ordinary shares in issue for basic earnings per share (m)	247.8	256.9
Basic earnings per share (pence)	50.8p	48.3p
Diluted earnings per share		
Profit for the year attributable to equity shareholders (£m)	125.8	124.0
Effect of dilutive potential ordinary shares – share schemes (m)	2.9	1.9
Weighted average number of ordinary shares in issue for diluted earnings per share (m)	250.7	258.8
Diluted earnings per share (pence)	50.2p	47.9p

12. Dividends paid and proposed

	2024 £m	2023 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2023: 22.6p per share (2022: 21.2p per share)	55.8	54.5
Interim dividend for 2024: 9.5p per share (2023: 8.2p per share)	23.3	21.0
Dividends paid	79.1	75.5
Proposed		
Special dividend 25.0p per share	62.2	–
Final dividend for 2024: Nil p per share (2023: 22.6p per share)	–	57.4

Subject to the proposed takeover by the Carlsberg Group being successfully completed, shareholders would receive a special dividend payment of 25p per Britvic share, which is expected to be paid to shareholders within 14 days of the effective date. The Board has decided not to declare the normal final dividend as Carlsberg reserves the right to decrease the acquisition price for any dividend declared, made, paid or that becomes payable by Britvic on or prior to the effective date (other than the special dividend).

The special dividend combined with the interim dividend paid in July 2024 represents a total value of £85.5m, or 34.5p per share.

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 2023	132.0	27.1	269.1	57.4	49.7	535.3
Exchange differences	(2.5)	(0.2)	(4.4)	(0.2)	(1.1)	(8.4)
Additions	0.9	0.3	16.8	17.2	37.1	72.3
Reclassification	1.0	0.9	34.3	7.1	(43.3)	–
Disposals at cost	–	(0.3)	(30.2)	(19.4)	–	(49.9)
Depreciation eliminated on disposals	–	0.3	30.2	19.4	–	49.9
Depreciation charge	(3.9)	(1.2)	(28.2)	(15.1)	–	(48.4)
Acquisition of subsidiary	–	–	–	0.2	–	0.2
At 30 September 2024	127.5	26.9	287.6	66.6	42.4	551.0
At 30 September 2024						
Cost (gross carrying amount)	173.5	49.8	527.9	220.0	42.4	1,013.6
Accumulated depreciation and impairment	(46.0)	(22.9)	(240.3)	(153.4)	–	(462.6)
Net carrying amount	127.5	26.9	287.6	66.6	42.4	551.0

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 2022	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

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 2023	160.6	13.9	16.1	29.3	212.4	2.0	434.3
Exchange differences	(9.5)	(0.5)	(1.4)	(0.3)	(10.1)	—	(21.8)
Additions	—	—	—	5.6	—	—	5.6
Acquisitions (note 34)	18.7	—	5.4	—	13.5	—	37.6
Disposals and write-offs at cost	—	—	—	(21.3)	—	—	(21.3)
Amortisation eliminated on disposals and write-offs	—	—	—	21.3	—	—	21.3
Amortisation charge	(6.7)	(0.8)	(3.4)	(8.0)	—	(0.2)	(19.1)
Reversal of impairment	3.6	—	—	—	—	—	3.6
At 30 September 2024	166.7	12.6	16.7	26.6	215.8	1.8	440.2
At 30 September 2024							
Cost (gross carrying amount)	194.7	24.6	74.7	91.0	271.4	3.7	660.1
Accumulated amortisation and impairment	(28.0)	(12.0)	(58.0)	(64.4)	(55.6)	(1.9)	(219.9)
At 30 September 2024	166.7	12.6	16.7	26.6	215.8	1.8	440.2

Notes to the consolidated financial statements continued

14. Goodwill and intangible assets continued

	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

Trademarks

Britvic Ireland and Britvic France: £113.9m (2023: £114.9m)

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'. A reversal of impairment on the Ballygowan trademark in Ireland of £3.6m was recognised during the year ended 30 September 2024. Further detail and a list of trademarks is provided in note 15.

Britvic Brazil: £25.2m (2023: £14.6m)

Trademarks in Brazil have been allocated useful economic lives of 10 to 15 years. As at 30 September 2024 these intangible assets have an average remaining useful life of 11 years.

Plenish: £10.3m (2023: £11.8m)

The Plenish trademark was acquired on 1 May 2021 and has been allocated a useful economic life of 10 years. At 30 September 2024, this intangible asset had a remaining useful life of 7 years.

Jimmy's Iced Coffee: £17.3m (2023: £19.3m)

The Jimmy's trademark was acquired on 1 August 2023 and has been allocated a useful economic life of 10 years. At 30 September 2024, this intangible asset had a remaining useful life of 9 years.

Franchise rights: £12.6m (2023: £13.9m)

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 2024, these intangible assets have a remaining useful life of 18 years. As at 30 September 2024, the franchise agreement itself had a remaining contract life of one year, 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;
- a 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 PepsiCo 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. While the agreement includes clauses that could become effective upon a change of control of the Group, on 24 June 2024 Carlsberg announced it had reached agreement with PepsiCo to waive the change of control clause should an acquisition of Britvic by Carlsberg proceed to completion.

Customer lists

Britvic France: £9.5m (2023: £11.6m)

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 2024, these intangible assets have a remaining useful life of 6 years.

Britvic Ireland: £1.0m (2023: £1.4m)

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 2024, these intangible assets have a remaining useful life of up to 3 years.

Britvic Brazil: £4.9m (2023: £1.6m)

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 12 years. At 30 September 2024 these intangible assets have a remaining useful life of up to 11 years.

Aqua Libra Co: £1.3m (2023: £1.5m)

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 2024, these intangible assets have a remaining useful life of 10 years.

Notes to the consolidated financial statements continued

14. Goodwill and intangible assets continued

Software costs: £26.6m (2023: £29.3m)

Software is capitalised at cost. As at 30 September 2024, these intangible assets have a remaining useful life of up to 7 years.

Other: £1.8m (2023: £2.0m)

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 2024, the technology asset has a carrying value of £1.8m (2023: £2.0m) and a remaining useful economic life of 10 years.

Goodwill: £215.8m (2023: £212.4m)

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:

	2024 £m	2023 £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	9.9	9.9
Britvic Ireland group of CGUs	16.5	17.1
Britvic France group of CGUs	79.6	82.8
Britvic Brazil group of CGUs	33.2	26.0
	215.8	212.4

	2024 £m	2023 £m
Trademarks with indefinite lives		
Britvic Ireland CGUs:		
Britvic	4.2	4.3
Cidona	5.5	5.8
MiWadi	8.5	8.9
Ballygowan	25.5	22.8
Club	14.1	14.7
Total Ireland	57.8	56.5
Britvic France CGUs:		
Teisseire	47.8	49.7
Moulin de Valdonne	3.9	4.1
Pressade	4.5	4.7
Total France	56.2	58.5
Total trademarks with indefinite lives	114.0	115.0

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), Empresa Brasileira de Bebidas e Alimentos SA (Ebba), and GlobalBev Comércio de Bebidas Ltda (GCB). Management tests Brazil goodwill for impairment as part of a group of CGUs based on the integration of Bela Ischia and GCB 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.

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

The recoverable amounts for Britvic GB and Ireland at 30 September 2024 and 30 September 2023 are based on value in use. The recoverable amount for Britvic Brazil is based on fair value less costs of disposal at 30 September 2024 (see further below) and value in use at 30 September 2023.

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.

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 2024	At 30 September 2023
Britvic GB	11.0%	11.9%
Britvic Ireland	7.9%	10.0%
Britvic Brazil	n/a	18.5%

The estimated long-term growth rates used to extrapolate cash flows beyond management's five-year forecast are as follows:

	At 30 September 2024	At 30 September 2023
Britvic GB	1.7%	1.2%
Britvic Ireland	1.5%	1.6%
Britvic Brazil	n/a	1.5%

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.

Climate considerations – the impact of the unmitigated effects of climate change to revenue and costs, based on the scenario pathways outlined by the IPCC. For further information on the pathways, please see the Task Force for Climate-related Financial Disclosures section on page 52.

Assumptions used in the calculation of fair value less costs of disposal

The below fair value measurements are 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.

Britvic Brazil

The recoverable amount for the Britvic Brazil group of CGUs is based on fair value less costs of disposal at 30 September 2024 due to the recent acquisition in Brazil (see note 34). Fair value has been measured using a market approach with reference to valuation multiples observed on comparable transactions in Brazil.

Britvic France

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 which take into account a market participant's ability to generate economic benefits from the highest and best use of the assets.

The trading performance of Britvic France showed improvement during the year ended 30 September 2024: while sales volumes continued to decline, higher selling prices and tight cost control resulted in improved brand contribution (see note 5). Profitability of the business remains below historic levels following a high degree of cost inflation in recent years that has only been partly mitigated by sales price rises. During the year, the Group has increased advertising and promotional investment in the Teisseire and Moulin de Valdonne brands, which continue to hold the top two positions by market share in the syrups category in France and remain strong family favourites. The measurement of fair value less cost of disposal assumes 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.

Notes to the consolidated financial statements continued

15. Impairment testing of intangible assets continued

Assumptions used in the calculation of fair value less costs of disposal continued Britvic France continued

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 2024	At 30 September 2023
Post-tax discount rate	8.7%	8.5%
Terminal growth rate	1.4%	1.3%
Revenue compound annual growth rate (CAGR) for forthcoming 5 years*	0.4%	3.2%

* The decrease in revenue CAGR from 2023 to 2024 reflects a strategic decision to exit certain private label contracts. Forecast revenue CAGR for branded products is 6.3% (2023: 5.4%).

Results and conclusions

During the current year, £3.6m of impairment from prior years was fully reversed on the Ballygowan brand in Britvic Ireland as a result of strong in year and projected performance of Ballygowan's Hint of Fruit range in the flavoured water category. For the Ballygowan brand where a reversal of impairment has been made during the current period, management have noted no reasonable change to key assumptions would result in a material change to the reversal amount.

During the current year, there has been no impairment charges to goodwill or intangible assets with indefinite lives. The Group has carried out sensitivity analysis on reasonably possible changes in key assumptions in the impairment tests. Other than as set out below in respect of Britvic France, the Directors do not consider that there are reasonably possible changes in assumptions that would result in any impairment.

Britvic France

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. This reflects the commercial growth strategy of the business, which includes increasing advertising and promotion spend, innovation and brand repositioning. The recoverable amount of the Britvic France group of CGUs exceeds its carrying amount of £194.5m by £13.8m at 30 September 2024. Recoverable amount is highly sensitive to changes in sales growth due to the cost structure of the business. 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 £m
Post-tax discount rate	8.7%	+0.5%	+2.0%	-£35.0m
Terminal growth rate	1.4%	-0.6%	n/a ¹	n/a ¹
Revenue CAGR ² for the period 2024-2029	0.4%	-0.7%	-5.0%	-£81.5m

1 Management do not consider that there is a reasonably possible change in terminal growth rate that could result in a material impairment.

2 Sensitivities to revenue growth assume that variable costs and advertising and promotion change in direct proportion to revenue.

16. Inventories

	2024 £m	2023 £m
Raw materials	72.9	85.0
Finished goods	115.5	107.8
Consumable stores	12.9	15.8
Returnable packaging	1.6	1.2
	202.9	209.8

17. Trade and other receivables

	Current £m	Non-current £m	2024 £m	Current £m	Non-current £m	2023 £m
Trade receivables	383.1	3.0	386.1	376.9	—	376.9
Other receivables	15.6	8.1	23.7	18.7	8.1	26.8
Prepayments	22.0	—	22.0	30.0	—	30.0
	420.7	11.1	431.8	425.6	8.1	433.7

Trade receivables are non-interest bearing and are generally on credit terms usual for the markets in which the Group operates.

Other receivables include net investments in finance leases of £2.1m (2023: £1.3m). See note 24 for further details.

Notes to the consolidated financial statements continued

17. Trade and other receivables continued

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 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
Exchange differences	(0.7)
Charge for period	2.8
Utilised	(1.6)
Unused amounts reversed	(0.5)
At 30 September 2024	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; and
- 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 2024 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	394.7	350.6	25.3	5.0	1.5	3.1	9.2
Expected credit loss	(8.6)	(1.0)	(0.5)	(0.1)	(0.1)	(1.2)	(5.7)
Net carrying amount	386.1	349.6	24.8	4.9	1.4	1.9	3.5
Average expected credit loss rate	2.2%	0.3%	2.0%	2.0%	6.7%	38.7%	62.0%

The ageing analysis and allowance for expected credit loss of trade receivables at 30 September 2023 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	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%

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.

Notes to the consolidated financial statements continued

18. Cash and cash equivalents, interest-bearing deposits and overdrafts

	2024 £m	2023 £m
Cash at bank	27.8	57.5
Short-term deposits maturing within three months	25.0	21.7
Cash and cash equivalents	52.8	79.2

Cash and cash equivalents comprise cash at bank 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 £2.4m (2023: £5.6m) 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.

	2024 £m	2023 £m
Short-term deposits maturing after three months	11.3	10.9
Interest-bearing deposits	11.3	10.9

The Group 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.

	2024 £m	2023 £m
Bank overdrafts	(16.5)	(48.9)
Overdrafts	(16.5)	(48.9)

Bank overdrafts are repayable on demand and include £16.5m (2023: £48.9m) 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:

	No. of shares	Nominal value £m
Issues, called up and fully paid ordinary shares		
At 1 October 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
Shares cancelled pursuant to share buyback	(5,362,235)	(1.1)
At 30 September 2024	248,906,262	49.8

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 2022	7.2
Shares 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
Shares purchased for share schemes	22.4
Shares used to satisfy share schemes	(17.7)
Shares purchased pursuant to share buyback	43.1
Shares cancelled pursuant to share buyback	(45.8)
At 30 September 2024	23.4

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. The own shares reserve can include equity elements of forward contracts where the Group has an obligation to purchase its own shares (see note 28).

Of the issued and fully paid ordinary shares, 1,520,811 shares (2023: 2,179,294 shares) are own shares held by an employee benefit trust. This equates to £304,162 (2023: £435,859) 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.

Notes to the consolidated financial statements continued

19. Share capital and own shares reserve continued

Share buyback programme

On 24 May 2023, the Company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The programme took place within the limitations of the authority granted to the Board at the Company's Annual General Meeting held on 26 January 2023, pursuant to which the maximum number of shares that could be bought back by the Company was 26,081,857. During the year ended 30 September 2024, the Company completed the programme, purchasing 4,478,603 ordinary shares (2023: 4,327,964) at an average price of 838.9p per share (2023: 865.0p) and an aggregate cost of £37.8m including £0.3m of transaction costs (2023: £37.5m including £0.1m of transaction costs).

20. Other reserves

On 3 June 2024, the Company commenced a further share buyback programme to repurchase ordinary shares with a market value of up to £75.0m, up to a maximum number of shares of 24,954,864. The programme was subsequently suspended on 25 June 2024, in light of the commencement of the offer period with respect to Carlsberg Group announced on 21 June 2024. During the year ended 30 September 2024, the Company purchased 572,702 ordinary shares at an average price of 968.3p per share and an aggregate cost of £5.7m including £0.1m of transaction costs.

A financial liability of £nil (2023: £2.8m) 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 2024, the Company cancelled 5,362,235 ordinary shares that had been purchased pursuant to the buyback (2023: 9,032,384).

An explanation of the Group's capital management process and objectives is set out in note 25.

	Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Total £m
At 1 October 2022	0.9	27.3	(9.5)	87.3	106.0
Fair value losses on hedging instruments designated as 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
Fair value losses on hedging instruments designated as cash flow hedges	—	(21.7)	—	—	(21.7)
Amounts reclassified to the income statement in respect of cash flow hedges	—	12.9	—	—	12.9
Current tax in respect of cash flow hedges	—	0.1	—	—	0.1
Deferred tax in respect of cash flow hedges	—	1.8	—	—	1.8
Exchange differences on translation of foreign operations (note 26)	—	—	(37.9)	—	(37.9)
Tax on exchange differences accounted for in the translation reserve	—	—	(0.9)	—	(0.9)
Movements included within other comprehensive income	—	(6.9)	(38.8)	—	(45.7)
Transfer of cash flow hedge reserve to inventories*	—	2.0	—	—	2.0
Transfer of cash flow hedge reserve to goodwill	—	(0.5)	—	—	(0.5)
Shares cancelled pursuant to share buyback	1.1	—	—	—	1.1
At 30 September 2024	3.8	(2.8)	(52.6)	87.3	35.7

* Basis adjustment for commodity contracts relating to purchases of aluminium, sugar and PET that are used in inventories and designated as cash flow hedges.

Notes to the consolidated financial statements continued

20. Other reserves continued

The translation reserve includes cumulative net gains of £5.6m (2023: £2.2m) which relate to gains and losses in respect of borrowings and derivatives designated as a net investment hedge of the Group's foreign operations: £4.2m 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 (2023: £0.8m related to borrowings and derivatives outstanding at the balance sheet date and £1.4m 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.

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

	2024 £m	2023 £m
Current		
Private placement notes	(43.6)	(51.1)
Less: unamortised issue costs	0.1	0.2
Total current	(43.5)	(50.9)
Non-current		
Bank loans	(8.3)	(44.7)
Private placement notes	(614.4)	(508.1)
Less: unamortised issue costs	2.0	1.8
Total non-current	(620.7)	(551.0)
Total interest-bearing loans and borrowings	(664.2)	(601.9)

Total interest-bearing loans and borrowings comprise the following:

	2024 £m	2023 £m
2014 notes	(56.1)	(108.5)
2017 notes	(175.0)	(175.0)
2018 notes	(118.3)	(119.7)
2020 notes	(150.0)	(151.9)
2024 notes	(150.0)	–
Bank loans	(8.3)	(44.7)
Accrued interest	(8.6)	(4.1)
Unamortised issue costs	2.1	2.0
Total interest-bearing loans and borrowings	(664.2)	(601.9)

Notes to the consolidated financial statements continued

21. Interest-bearing loans and borrowings continued

Analysis of changes in interest-bearing loans and borrowings

	2024 £m	2023 £m
At the beginning of the year	(601.9)	(605.3)
Net movement on revolving credit facility	35.4	(45.5)
Other loans acquired	–	(1.9)
Other loans repaid	–	1.9
Repayment of private placement notes*	45.7	36.6
Issue of private placement notes	(150.0)	–
Issue costs	0.6	–
Amortisation of issue costs	(0.5)	(0.6)
Net translation gain and fair value adjustment	11.0	13.5
Net movement in accrued interest	(4.5)	(0.6)
At the end of the year	(664.2)	(601.9)
Derivatives hedging balance sheet debt**	9.5	22.6
Debt translated at contracted rate	(654.7)	(579.3)

* During the year ended 30 September 2024, the Group repaid £45.7m of the 2014 private placement notes. £6.5m was also received on maturity of derivatives hedging the 2014 notes, resulting in net cash outflows presented in the consolidated statement of cash flows of £39.2m.

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 intrinsic 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 2024, the Group had committed borrowing facilities available of £400.0m (2023: £400.0m), of which £391.7m was undrawn (2023: £355.3m). £33.3m of the borrowing facilities mature in February 2025 with the remaining £366.7m maturing in February 2027. Under the terms of these facilities, lenders may request to cancel their commitments within 30 days of a change of control of the parent company by giving not less than 30-day's notice. The change of control clause may be waived with approval of two thirds of the lenders.

In addition, the private placement loan notes may also become repayable following a change of control, which can be waived with 100% noteholder consent. Prepayment is not triggered if the notes are rated at the time of the change of control and there is no downgrade in the rating of the notes from Investment Grade, or, where the notes are unrated, the Group obtains an Investment Grade rating within 90 days of the change of control.

Private placement notes

The Group holds loan notes with coupons and maturities as shown in the following table:

	Maturity date	Amount	Interest terms
2014	February 2026	\$75m	US\$ fixed at 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%
2024	March 2029–March 2034	£150m	UK£ fixed at 5.29%–5.41%

The Group entered into a number of cross currency swap agreements in relation to the loan notes to manage 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

	2024				
	GB £m	ROI £m	NI £m	France £m	Total £m
Present value of benefit obligation	(456.2)	(65.7)	(22.3)	(1.6)	(545.8)
Fair value of plan assets	515.4	74.8	28.9	–	619.1
Funded status	59.2	9.1	6.6	(1.6)	73.3
Restrictions on asset recognised	–	–	(6.6)	–	(6.6)
Net asset/(liability)	59.2	9.1	–	(1.6)	66.7
Retirement benefit assets	59.2	9.1	–	–	68.3
Retirement benefit obligations	–	–	–	(1.6)	(1.6)
Net asset/(liability)	59.2	9.1	–	(1.6)	66.7

Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Net asset/(liability) by scheme continued

	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
Retirement benefit assets	59.6	8.0	6.4	—	74.0
Retirement benefit obligations	—	—	—	(1.4)	(1.4)
Net asset/(liability)	59.6	8.0	6.4	(1.4)	72.6

There has been a reduction in the overall net surplus during the year ended 30 September 2024. This is a consequence of the impact of changes in financial market conditions which have led to an increase in the value placed on liabilities. This has been offset to an extent by asset performance being higher than expectations over the previous year, and the Group's continued payment of funding contributions. In addition, in applying IFRIC 14 (see below), the Group has derecognised the surplus in respect of the Northern Ireland scheme.

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 last triennial valuation was carried out as of 31 March 2022 and finalised in April 2023: this did not result in any change to the Schedule of Contributions.

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 did 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 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 decreased by £20.5m. As the change in valuation arose as a result of a change in the scheme rules, this amount was recognised in the income statement as a past service cost in the year ended 30 September 2023. 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.

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits to be altered where certain requirements were met. The court decision was subject to appeal, with the Court of Appeal judgement published on 25 July 2024 upholding the High Court's ruling. The Group's view is that it remains appropriate that no adjustment is made to the Group's financial statements, as at this point there is no reason to believe the relevant requirements were not complied with.

BPP defined contribution scheme

The amount recognised as an expense in relation to the BPP defined contribution scheme in the consolidated income statement for 2024 was £9.8m (2023: £8.8m).

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 as at 1 January 2024 was concluded on 30 September 2024. 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 2024 was £0.9m (2023: £0.8m).

Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

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 2023 and is in the process of being finalised.

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 2024, additional contributions of £nil were paid (2023: £nil).

The amount recognised as an expense in relation to the Northern Ireland defined contribution scheme in the consolidated income statement for 2024 was £0.1m (2023: £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.

For the BIPP, 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 Plan to augment additional benefits 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 Plan 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 or the BIPP and so no allowance for it (and, in particular, no allowance for the asset ceiling) has been made in the calculated figures.

For the BNIPP, the rules of the plan provide that any surplus would be returned directly to the Company without prior Trustee approval on the death or leaving of the final member of the Plan. The rules of the plan also provide that, in certain circumstances, the Trustee has the power to augment benefits payable to members without the prior consent of the Company. The Company has assessed that, in the context of IFRIC 14, the Company's right to a return of a surplus is contingent upon the Trustee not exercising their power to unilaterally augment benefits. As the Company's right to a refund depends on the non-occurrence of uncertain future events not wholly within its control, the Company has assessed that it does not have an unconditional right to the surplus and accordingly should not recognise a Plan surplus in its financial statements. The Company has therefore restricted the recognition of the surplus by £6.6m at 30 September 2024 by applying an asset ceiling equal to nil.

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 2024 is £10.9m (2023: £9.8m) and includes £0.1m which relates to schemes for entities within the Group in addition to those mentioned above (2023: £0.1m).

Net defined benefit pension benefit/(expense)

	2024 total £m	2023 total £m
Current service cost	(0.6)	(0.6)
Administration expenses	(0.3)	–
Net interest on net defined benefit asset	3.9	5.9
Past service cost	–	(20.5)
Net benefit/(expense)	3.0	(15.2)

The net benefit/(expense) detailed above is recognised in arriving at operating profit and is included within cost of sales, selling and distribution costs and administration expenses.

Taken to the statement of comprehensive income

	2024 total £m	2023 total £m
Actual return on scheme assets	54.3	(63.9)
Less: amounts included in net interest expense	(31.8)	(32.1)
Return on plan assets (excluding amounts included in net interest expense)	22.5	(96.0)
Gains/(losses) due to demographic assumptions	0.5	19.6
(Losses)/gains due to financial assumptions	(28.8)	39.3
Experience losses	(2.1)	(18.4)
Adjustments for restrictions on the defined benefit asset	(6.5)	–
Remeasurement losses taken to the statement of comprehensive income	(14.4)	(55.5)

Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Movements in present value of benefit obligation:

	2024				
	GB £m	ROI £m	NI £m	France £m	Total £m
At 1 October 2023	(431.4)	(61.8)	(20.8)	(1.4)	(515.4)
Exchange differences	–	2.5	–	0.1	2.6
Current service cost	–	(0.5)	–	(0.1)	(0.6)
Member contributions	–	(0.1)	–	–	(0.1)
Interest cost on benefit obligation	(23.9)	(2.6)	(1.2)	(0.1)	(27.8)
Benefits paid	22.9	2.0	1.0	–	25.9
Remeasurement losses	(23.8)	(5.2)	(1.3)	(0.1)	(30.4)
At 30 September 2024	(456.2)	(65.7)	(22.3)	(1.6)	(545.8)
Weighted average duration of the liabilities	13 years	17 years	13 years	11 years	
	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	

Movements in fair value of plan assets:

	2024			
	GB £m	ROI £m	NI £m	Total £m
At 1 October 2023	491.0	69.8	27.2	588.0
Exchange differences	–	(2.9)	–	(2.9)
Interest income on plan assets	27.4	2.9	1.5	31.8
Administration expenses	–	–	(0.3)	(0.3)
Return on scheme assets excluding interest income	14.7	6.3	1.5	22.5
Employer contributions	5.2	0.6	–	5.8
Member contributions	–	0.1	–	0.1
Benefits paid	(22.9)	(2.0)	(1.0)	(25.9)
At 30 September 2024	515.4	74.8	28.9	619.1
	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

Reconciliation of changes in the effect of the asset ceiling:

	2024	
	NI £m	Total £m
At 1 October 2023	–	–
Interest on the effect of the asset ceiling recognised in P&L	(0.1)	(0.1)
Change in adjustment recognised in other comprehensive income	(6.5)	(6.5)
At 30 September 2024	(6.6)	(6.6)

No adjustments were made in regard to the asset ceiling in the prior year.

Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Principal assumptions

The assets and liabilities of the pension schemes were valued on an IAS 19 (revised) basis at 30 September 2024, by Willis Towers Watson (for the BPP and the French schemes), Invesco (for the BIPP) and Gallagher (for the BNIPP).

Financial assumptions

	2024			
	GB %	ROI %	NI %	France %
Discount rate	5.15	3.50	5.15	3.25–3.35
Rate of compensation increase	—	2.00	—	3.00–4.00
Pension increases	1.95–2.90	—	2.05–2.65	—
Inflation assumption	3.05	2.00	2.65	2.00
Indexation	RPI and CPI	CPI	CPI	ECB*

	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*

* 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:

	2024 GB Years	2024 ROI Years	2024 NI Years	2023 GB Years	2023 ROI Years	2023 NI Years
Current pensioners (at age 65) – males	21.0	22.3	20.3	21.0	22.2	20.6
Current pensioners (at age 65) – females	24.1	24.5	23.3	24.0	24.4	23.5
Future pensioners currently aged 45 (at age 65) – males	22.3	24.6	21.5	22.3	24.5	21.8
Future pensioners currently aged 45 (at age 65) – females	25.6	26.4	24.7	25.5	26.3	24.9

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 0.75%	Decrease by £40.5m	Decrease by £9.1m	Decrease by £1.9m	Decrease by £0.1m
	Decrease by 0.75%	Increase by £47.0m	Increase by £9.1m	Increase by £2.1m	Increase by £0.1m
Inflation rate	Increase by 0.25%*	Increase by £8.8m	Increase by £1.2m	Increase by £0.6m	Increase by £0.04m
	Decrease by 0.25%*	Decrease by £8.9m	Decrease by £1.1m	Decrease by £0.6m	Decrease by £0.04m
Longevity rates	Increase by 1 year	Increase by £13.3m	Increase by £1.8m	Increase by £0.6m	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

	2024				
	GB £m	ROI £m	NI £m	Total £m	Total %
Equities	1.6	13.3	—	14.9	2
Corporate bonds	138.3	44.4	6.0	188.7	30
Diversified funds	—	—	11.2	11.2	2
Liability-driven investments	357.7	—	10.7	368.4	60
Cash and other assets	17.8	17.1	1.0	35.9	6
Total	515.4	74.8	28.9	619.1	100

	2023				
	GB £m	ROI £m	NI £m	Total £m	Total %
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

Notes to the consolidated financial statements continued

22. Retirement benefit schemes continued

Categories of scheme assets as a percentage of the fair value of total scheme assets continued

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 primarily 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.

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

	2024 £m	2023 £m
Trade payables	318.9	396.0
Other payables	20.1	17.2
Accruals	80.9	67.6
Other taxes and social security	57.8	52.8
	477.7	533.6

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:

- (i) trade payables include amounts of £94.8m (2023: £130.0m) 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
- (ii) trade payables include amounts of £11.6m (2023: £14.1m) 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:

	2024 £m	2023 £m
Rebate accruals	111.8	123.3

For further information on the Group's accounting policy for rebate liabilities, see the revenue recognition policy within note 3.

Notes to the consolidated financial statements continued

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 five and ten years, while motor vehicles generally have lease terms between two and four 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 2024, 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 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
Additions	2.8	6.8	3.2	12.8
Acquired (note 34)	0.4	—	—	0.4
Depreciation charge for the year	(6.4)	(1.8)	(2.0)	(10.2)
At 30 September 2024	52.7	6.8	4.6	64.1

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 £m	2023 £m
At the beginning of the year	67.3	73.9
Exchange differences	(0.1)	(0.1)
Additions	12.8	2.5
Acquired (note 34)	0.4	—
Accretion of interest	2.0	1.9
Payment of principal portion of lease liabilities	(8.8)	(9.0)
Payment of interest portion of lease liabilities	(2.1)	(1.9)
At the end of the year	71.5	67.3
Current	9.2	7.5
Non-current	62.3	59.8
At the end of the year	71.5	67.3

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:

	2024 £m	2023 £m
Depreciation of right-of-use assets	10.2	10.1
Interest expense on lease liabilities (note 9)	2.0	1.9
Total amount recognised in profit or loss	12.2	12.0

The Group had total cash outflows for leases of £10.9m during the year ended 30 September 2024 (2023: £10.9m).

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.

Notes to the consolidated financial statements continued

24. Leases continued

Finance lease receivables continued

The amounts receivable under finance leases were as follows:

	2024 £m	2023 £m
Not later than one year	1.1	0.6
Later than one year and not later than two years	0.6	0.5
Later than two years and not later than three years	0.3	0.3
Later than three years and not later than four years	0.2	0.1
Later than four years and not later than five years	–	–
Later than five years	–	–
Total undiscounted lease payments receivable	2.2	1.5
Less: unearned finance income	(0.1)	(0.2)
Net investment in the lease	2.1	1.3
Net investment in the lease analysed as:		
Recoverable within 12 months	1.3	0.4
Recoverable after 12 months	0.8	0.9
Net investment in the lease	2.1	1.3

The following table presents the amounts included in profit or loss:

	2024 £m	2023 £m
Selling profit for finance leases	0.5	0.6
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.

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 2024, after taking into account the effect of these instruments, approximately 79% of the Group's gross debt was at a fixed rate of interest (2023: 71%).

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates.

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):

	Increase/ (decrease) in basis points	Effect on profit before tax £m
2024		
Sterling	200	(0.8)
	(200)	0.8
Euro	200	(0.9)
	(200)	0.9
2023		
Sterling	200	(1.5)
	(200)	1.5
Euro	200	(1.1)
	(200)	1.1

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 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.

Notes to the consolidated financial statements continued

25. Financial risk management objectives and policies continued

Foreign currency risk continued

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 2024, the Group had hedged 74% (2023: 68%) of forecast net exposures 12 months in advance using forward foreign exchange contracts. For hedges of highly probable forecast purchases, as the critical terms (i.e. the notional amount, life and underlying) of the foreign exchange forward contracts and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

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 Group 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 basis points	Effect on profit before tax £m	Effect on equity £m
2024			
Sterling/euro	10	3.5	(7.7)
	(10)	(3.5)	7.7
Sterling/US dollar	10	0.9	(2.3)
	(10)	(0.9)	2.3
Euro/US dollar	10	0.3	—
	(10)	(0.3)	—
US dollar/Brazilian real	10	—	—
	(10)	—	—
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	—

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 this risk, the Group employs a combination of supplier contracts (including power purchase agreements) and financial derivatives, in accordance with a Group-approved hedging policy.

The objective of this policy is to mitigate the impact of significant price fluctuations on the Group's financial performance. Typically, the Group hedges its commodity price risk exposure for up to 18 months of forecasted volume, with the aim of maintaining a minimum and maximum cover level over a 12-month rolling period of c.45% and c.85%, respectively. Because the critical terms (i.e. the quantity, maturity and underlying) of the commodity option and their corresponding hedged items are the same, the group performs a qualitative assessment of effectiveness and it is expected that the intrinsic value of the derivative and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the price of underlying commodity. The effectiveness of our hedging strategy is continuously monitored and reviewed, ensuring that hedging instruments are effectively mitigating price risk.

All commodity derivative contracts are accounted for using IFRS 9 hedge accounting principles, ensuring that gains and losses on hedging instruments are recognised in the same period as the hedged transactions.

By implementing these measures, the Group aims to maintain financial stability and predictability in the face of commodity price volatility.

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.

Notes to the consolidated financial statements continued

25. Financial risk management objectives and policies continued

Liquidity risk continued

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 2024, the Group had £8.3m outstanding borrowings under this facility (2023: £44.7m).

The table below summarises the maturity profile of the Group's financial liabilities at 30 September 2024 based on contractual undiscounted payments and receipts including interest:

	<1 year £m	1–5 years £m	>5 years £m	Total £m
2024				
Bank loans	8.3	–	–	8.3
Private placement notes including coupons	60.9	338.4	412.8	812.1
Derivatives hedging private placement notes – payments	1.9	47.5	–	49.4
Derivatives hedging private placement notes – receipts	(3.2)	(47.8)	–	(51.0)
	67.9	338.1	412.8	818.8
Overdrafts	16.5	–	–	16.5
Trade, other payables and rebate liabilities (excluding other taxes and social security)	531.7	–	–	531.7
Lease liabilities	9.4	31.0	57.7	98.1
Other liabilities	38.8	9.2	–	48.0
Other derivative liabilities	6.7	1.5	0.3	8.5
	671.0	379.8	470.8	1,521.6
	<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

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.

The valuation basis used to calculate fair value is level 2, other than power purchase agreements which are level 3.

Level 2 financial instruments

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. Commodity contracts are measured using observable market data 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.

Level 3 financial instruments

Power purchase agreement

The Group has entered a 10-year physical power purchase agreement for solar energy with an independent producer in the UK, under which electricity is purchased at a fixed and CPI-linked price. The Power Purchase Agreement is valued as the net present value of the contracted fixed price less the market implied forward energy price discounted at the prevailing risk-free rate. The power purchase agreement has been designated as a hedging instrument in a cash flow hedge. The credit risk exposure associated with the power purchase agreement is considered to be immaterial.

The below table reconciles changes in the fair value of the power purchase agreement during the period.

	2024 £m
At 1 October	–
Settlements	0.9
Charged to other comprehensive income	(2.4)
At 30 September	(1.5)

Professional fees

The Group has incurred significant professional fees in relation to the proposed takeover by Carlsberg, of which £16.8m is payable upon the successful completion of the transaction. At 30 September 2024, the Group has recognised a financial liability of £14.8m representing the fair value of these fees (note 28). A corresponding expense has been recognised in the income statement. The fair value represents a discount of 12% to the contractual amount payable to reflect the time value of money and the uncertainty inherent in the cash flows as to whether and when the transaction will complete.

Notes to the consolidated financial statements continued

25. Financial risk management objectives and policies continued

Fair values of financial assets and financial liabilities continued

Fair value of financial assets and liabilities

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 2024 was £460.7m (2023: £331.6m), compared to a carrying value of £490.2m (2023: £393.7m). 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:

	2024 £m	2023 £m
Financial assets		
Cash and cash equivalents	(52.8)	(79.2)
Interest-bearing deposits	(11.3)	(10.9)
Derivatives hedging balance sheet debt (note 21)	(9.5)	(22.6)
Financial liabilities		
Overdrafts	16.5	48.9
Interest-bearing loans and borrowings (note 21)	664.2	601.9
Adjusted net debt	607.1	538.1
Equity	343.1	391.7
Capital	950.2	929.8

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 (see non-GAAP reconciliations). Adjusted net debt is calculated as being the net of cash and cash equivalents, interest-bearing deposits, interest-bearing loans and borrowings, and the intrinsic 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.

26. Derivatives and hedge relationships

The fair values of the Group's derivative contracts are as follows:

	2024 £m	2023 £m
Non-current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps*	9.5	14.0
Forward currency contracts*	–	0.1
Commodity contracts*	0.2	1.2
Interest rate swaps*	–	0.7
	9.7	16.0
Current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps*	0.5	8.3
Forward currency contracts*	–	1.1
Forward currency contracts	–	0.2
Commodity contracts*	2.5	6.1
Interest rate swaps*	0.8	1.7
	3.8	17.4
Current liabilities: derivative financial instruments		
Forward currency contracts*	(3.4)	(1.2)
Forward currency contracts	(0.4)	–
Commodity contracts*	(2.2)	(7.1)
Power purchase agreement*	(0.7)	–
	(6.7)	(8.3)
Non-current liabilities: derivative financial instruments		
Forward currency contracts*	(0.2)	–
Forward currency contracts	(0.1)	–
Commodity contracts*	(0.6)	(0.3)
Power purchase agreement*	(0.8)	–
	(1.7)	(0.3)
Net derivative financial assets	5.1	24.8

* Instruments designated as part of a cash flow hedge relationship.

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

	2024 £m	2023 £m
Amounts reclassified to the income statement in respect of cash flow hedges		
Forward currency contracts*	2.9	(0.9)
Interest rate swaps**	(0.5)	—
2010 cross currency interest rate swaps**	—	1.7
2014 cross currency interest rate swaps**	6.6	8.7
Commodity swaps*	3.0	(14.1)
Power purchase agreement*	0.9	—
	12.9	(4.6)
Losses in respect of cash flow hedges		
Forward currency contracts and interest rate swaps	(7.5)	(3.7)
2010 cross currency interest rate swaps	—	(0.7)
2014 cross currency interest rate swaps	(5.9)	(9.4)
Commodity swaps	(5.9)	(20.5)
Power purchase agreement	(2.4)	—
	(21.7)	(34.3)
Exchange differences on translation of foreign operations		
Movement on 2010 GBP EUR cross currency interest rate swaps	—	0.4
Movement on FX swaps designated as net investment hedges	—	(0.3)
Movement on euro loans designated as net investment hedges	3.4	1.4
Exchange movements on translation of foreign operations	(41.3)	(4.9)
	(37.9)	(3.4)

* 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 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
Provisions made during the year	0.8	0.2	1.0
Provisions utilised during the year	(0.6)	—	(0.6)
Unused amounts reversed	(0.1)	—	(0.1)
Exchange Differences	(0.1)	(0.1)	(0.2)
At 30 September 2024	0.9	0.9	1.8
Current	0.9	—	0.9
Non-current	—	0.9	0.9
At 30 September 2024	0.9	0.9	1.8
Current	0.7	—	0.7
Non-current	0.2	0.8	1.0
At 30 September 2023	0.9	0.8	1.7

Restructuring provisions

Restructuring provisions at 30 September 2024 and 30 September 2023 primarily relate to Group-wide strategic restructuring.

Other provisions

Other provisions at 30 September 2024 and 30 September 2023 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

	2024 £m	2023 £m
Forward contracts to purchase own shares	16.6	5.6
Professional fees	14.8	—
Deferred consideration (note 34)	10.3	—
Contingent consideration (note 34)	3.0	—
Share buyback programme	—	2.8
	44.7	8.4
Due within less than one year	36.4	8.4
Due after more than one year	8.3	—
	44.7	8.4

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.

Professional fees

On 8 July 2024, the boards of Britvic and Carlsberg announced that they had reached agreement on the terms of a recommended cash offer by Carlsberg UK Holdings Limited for the entire issued and to be issued share capital of Britvic plc, the terms of which were approved by Britvic's shareholders on 27 August 2024. The Group has incurred significant professional fees over the second half of the year as part of the Board's evaluation and subsequent recommendation of the proposal, of which £16.8m becomes payable upon the successful completion of the transaction. At 30 September 2024, the Group has determined the fair value of these liabilities to be £14.8m and has recognised the change in fair value as an expense in the income statement.

Deferred and contingent consideration

On 4 October 2023, the Group acquired 100% of the issued share capital of GlobalBev Comércio de Bebidas Ltda. The consideration for the acquisition comprises deferred consideration of BR\$70.0m, due in instalments on the first and second anniversary of completion, and contingent consideration of up to BR\$25.0m, subject to performance criteria. Further details regarding the acquisition, including the value of deferred and contingent consideration, are provided in note 34.

Share buyback programme

At 30 September 2023, the Company recognised a financial liability of £2.8m 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, the Company had a contractual right to terminate the programme. Accordingly, the liability recognised was 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.

On 3 June 2024, the Company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The programme was subsequently suspended on 25 June 2024, in light of the commencement of the offer period with respect to Carlsberg Group announced on 21 June 2024. At this point, the Company settled the outstanding liability for shares purchased under the programme. Accordingly, no financial liability was outstanding at 30 September 2024.

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 2024, including National Insurance, is £18.7m (2023: £10.9m). 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 Group 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.

	2024 No. of shares	2024 Weighted average fair value	2023 No. of shares	2023 Weighted average fair value
Annual free shares award	463,472	847.5p	371,790	782.0p
Matching shares award – one free share for every ordinary share purchased	93,454	949.8p	92,612	832.5p

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 set as 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 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
Exercised	(868,689)	694.0
Lapsed	(83,843)	771.3
Outstanding at 30 September 2024	1,378,712	691.1
Exercisable at 30 September 2023	1,420,093	646.2
Exercisable at 30 September 2024	1,378,712	691.1

Notes to the consolidated financial statements continued

29. Share-based payments continued

The Britvic Executive Share Option Plan (ESOP) continued

The weighted average share price at the date of exercise for share options exercised during the year was 984.0p (2023: 865.0p). The proceeds received upon the exercise of share options during the year were £6.0m (2023: £2.3m).

The share options outstanding as at 30 September 2024 had a weighted average remaining contractual life of 3.6 years (2023: 4.6 years) and the range of exercise prices was 542p–924p (2023: 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.

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 2024

Two categories of award were granted during the year ended 30 September 2024.

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 2026 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 63.1p in the year ended 30 September 2026, increasing to 100% if the Company achieves 72.1p 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 683.1p.

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.

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 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
Granted	852,149	864,132	170,656
Exercised	(162,516)	(370,821)	(181,458)
Lapsed	(318,114)	(540,883)	(26,101)
Outstanding at 30 September 2024	1,798,475	1,805,203	824,159

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:

	2024	2023
Dividend yield (%)	3.28%	2.93%
Expected volatility (%)	20.3%	28.5%
Risk-free interest rate (%)	4.21%	3.31%
Expected life of option (years)	3	3
Share price at date of grant (pence)	854.0–973.0	810.0–888.0
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

	2023 £m	Cash flows £m	Exchange differences £m	Change in fair value £m	New leases £m	Accrued interest £m	Other £m	2024 £m
Interest-bearing loans and borrowings	(601.9)	(42.4)	11.0	—	—	(30.3)	(0.6)	(664.2)
Lease liabilities	(67.3)	10.9	0.1	—	(13.2)	(2.0)	—	(71.5)
Net derivative assets related to financing activities ¹	24.8	(6.5)	—	(7.6)	—	—	—	10.7
Other liabilities related to financing activities ²	(8.4)	2.8	—	—	—	(0.7)	(10.3)	(16.6)
Net liabilities arising from financing activities	(652.8)	(35.2)	11.1	(7.6)	(13.2)	(33.0)	(10.9)	(741.6)
Proceeds from employee share incentive schemes		(6.0)						
Purchase of own shares related to share schemes		12.5						
Share buyback programme		43.0						
Dividends paid to equity shareholders		79.1						
Net cash flows used in financing activities		93.4						

1. Total net derivative assets in the balance sheet at 30 September 2024 are £5.1m, of which £10.7m relate to financing activities and £(5.6)m relate to operating activities (2023: total of £24.8m, of which £24.8m relate to financing activities, £(0.5)m relate to operating activities and £0.5m relate to investing activities).

2. Other liabilities related to financing comprise financial liabilities whose cash flows are presented within financing activities. They include forward contracts to acquire own shares and liabilities related to the share buyback programme.

	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						

1. 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).

2. Other liabilities related to financing comprise financial liabilities whose cash flows are presented within financing activities. They include forward contracts to acquire own shares and liabilities related to the share buyback programme.

Notes to the consolidated financial statements continued

31. Commitments and contingencies

Capital commitments

At 30 September 2024, the Group has commitments of £9.9m (2023: £15.8m) 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 2024 (2023: none).

32. Related party disclosures

The Company's subsidiaries at 30 September 2024 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 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	100
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
Aquaport Limited	Supply of water-coolers and bottled water	Republic of Ireland ⁵	100
Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland ⁵	100
Britvic Irish Holdings Limited	Holding company	Republic of Ireland ⁵	100

Name	Principal activity	Country of incorporation	% equity interest
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
Empresa Brasileira de Bebidas e Alimentos SA	Manufacture and sale of soft drinks	Brazil ⁸	100
Bela Ischia Alimentos Ltda	Manufacture and sale of soft drinks	Brazil ⁹	100
GlobalBev Comércio de Bebidas Ltda	Manufacture and sale of soft drinks	Brazil ¹⁰	100
Globalfruit Participacoes S.A.	Dormant	Brazil ¹¹	100
Britvic Asia PTE. Ltd	Holding company	Singapore ¹²	100
Britvic Healthcare Trustee Limited	Dormant	England and Wales ¹	100
Britvic International Investments 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
Britvic Ireland Pension Trust DAC	Dormant	Republic of Ireland ⁵	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, Scotland.

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: Distrito Federal, St. Polo de Desenvolvimento Juscelino Kubitschek, trecho 5, S/n, Conjunto 8, lote 1, sala GLBVSA, Santa Maria, Brazil.

11. Registered office: Nova Lima, state of Minas Gerais, at Rua Ministro Orozimbo Nonato, 102, 2nd Floor, Suite 203 B, Tower B, Vila da Serra, CEP 34006-053, Brazil.

12. Registered office: 80 Robinson Road #17-02, Singapore 068898, Singapore.

Notes to the consolidated financial statements continued

32. Related party disclosure 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.

	2024	2023
Short-term employee benefits	3.9	2.8
Post-employment benefits	—	—
Share-based payments	2.7	1.0
	6.6	3.8

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

The Group classified property, plant and equipment related to the Norwich production site of £9.1m as assets held for sale at 30 September 2024 (30 September 2023: £16.8m). Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

In October 2020, contracts were exchanged for the sale of the Norwich site (jointly owned with Unilever) and the land and buildings (forming part of the Group's GB operating segment) were classified as assets held for sale. This sale was subject to conditions precedent, including certain planning consents being obtained by the buyer.

In June 2024, Britvic terminated the existing contract to sell the site due to a breach of contract by the purchaser. In line with IFRS 5, management have revalued the asset held for sale based on the latest market conditions to reflect its estimated fair value. This has resulted in an impairment being recognised of £7.7m. Given this transaction does not form part of our underlying performance the charge has been recognised within adjusting items. Management remains committed to the sale of the site and have an active programme to locate a buyer. The assets are available for sale in their present condition and a future sale within one year is considered highly probable.

34. Acquisition in Brazil

On 4 October 2023, the Group acquired 100% of the issued share capital of GlobalBev Comércio de Bebidas Ltda (GCB). This comprised of all the voting equity interests and resulted in the Group obtaining control of GCB. 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\$151.1m (£24.1m), deferred consideration of BR\$70.0m (£11.4m, at exchange rate on acquisition), due in instalments on the first and second anniversary of completion, and contingent consideration of up to BR\$25.0m (£4.1m, at exchange rate on acquisition), subject to performance criteria.

GCB contributed £21.7m of revenue and a profit of £4.4m to the Group's profit after tax for the period between the date of acquisition and 30 September 2024.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

	4 October 2023 £m
Assets	
Property, plant and equipment	0.2
Right-of-use assets	0.4
Intangible assets	24.1
Inventories	1.8
Trade and other receivables	2.0
Total assets	28.5
Trade and other payables	(3.1)
Lease liabilities	(0.4)
Total liabilities	(3.5)
Total identifiable net assets	25.0
Goodwill	13.5
Total consideration	38.5
Satisfied by:	
Cash	24.1
Deferred consideration	11.1
Contingent consideration	3.3
Total consideration	38.5

The net cash outflow arising on acquisition was £24.1m.

The goodwill of £13.5m includes the value of the assembled workforce as well as expected synergies arising from the acquisition such as from integrating back-office arrangements with the Group's existing Brazilian operations and from the sale of the Group's existing brands in territories served by the acquiree. All of the goodwill has been allocated to the Group's Brazil operating segment. It is expected that the total goodwill arising on acquisition will be tax deductible in Brazil.

Intangible assets identified separately from goodwill comprise trademarks of £18.7m related to the Extra Power, Flying Horse, Juxx and Amazoo brands and customer relationships of £5.4m.

Trade and other receivables with a fair value of £2.0m have been recognised on acquisition. The gross contractual amount of these receivables is £2.0m, all of which is expected to be collected.

The Group measured acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, reflecting that the lease rentals are comparable to market rates.

Notes to the consolidated financial statements continued

34. Acquisition in Brazil continued

The contingent consideration arrangement is based on the sales volume growth of the acquired energy drinks brands compared to the energy drinks market in Brazil over the two years following acquisition, with potential payments after each of the two years. The potential undiscounted amount of all future payments that the Group could be required to make under the arrangement is between £nil and £4.1m. The fair value of the contingent consideration arrangement on acquisition has been estimated at £3.3m and takes into consideration the likelihood of achieving the target performance and discounting to present value. A reconciliation of the fair value measurement of the contingent consideration liability is provided below:

Purchase consideration

The fair value of the purchase consideration at the acquisition date comprised the following:

	Year ended 30 September 2024 £m
As at 1 October 2023	—
Liability arising on acquisition	3.3
Unrealised fair value changes recognised in profit or loss	0.2
Exchange differences	(0.5)
As at 30 September 2024	3.0

In addition to the consideration outlined above, acquisition and integration costs of £2.0m have been incurred during the year ended 30 September 2024. These are included within administrative expenses and are presented as adjusting items (see non-GAAP reconciliations on pages 187–189).

35. Events after the reporting period

There were no material events after the reporting period requiring disclosure.

Company balance sheet

	Note	30 September 2024 £m	30 September 2023 £m
Non-current assets			
Investments in Group undertakings	5	750.0	731.3
Loans due from Group undertakings	6	990.8	909.8
Derivative financial instruments	10	9.7	14.8
		1,750.5	1,655.9
Current assets			
Loans due from Group undertakings	6	3.8	142.7
Derivative financial instruments	10	2.2	11.4
Cash and cash equivalents	7	29.6	21.7
		35.6	175.8
Current liabilities			
Trade and other payables	8	(85.4)	(77.6)
Interest-bearing loans and borrowings	9	(324.4)	(484.2)
Derivative financial instruments	10	(0.9)	(1.4)
Overdrafts		(8.4)	(20.8)
Other current liabilities	11	(31.4)	(8.4)
		(450.5)	(592.4)
Net current liabilities		(414.9)	(416.6)
Total assets less current liabilities		1,335.6	1,239.3
Non-current liabilities			
Interest-bearing loans and borrowings	9	(620.7)	(551.0)
Deferred tax liabilities		(0.2)	(0.5)
Derivative financial instruments	10	(0.2)	(0.1)
		(621.1)	(551.6)
Net assets		714.5	687.7

	Note	30 September 2024 £m	30 September 2023 £m
Capital and reserves			
Issued share capital	12	49.8	50.9
Share premium account		157.2	157.2
Own shares reserve	12	(23.4)	(21.4)
Capital redemption reserve		3.8	2.7
Hedging reserve		0.6	1.6
Merger reserve		87.3	87.3
Retained earnings*		439.2	409.4
Total equity		714.5	687.7

* 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 £151.3m in the year (2023: £137.4m).

The financial statements were approved by the Board of Directors and authorised for issue on 19 November 2024. 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 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
Profit for the year	—	—	—	—	—	—	151.3	151.3
Movement in cash flow hedges	—	—	—	—	(1.4)	—	—	(1.4)
Deferred tax in respect of cash flow hedges	—	—	—	—	0.4	—	—	0.4
Total comprehensive income	—	—	—	—	(1.0)	—	151.3	150.3
Share buyback programme	(1.1)	—	2.7	1.1	—	—	(46.2)	(43.5)
Own shares purchased for share schemes	—	—	(21.9)	—	—	—	—	(21.9)
Own shares utilised for share schemes	—	—	17.2	—	—	—	(17.2)	—
Proceeds from share schemes	—	—	—	—	—	—	6.0	6.0
Movement in share-based schemes	—	—	—	—	—	—	15.0	15.0
Payment of dividend	—	—	—	—	—	—	(79.1)	(79.1)
At 30 September 2024	49.8	157.2	(23.4)	3.8	0.6	87.3	439.2	714.5

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';
- 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;
- h. the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'; and
- i. the requirements of paragraphs 88C and 88D of IAS 12 'Income Taxes'.

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.

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).

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.

Notes to the Company financial statements continued

1. Significant accounting policies, judgements, estimates and assumptions continued

Cash and cash equivalents

Cash and cash equivalents includes cash at bank, 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.

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.

Notes to the Company financial statements continued

1. Significant accounting policies, judgements, estimates and assumptions continued

Other reserves continued

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

The 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 £151.3m in the year (2023: £137.4m).

4. Directors' remuneration

The remuneration of the Directors of the Company is borne by another Group company.

	2024 £m	2023 £m
Directors' emoluments	3.9	2.8
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 2024 is shown in the Directors' Remuneration Report on pages 105–107.

The average number of employees for the year, including Executive Directors, was two (2023: two).

5. Investments in Group undertakings

	2024 £m	2023 £m
Cost and net book value at the beginning of the year	731.3	720.4
Capital contribution	18.7	10.9
Cost and net book value at the end of the year	750.0	731.3

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

	2024 £m	2023 £m
Loans due from Group undertakings	994.6	1,052.5
Due within less than one year	3.8	142.7
Due after more than one year	990.8	909.8
	994.6	1,052.5

Loans due from Group undertakings are interest bearing, unsecured and repayable on demand. At 30 September 2024, loans due from Group undertakings are stated net of an allowance for expected credit losses of £9.1m (2023: £nil).

7. Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank	4.6	—
Short-term deposits maturing within 3 months	25.0	21.7
	29.6	21.7

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

	2024 £m	2023 £m
Amounts due to Group undertakings	80.3	75.1
Accruals	5.1	2.5
	85.4	77.6

All of the amounts due to Group undertakings are unsecured, interest-bearing and repayable on demand.

Notes to the Company financial statements continued

9. Interest-bearing loans and borrowings

	2024 £m	2023 £m
Current		
Loans due to Group undertakings	280.9	433.3
Private placement notes	43.6	51.1
Unamortised issue costs	(0.1)	(0.2)
Total current	324.4	484.2
Non-current		
Bank loans	8.3	44.7
Private placement notes	614.4	508.1
Unamortised issue costs	(2.0)	(1.8)
Total non-current	620.7	551.0

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 2026	\$75m	US\$ fixed at 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%
2024	March 2029–March 2034	£150m	UK£ fixed at 5.29%–5.41%

The Company entered into a number of cross currency swap agreements in relation to the loan notes to manage 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.

The valuation basis used to calculate fair value is level 2, other than professional fees which are level 3 as detailed below.

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 Company's fixed rate interest-bearing borrowings and loans at 30 September 2024 was £460.7m (2023: £331.6m) compared to a carrying value of £490.2m (2023: £393.7m). 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.

Level 3 financial instruments

Professional fees

The Company has incurred significant professional fees in relation to the proposed takeover by Carlsberg, of which £16.8m is payable upon the successful completion of the transaction. At 30 September 2024, the Company has recognised a financial liability of £14.8m representing the fair value of these fees (note 11). A corresponding expense has been recognised in the income statement.

Notes to the Company financial statements continued

10. Derivative financial instruments

	2024 £m	2023 £m
Non-current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps	9.5	14.1
Interest rate swaps	–	0.7
Forward currency contracts	0.2	–
	9.7	14.8
Current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps	0.5	8.2
Interest rate swaps	0.8	1.8
Forward currency contracts	0.5	0.7
Commodity contracts	0.4	0.7
	2.2	11.4
Current liabilities: derivative financial instruments		
Forward currency contracts	(0.6)	(0.7)
Commodity contracts	(0.3)	(0.7)
	(0.9)	(1.4)
Non-current liabilities: derivative financial instruments		
Forward currency contracts	(0.2)	–
Commodity contracts	–	(0.1)
	(0.2)	(0.1)
Net derivative financial assets	10.8	24.7

Cash flow hedges

Cross currency interest rate swaps

The Company 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 9.

During the year ended 30 September 2024, an amount of £nil (2023: £1.5m loss) has been recognised in the income statement in respect of ineffectiveness.

11. Other current liabilities

	2024 £m	2023 £m
Forward contracts to purchase own shares	16.6	5.6
Professional fees	14.8	–
Share buyback programme	–	2.8
	31.4	8.4

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.

Professional fees

On 8 July 2024, the boards of Britvic and Carlsberg announced that they had reached agreement on the terms of a recommended cash offer by Carlsberg UK Holdings Limited for the entire issued and to be issued share capital of Britvic plc, the terms of which were approved by Britvic's shareholders on 27 August 2024. The Company has incurred significant professional fees over the second half of the year as part of the Board's evaluation and subsequent recommendation of the proposal, of which £16.8m becomes payable upon the successful completion of the transaction. The fair value recognised of £14.8m represents a discount of 12% to the contractual amount payable to reflect the time value of money and the uncertainty inherent in the cash flows as to whether and when the transaction will complete.

Share buyback programme

At 30 September 2023, the Company recognised a financial liability of £2.8m 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 subsequently accounted for at amortised cost. At 30 September 2023, the Company had a contractual right to terminate the programme. Accordingly, the liability recognised was 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 2023.

On 3 June 2024, the Company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The programme was subsequently suspended on 25 June 2024, in light of the commencement of the offer period with respect to Carlsberg Group announced on 21 June 2024. At this point, the Group settled the outstanding liability for shares purchased under the programme. Accordingly, no financial liability was outstanding at 30 September 2024.

12. Share capital and own shares reserve

The movements on these accounts are disclosed in notes 19 and 20 to the consolidated financial statements.

Notes to the Company financial statements continued

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 2024 and 30 September 2023 were comprised as follows:

	2024 £m	2023 £m
Net assets	714.5	687.7
Less:		
– Issued share capital	(49.8)	(50.9)
– Share premium	(157.2)	(157.2)
– Capital redemption reserve	(3.8)	(2.7)
– Merger reserve	(87.3)	(87.3)
– Other non-distributable reserves*	(118.3)	(104.3)
Distributable reserves	298.1	285.3

* 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 the subsidiary is not impaired or disposed of, and net unrealised gains in the Company's hedging reserve related to cash flow hedges.

15. Share-based payments

Details of the Company's share-based payments are included in note 29 to the consolidated financial statements.

16. 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.

17. 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 2024 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.

18. Events after the reporting period

There were no material events after the reporting period requiring disclosure.

Shareholder information

Contacts

Britvic plc

Registered address:

Breakspear Park, Breakspear Way,
Hemel Hempstead, Hertfordshire HP2 4TZ

Telephone:

+44 (0)121 711 1102

Company Secretary enquiries by email:

company.secretariat@britvic.com

Investor relations enquiries by email:

investors@britvic.com

Website:

britvic.com

This report is available to download via the Company's website.

The Britvic Registrar:

Equiniti, Aspect House, Spencer Road,
Lancing, West Sussex BN99 6DA

Shareholder helpline:

+44 (0) 371 384 2550

Shareview dealing:

+44 (0) 345 6037 037

ISA helpline:

+44 (0) 345 070 0720

Employee helpline:

+44 (0) 371 384 2520

For deaf and speech impaired customers, we welcome calls via Relay UK. Please see www.relayuk.bt.com for more information.

Websites:

equiniti.com, shareview.co.uk

ADR Depository Bank and Registrar:

BNY Mellon Shareowner Services,
PO Box 505000, Louisville, KY 40233-5000, US

Direct mailing for overnight packages:

BNY Mellon Shareowner Services,
462 South 4th Street, Suite 1600,
Louisville, KY 40202, US

Investor helpline:

+1-888-BNY-ADRs (US callers, toll free),
+1 201 680 6825 (non-US callers)

Email:

shrrelations@cpushareownerservices.com

Website:

mybnymdr.com

Dividends

2024 dividends*

	Payment date	Amount per share
Interim	5 July 2024	9.5p
Final	n/a	n/a

* Subject to the completion of the Carlsberg takeover, a special dividend will be paid within 14 days of the scheme effective date.

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.

2024/25 financial calendar

Annual General Meeting	31 March 2025*
Interim results announcement	14 May 2025*

* Subject to the Company remaining a public company at the time.

Shareholder 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) 345 6037 037 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) 345 070 0720.

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 2024

Range of holdings	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
1–199	575	24.29%	32,742	0.01%
200–499	264	11.15%	84,025	0.03%
500–999	302	12.76%	208,277	0.08%
1,000–4,999	692	29.23%	1,581,230	0.64%
5,000–9,999	177	7.48%	1,237,955	0.50%
10,000–49,999	133	5.62%	3,066,473	1.23%
50,000–99,999	61	2.58%	4,376,537	1.76%
100,000–499,999	78	3.30%	16,238,467	6.52%
500,000–999,999	34	1.44%	23,731,457	9.53%
1,000,000 plus	51	2.15%	198,349,099	79.69%
	2,367	100%	248,906,262	100%

Category	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
Private individuals	1,813	76.59%	3,469,567	1.39%
Nominee companies	441	18.63%	187,922,178	75.50%
Limited and public limited companies	42	1.77%	48,015,222	19.29%
Other corporate bodies	69	2.93%	9,499,255	3.82%
Pension funds, insurance companies and banks	2	0.08%	40	0.00%
	2,367	100%	248,906,262	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 and therefore may not be comparable to other companies' APMs. 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.

These APMs are used by management to assess the operating performance and financial position of the Group and exclude certain items, referred to as adjusting items, which are not incurred in the ordinary course of business due to their size, frequency and nature.

For the year ended 30 September 2024, these items primarily relate to the reversal of the Ballygowan impairment charge, impairment charge of Norwich land and buildings, Carlsberg acquisition costs, strategic M&A activity and amortisation of acquisition related intangibles.

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 2024 £m	Year ended 30 September 2023 £m
Reversal of impairment of trademarks	(a)	3.6	—
Strategic restructuring – Norwich site	(b)	(8.4)	(0.9)
Strategic restructuring and M&A activity	(c)	(6.7)	(6.7)
Deposit Return Scheme setup costs in Ireland	(d)	(3.0)	(0.5)
Carlsberg acquisition related costs	(e)	(21.3)	—
Pension scheme costs	(f)	—	(20.5)
Acquisition related amortisation	(g)	(11.1)	(8.3)
Total included in operating profit		(46.9)	(36.9)
Unwind of discount on consideration payable for acquisitions	(h)	(1.1)	—
Ineffectiveness on cash flow hedges related to debt	(i)	—	(1.5)
Total included in finance costs		(1.1)	(1.5)
Total adjusting items pre-tax		(48.0)	(38.4)
Tax on adjusting items included in profit before tax		1.6	5.7
Net adjusting items		(46.4)	(32.7)

- Reversal of impairments of £3.6m related to the Ballygowan trademark intangible following growth in sales and the successful launch of Ballygowan's Hint of Fruit range in the flavoured water category. This was originally impaired in 2010, with partial reversals in 2017 and 2018. Following the strong brand performance, the remaining impairment has been reversed.
- Strategic restructuring – Norwich site. Costs in the year total £8.4m (2023: £0.9m) of which £7.7m relates to the impairment of the land and buildings and £0.7m of site running costs.
- Strategic restructuring & M&A activity – £2.0m of the current year costs relate to legal and professional costs of acquiring and integrating GlobalBev Comércio de Bebidas Ltda and £4.7m of organisational transformation costs across the Group. £4.3m of the prior year cost primarily relates to redundancy costs in relation to additional production capacity in Ireland and £2.4m of costs associated with acquiring Jimmy's Iced Coffee Ltd and GlobalBev Comércio de Bebidas Ltda (Extra Power) in 2023, as well as aborted M&A costs.
- Costs for the set-up of the deposit return scheme (DRS) in Ireland.
- Costs incurred and accrued in relation to the Carlsberg acquisition including legal fees, broker fees and retention bonuses.
- Prior year balance relates to pension scheme costs of £20.5m in the prior year comprise past service costs on the GB defined benefit pension scheme resulting from an amendment to the scheme rules related to pension increases.
- 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.
- Unwind of discount on consideration payable in relation to the acquisition of GlobalBev Comércio de Bebidas Ltda (Extra Power).
- Ineffectiveness on cash flow hedges in the prior year relate to hedge ineffectiveness on private placement loan hedging.

Adjusted profit

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Operating profit as reported	204.0	181.5
Add back: adjusting items in operating profit	46.9	36.9
Adjusted EBIT	250.9	218.4
Net finance costs	(30.8)	(24.7)
Add back: adjusting net finance costs	1.1	1.5
Adjusted profit before tax and acquisition related amortisation	221.2	195.2
Acquisition related amortisation	(11.1)	(8.3)
Adjusted profit before tax	210.1	186.9
Taxation	(47.4)	(32.8)
Less: adjusting tax credit	(1.6)	(5.7)
Adjusted tax	(49.0)	(38.5)
Adjusted profit after tax	161.1	148.4
Adjusted effective tax rate	23.3%	20.6%

Non-GAAP reconciliations continued

Adjusting items continued

Adjusted earnings per share

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Adjusted earnings per share		
Profit for the year attributable to equity shareholders (£m)	125.8	124.0
Add: net impact of adjusting items (£m)	46.4	32.7
Adjusted earnings (£m)	172.2	156.7
Weighted average number of ordinary shares in issue for basic earnings per share (m)	247.8	256.9
Adjusted basic earnings per share (pence)	69.5p	61.0p
Adjusted diluted earnings per share		
Adjusted earnings (£m)	172.2	156.7
Effect of dilutive potential ordinary shares – share schemes (m)	2.9	1.9
Weighted average number of ordinary shares in issue for diluted earnings per share (m)	250.7	258.8
Adjusted diluted earnings per share (pence)	68.7p	60.5p
Free cash flow		
	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Net cash flows from operating activities	190.9	238.4
Purchases of property, plant and equipment (net of government grants)	(61.3)	(68.5)
Purchases of intangible assets	(7.3)	(8.1)
Interest paid, net of derivative financial instruments	(25.9)	(21.1)
Repayment of principal portion of lease liabilities	(8.8)	(9.0)
Repayment of interest portion of lease liabilities	(2.1)	(1.9)
Free cash flow	85.5	129.8

Adjusted net debt/EBITDA and EBITDA/net interest ratios

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Operating profit as reported	204.0	181.5
Add back adjusting items in operating profit	46.9	36.9
Adjusted EBIT	250.9	218.4
Depreciation of property, plant and equipment	48.4	44.8
Depreciation of right-of-use assets	10.2	10.1
Amortisation (excluding acquisition related amortisation)	8.0	7.3
Impairment of property, plant and equipment	–	3.8
Loss on disposal of property, plant and equipment and intangible assets	–	3.2
Adjusted EBITDA pre-IFRS 16 rental charges	317.5	287.6
Less: payment of lease liabilities as estimate for pre-IFRS 16 rental charges	(10.9)	(10.9)
Adjusted EBITDA	306.6	276.7
Adjusted net debt	607.1	538.1
Adjusted EBITDA	306.6	276.7
Net debt/EBITDA ratio	1.98x	1.94x
Net interest as reported	(30.8)	(24.7)
Add back hedge ineffectiveness	–	1.5
Add back IFRS 16 interest on lease liabilities	2.1	1.9
Adjusted net interest	(28.7)	(21.3)
EBITDA/net interest ratio	10.7x	13.0x

Non-GAAP reconciliations continued

Adjusting items continued

Adjusted net debt

	Year ended 30 September 2024 £m	Year ended 30 September 2023 £m
Interest-bearing deposits	(11.3)	(10.9)
Cash and cash equivalents	(52.8)	(79.2)
Overdrafts	16.5	48.9
Derivatives hedging balance sheet debt	(9.5)	(22.6)
Interest-bearing loans and borrowings	664.2	601.9
Adjusted net debt	607.1	538.1

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 2024 £m	30 September 2023 £m
Equity	343.1	391.7
Adjusted net debt	607.1	538.1
Total invested capital	950.2	929.8
Adjusted EBIT	250.9	218.4
Less acquisition related amortisation	(11.1)	(8.3)
Adjusted net operating profit before tax	239.8	210.1
Adjusted effective tax rate	23.3%	20.6%
Tax	(55.8)	(43.3)
Adjusted net operating profit after tax	184.0	166.8
Adjusted ROIC	19.4%	17.9%

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.

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.

AER are changes in measures at actual exchange rates.

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.

Carlsberg is Carlsberg UK Holdings Limited.

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.

Company is Britvic plc.

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.

GCB is GlobalBev Comércio de Bebidas Ltda.

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.

Operating profit margin is operating profit as a proportion of revenue, both as reported in the consolidated income statement.

PBTA is Profit Before Taxation and Amortisation.

PepsiCo is PepsiCo, Inc., a company incorporated under the laws of the State of North Carolina with company number 0198463, together with its subsidiaries.

PET is polyethylene terephthalate plastic, a clear, strong, and lightweight material that is widely used for packaging foods and beverages.

PSP is Britvic's Performance Share Plan.

RCF is revolving credit facility.

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.

RTD is ready-to-drink.

RSV is Retail Sales Value.

Scheme Document is the document dated 22 July 2024 addressed to Britvic shareholders in respect of the recommended cash acquisition of Britvic plc by Carlsberg UK Holdings Limited.

Scope 1 carbon emissions are the greenhouse gas emissions that the Company produces from its direct operations.

Scope 2 carbon emissions are the indirect emissions created from the generation of purchased electricity, steam, heating, and cooling consumed by the Company.

Scope 3 carbon emissions are all other indirect emissions that occur in the Company's value chain. These account for the majority of Britvic's carbon emissions.

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.

SKU is a stock keeping unit number which is used to identify and track our products.

STEM is Science, Technology, Engineering, and Mathematics.

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.

Produced by

designportfolio



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