

Britvic plc
("Britvic" or the "Company")
Legal Entity Identifier: 635400L3NVMYD4BVCI53

10 December 2021

2021 ANNUAL REPORT AND 2022 NOTICE OF ANNUAL GENERAL MEETING

Following the release on 24 November 2021 of the Group's Preliminary Results Announcement for the year ended 30 September 2021, and in compliance with Listing Rule 9.6.1, the Company has today submitted the following documents to the Financial Conduct Authority, and they will shortly be available for inspection at the National Storage Mechanism which is located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

- Annual Report and Accounts 2021
- Notice of the Annual General Meeting of the Company, to be held on Thursday 27 January 2022 at 11.00am at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ
- Proxy form for the 2022 AGM

The Annual Report and Accounts 2021 is available to view or download in pdf format from the Company's website at www.britvic.com/annualreport.

A condensed set of Britvic plc financial statements and information on important events that have occurred during the year and their impact on the financial statements were included in the Company's preliminary announcement on 24 November 2021. That information, together with the information set out below in appendices A and B which is extracted from the Annual Report and Accounts 2021, constitute the requirements of DTR 6.3.5 which are to be communicated via a RIS in unedited full text. This announcement is not a substitute for reading the full Annual Report and Financial Statements. Page and note references in the text below refer to page numbers in the Annual Report and Accounts 2021.

The 2022 Notice of Meeting is available to view or download in pdf format from the Company's website at www.britvic.com/agm.

Clare Thomas
Company Secretary

Appendix A Principal risks and uncertainties

The principal risks and uncertainties relating to the Company are set out on pages 64 - 66 of the Britvic Annual Report and Accounts 2021. The following is extracted in full and unedited text from the Britvic Annual Report and Accounts 2021.

The table below sets out our principal risks, a summary description of the risk, the connection with our strategy, 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 below. 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.

Similarly, all business units and functions are responsible for identifying and assessing their risks, both current and emerging, and measuring them against the defined criteria, considering the likelihood of occurrence and the potential impact to the Group. This review includes an assessment of the movement in the risks, the strength of the controls relied upon and the status of the mitigation actions.

Key:

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

Consumer preference: Innovation

Risk score movement from the prior year: No change.

Risk description

Risk that our portfolio over time becomes less relevant to consumers and customers as we fail to adapt to changing needs, environment and as such we lose market share/revenue.

Link to strategic objective: B, F, H, A

Risk owner

Chief Marketing Officer

Change during the year and residual risk

Flavouring billions of water occasions and innovate to scale are key parts of our 2025 strategic plans. Flavouring billions of water occasions is operating as separate entity to help ensure focus purely on innovation.

We have continued to develop and build our innovation pipeline across our markets, from limited edition flavour of Club in Ireland through to the recipe refresh and packaging redesign on Fruit Shoot. This takes Fruit Shoot singles in Great Britain to 100% recycled PET and preservative free.

Impact on the business

If our innovation fails to win and build scale in the marketplace this can weaken existing brands and means we miss out accessing new spaces with both an impact on financials and our reputation with customers and consumers.

Risk mitigation

- Continuous assessment of consumer and customer trends and insights in order to anticipate changes in preferences and adapt our offering accordingly.
- A balanced innovation pipeline in place, supported by a programme governance structure to remove obstacles and prioritise based on available investment/resources.
- Regular performance review and oversight of innovation delivery, identification and agreement of changes to plans in order to drive successful execution.

Health concerns

Risk score movement from the prior year: Decreased

Risk description

There continues to be a focus of media and government scrutiny on health and obesity in all of the markets we operate in, highlighted in the UK by the introduction of regulation over HFSS products.

Link to strategic objective: H, A

Risk owner
Chief Marketing Officer

Change during the year and residual risk

Flavouring billions of water occasions programme to encourage positive hydration habits since 2020, with the Robinsons 'Let there be fruit' and 'Liven up your water' campaigns.

HFSS Programme team is in place to manage the introduction of HFSS regulation in Great Britain, and work with customers to assist their implementation.

The continued development of our portfolio with the acquisition of Plenish, which has healthy nutrition at the core of the award winning business.

Impact on the business

The continued focus on health and obesity results in a decline in the soft drinks category and/or our share of it.

Risk mitigation

— We play an active role in health policy debate with key external stakeholders, policymakers and non-governmental organisations. We maintain 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.

— ESG and Health Strategy has been created and deployed with the 2025 Healthier People, Healthier Planet strategy includes published targets on calories per serving lower than 30, which is monitored and reported on across our markets.

Retailer landscape and customer relationships

Risk score movement from the prior year: No change

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).

Link to strategic objective: B, F, A

Risk owner
Business Unit Managing Directors

Change during the year and residual risk

We have invested in developing and broadening our contact strategy and customer relationships across our markets.

We have continued to partner with our customers and worked openly and collaboratively through the challenges of the past 12 months.

We have extended our credit insurance policy to cover Ireland and our International markets as well as Great Britain.

Impact on the business

This would lead to reduced margin and returns from customers due to market pressures, pricing not keeping up with input inflation, and not keeping up with consumer trends.

Risk mitigation

- We operate across many different customer channels and markets and continuously monitor customer performance and trends.
- We develop joint business plans with customers that include investment and activation plans.
- We have strong and established customer relationship and contact strategy procedures in place.

Supply Chain

Risk score movement from the prior year: Increased

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.

Link to strategic objective: H, A

Risk owner

Business Unit Managing Directors

Change during the year and residual risk

Key projects are underway, including preparations for a new can line at Rugby, national distribution centre development and warehouse management system upgrades to increase resilience.

There is an ongoing senior management focus on identifying and mitigating significant supply issues across our wider supply chain.

Impact on the business

Failure to supply required volumes and deliver acceptable customer service levels, limiting both revenue growth (volume and innovation) as well as increasing the risk of adversely impacting customer relationships.

Risk mitigation

- We have robust supplier strategy, selection, monitoring and management processes and are seeking to diversify our supplier base in key areas.
- Disaster recovery and business continuity plans in place for each of the sites, in order to ensure identification of key risks, assessment of key controls, improvement actions required and preparedness for an event.
- Alignment between supply and demand to deliver targeted customer service, supported by a robust demand and supply forecast.

Sustainability and environment

Risk score movement from the prior year: No change

Risk description

Climate change, water, biodiversity loss, natural resource depletion and environmental pollution all present risks to our ability to source, manufacture and market our drinks.

Link to strategic objective: H, A

Risk owner

Chief Marketing Officer

Change during the year and residual risk

DRS project and governance in place to oversee all aspects of the proposed implementation of DRS in Scotland.

We kicked off work to prepare for TCFD looking at the identification and modelling of the key climate risks and opportunities (and quantification) for Britvic across Energy, Physical, Supply Chain & Reputational.

A number of key brands across our on-the-go range have switched to 100% rPET production this year as part of our plan to move to 100% rPET in Great Britain.

Impact on the business

This may 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.

Risk mitigation

- We have externally certified management systems in place to monitor and reduce the environmental impact of our operations and ensure compliance with environmental legislation.
- Sustainability criteria is embedded throughout the procurement decision making process in order to mitigate risks and identify opportunities to deliver our Healthier Planet objectives across the external Supply Chain.
- For more on Healthier Planet see pages 42 – 56 and our TCFD Disclosure is on pages 51 – 56.

Market risk

Risk score movement from the prior year: New

Risk description

Failure to develop and grow our business across our markets, increasing market share and generating the fuel for growth due to either our ability to execute our plans or external market factors (e.g. competitor activity).

Link to strategic objective: B, F, H, A

Risk owner

Business Unit Managing Directors

Change during the year and residual risk

We have delivered strong performance in the past 12 months, with underlying revenue growth of 6.6% and margin expansion of 40bps.

In Brazil, we have continued to build scale through our core and innovation brands, delivering another year of double-digit revenue growth.

We have leveraged our dispense leadership to offer new experiences and access new occasions with the rollout of London Essence Tonic on Tap and Aqua Libra Co expansion beyond workplace into leisure and retail.

We are investing in our technology and infrastructure to support our growth ambitions. This year we are implementing new commercial systems to enhance our revenue growth management and customer relationship management capability.

Impact on the business

This may lead to adverse impact on our financial position and future growth forecasts as we aren't able to grow and invest in the key drivers to support the delivery of our strategy.

Risk mitigation

- Strategic Planning for Business Units and Group, including both reflection and re-appraisal of market drivers the strategic plan for the period ahead.
- Detailed review and allocation of investment to support the portfolio of activity to drive the delivery of the plan.
- Regular management reviews to govern, monitor and amend plans, bringing together market and competitor insight.

Quality of our products and the health and safety of our people

Risk score movement from the prior year: No change

Risk description

Risk that a faulty or contaminated product, either through malicious contamination, human error or equipment failure, is supplied to the market. Risk associated with the health and safety of our employees, contractors and visitors.

Link to strategic objective: B, H

Risk owner

Business Unit Managing Directors

Change during the year and residual risk

We have maintained our COVID-19 controls flexing for the risk faced at our individual locations across all our markets and we will continue to follow local Government advice as measures alter over time.

A year-on-year reduction of 55% in accident frequency and a lost time injury frequency rate reduction of 34%.

We are driving a food safety culture by maintaining FSSC22000 certification (HACCP and TACCP focused) and maintaining ISO 9001 certification.

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.

Risk mitigation

— Integrated quality, safety and environment (QSE) management system has been rolled out across all territories. This contains all QSE standards and site procedures and also is used as a central reporting tool for QSE performance.

— Monthly zero harm forum, led centrally, for health and safety executive managers to share standards, monitor performance and share best practice.

Legal and Regulatory

Risk score movement from the prior year: No change

Risk description

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

Link to strategic objective: B, H, A

Risk owner

General Counsel

Change during the year and residual risk

We have launched a new Insider Management List tool (EQ Insider) in conjunction with an updated share dealing code for employees.

Anti-bribery and corruption training and awareness has been rolled out including with the Board and Executive team.

We have invested in a legal system to automate approval process, semi-automated contract authoring and support contract management.

Impact on the business

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

Risk mitigation

— In-house legal and compliance functions (now with a dedicated Data Protection Officer in place) responsible for ensuring compliance with all relevant legislation and regulations. They work closely with the rest of the business and external advisers and other key stakeholders regarding current and changes to legislation.

— Horizon scanning process in place supported by two external firms to help the business assess the impact of potential and incoming legislation.

Technology and information security

Risk score movement from the prior year: No change

Risk description

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

Link to strategic objective: B, F, H, A

Risk owner
Chief Financial Officer

Change during the year and residual risk

We have invested in a new phishing tool to support and drive employee awareness of phishing attacks and how to respond appropriately.

External cyber audits have been conducted in Brazil, Great Britain and Ireland, in order to benchmark our controls and drive sustainable improvement in the control environment.

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.

Risk mitigation

- Disaster recovery plans across the Group are tested every year with annual penetration testing also performed.
- Regular system and client security patching is in place including use of vulnerability scanning to identify security weakness via out of date software or missing security patches.
- Quarterly internal phishing campaigns are run and followed up with training and guidance.

Treasury, tax and pension

Risk score movement from the prior year: Decreased

Risk description

Britvic is exposed to a variety of external financial risks relating to treasury, tax and pensions.

Link to strategic objective: B, H, A

Risk owner
Chief Financial Officer

Change during the year and residual risk

In spite of the pandemic, we have continued to operate with significant headroom against our debt covenant, whilst reducing our net debt by around £30m.

The Group sought clarity in financial year 2021 through the Court of Appeal on its ability to determine the rate of pension increase and revaluation of deferred benefits in the Britvic Pension Plan in Great Britain. The Court of Appeal ruled in Britvic's favour, and in exercising this power (where applicable) no deficit funding contributions are payable to the plan up to the next re-evaluation effective March 2022. Refer to note 22 of the financial statements for further detail.

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 Great Britain and Ireland 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.

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 covers 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.

Talent

Risk score movement from the prior year: Increased

Risk description

Without the correct skills and capability and/or the workforce resilience impacts the business' ability to deliver ambitious plans for our long-term strategy and post COVID-19 recovery.

Link to strategic objective: H, A

Risk owner

Chief People Officer

Change during the year and residual risk

Britvic have filled an initial 30 job placements for young people at risk of long-term unemployment as part of the Government's £2 billion Kickstart scheme.

A new employee feedback survey launched in financial year 2021 in order to be more focused and dynamic to the needs of the organisation. Please see pages 36 – 41 for more detail on Healthier People.

A structured education and awareness programmes delivered across Wellbeing and Diversity and Inclusion for the employee population.

Impact on the business

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

Risk mitigation

- Strategic talent review process is in place which planning, mapping and succession, targeting areas for greater risk mitigation, retention planning or talent moves.
- Regular pulse surveys take place across the company to obtain employees feedback on a wide range of topics.
- Talent and succession planning at senior level with talent forums now built into Executive team agenda.

Appendix B

Responsibility statement of the Directors in respect of the Annual Report

The Annual Report and Accounts 2021 contains a responsibility statement in compliance with DTR 4.1.12. This statement is set out on page 120 of the Annual Report and Accounts 2021 and is set out below in full and unedited text. This statement relates solely to the Britvic Annual Report and Accounts

2021 and is not connected to the extracted information set out in this announcement or the Preliminary Announcement.

The Directors confirm that to the best of their knowledge:

— The consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (and IFRSs adopted pursuant to Regulation(EC) No 1606/2002 as it applies in the European Union), give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole

— The annual report, including the strategic 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; and

— The annual report, 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.

On behalf of the Board

Simon Litherland, Chief Executive Officer

Joanne Wilson, Chief Financial Officer