

Britvic PLC

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Britvic secures £400mln credit facility linked to sustainability goals

Britvic PLC (LON:BVIC) has inked one of the first sustainability-linked credit facilities of its kind in the UK, with the new facility allowing it to borrow £400mln over the next five years at a margin pegged to sustainability goals.

The FTSE 250-listed soft drinks producer has vowed to halve its carbon emissions, use recycled plastic for 50% of bottles in the UK and Ireland, and drastically reduce sugar quantity in the global portfolio over the next five years.

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If two or three of these targets are met, the margin of the facility will be cut and proceeds from the change will be donated by the lenders to charity.

If one target is met the margin will remain unchanged, while if Britvic fails to reach any goals the margin will be increased and the company itself will have to donate the difference to charity.

The J20 and Tango owner said the agreement, co-ordinated by Rabobank with seven lenders, is one of the first of this kind in the UK.

"Linking funding to metrics like developing a healthier product portfolio and recycling more plastic packaging is one-way corporates like Britvic can continue to show leadership to make business more responsible and sustainable," said Alastair Cameron, associate director at Rabobank.

Sarah Webster, Sustainability Director at Britvic, said: "We've made progress against our sustainability ambitions, however there's more to do and this is a significant commercial milestone in our journey. By linking financing to our goals, we can ensure that every penny we invest is done so with our sustainability targets in mind."

Bottling up the sustainable pressure

Britvic's commitment comes after Scotland last month announced a plan to introduce a deposit return scheme for plastic, glass and aluminium drink containers which will put pressure on the FTSE 250-listed firm and its peers as it may just be the beginning of policies of this kind.

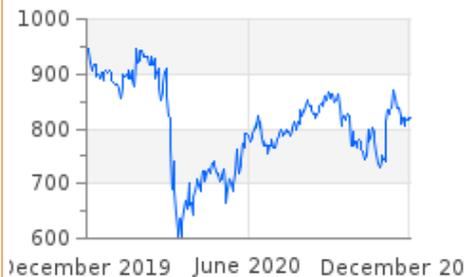
The Scottish scheme, which will see 20p added to the cost of drinks in disposable bottles that customers can then reclaim by returning the containers to shops or specialised reverse vending machine, is being considered by the English authorities as well.

Analysts at Liberum are estimating that the Scottish government could implement the scheme in March 2021, which they predicted could be "painful" for the firm going forward, although more would become clear when the Holyrood government unveils its plans for 'stage 2' of the scheme, expected before March 2020.

Price: 820

Market Cap: £2.19 billion

1 Year Share Price Graph



Share Information

Code: BVIC

Listing: LSE

52 week	High	Low
	959	536

Sector: Food & drink

Website: www.britvic.com

Company Synopsis:

Britvic is a United Kingdom-based manufacturer and distributor of soft drinks. The Company's portfolio of brands includes names, such as 7UP, Ame, Britvic 55, J20, drench, Gatorade, Idris, Pennine Spring, Pepsi, Purdey's, Red Devil, Shandy Bass, Tango and Lime Grove.

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