Hi everyone and welcome to DB Breweries' 2014 sustainability report.

I'm delighted to share with you this inaugural report which formalises the sustainability journey that started many years ago for DB.

In 2014 DB and we celebrated a number successes. These included:

- a Sustainable 60 Award for best in class strategy and governance for building sustainability into our leadership and senior managers objectives;
- and a Total Productive Management (TPM) Award for efficiency and safety in our operational sites.

But it's no secret that we continue to operate in a challenging marketplace – the New Zealand beer market is in gradual long term decline and the regulatory environment continues to tighten.

Last year was no exception; new local alcohol policies and a lowered drink drive limit were felt across the industry with the largest impacts being on our customers. The Ministerial review of alcohol sponsorship and advertising also made a number of recommendations to impose further restrictions on how we market our products.

Now more than ever, it's important that we do business in a way that considers and addresses our social, environmental and economic impacts both today and into the future.

At DB, we take sustainability very seriously. It's both a strategic priority and a business imperative. Through our *Brewing a Better World* sustainability programme, we aim to create shared value for our business, our stakeholders and the planet.

Brewing a Better World focuses on the six areas where we believe we can make the biggest difference**.**

Protecting water resources
We're committed to reducing our water usage, and 2014 saw us continue to make positive progress towards our 2016 goal of 3.39 hl/hl

Reducing CO_2 emissions
Reducing our energy consumption is key to reducing our emissions and carbon footprint. While we saw ongoing reductions in 2014, we need to ensure a continued focus in this area.

Sourcing sustainably
This is about ensuring sustainable procurement practices with a focus on local sourcing. We are committed to encouraging our suppliers to comply with world-class standards through HEINEKEN's Supplier Code Procedures. 2014 showed us that we've still got more work to do in this area.

Advocating responsible consumption
The drinking culture in New Zealand is an ongoing issue. Leading the charge to promote moderate drinking behaviours and drive social change remains a clear priority for DB. 2014 saw us activate a unique sponsorship of the NZ Kiwi's rugby league team with the industry's responsible consumption brand Cheers! alongside a number of ongoing initiatives.

Promoting health and safety
This is about ensuring all our people get home safely every day. Our aim is zero harm, zero accidents, including near misses. In 2014 we were close but this is an ongoing focus

Growing with communities
We're committed to supporting the communities in which we operate. In 2014 we undertook a number of programmes including offering leadership scholarships to the South Auckland community. We also established an internal cross-functional committee to drive more of these types of initiatives.

Our *Brewing a Better World* strategy is special; it focuses on what's important to New Zealand, yet through HEINEKEN allows us to directly contribute to larger global efforts to achieve a better and brighter world.

We believe it's our responsibility to lead the way in each of our six focus areas. To achieve this, we need to work closely with all of our stakeholders and make sure we are focusing on the areas that you too, think are the most important. It's not a responsibility we take lightly but we're committed to the journey. And we're not ashamed to admit that considering our social, environmental and economic impacts is good for our business and yours.

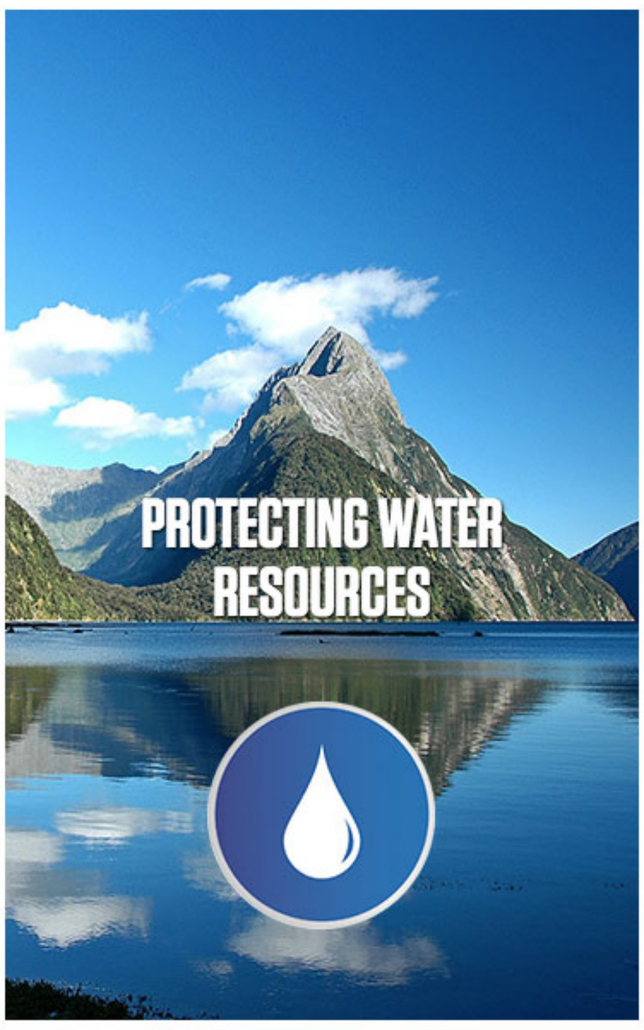
I hope you take the time to read our report. We're really proud not only of the initiatives it showcases but also the challenges it lays down for us to keep working on. We know that we're not perfect and recognise there are clear areas for improvement. Yet we do believe that through this process of reporting on our progress, communicating our vision and seeking ongoing feedback, we can continue to make a real difference and enjoy a sustainable future that we all can be proud of.

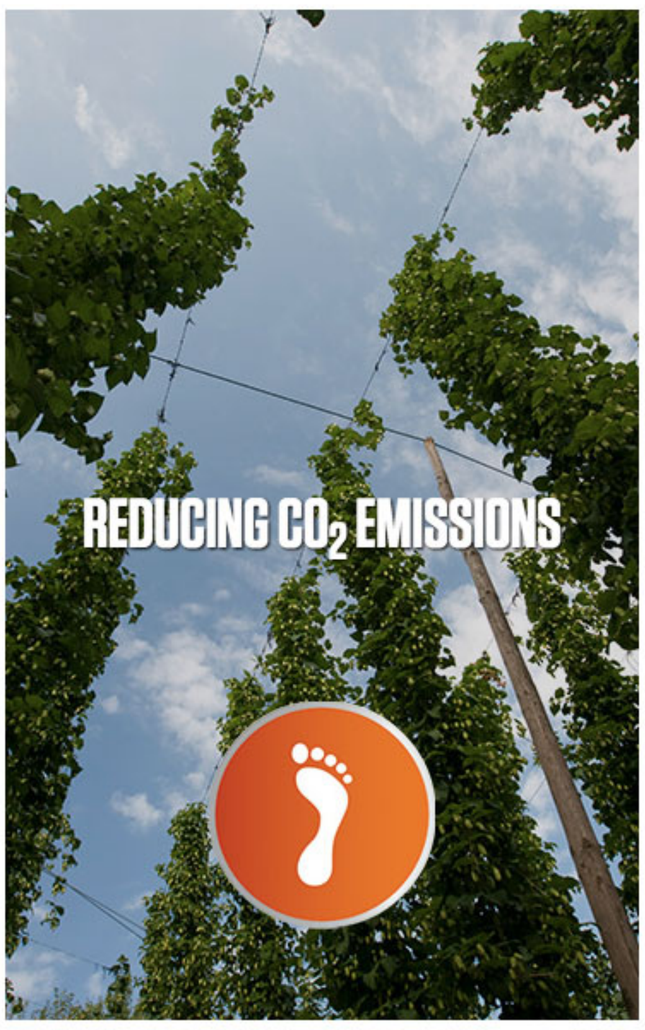
Cheers,

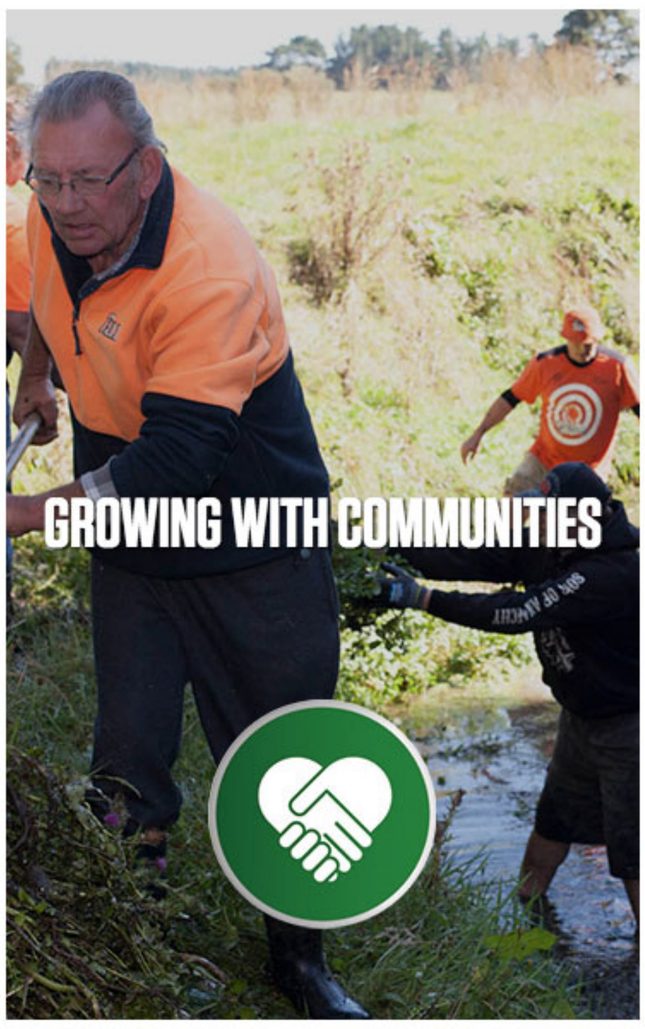
Andy Routley
DB Breweries Managing Director

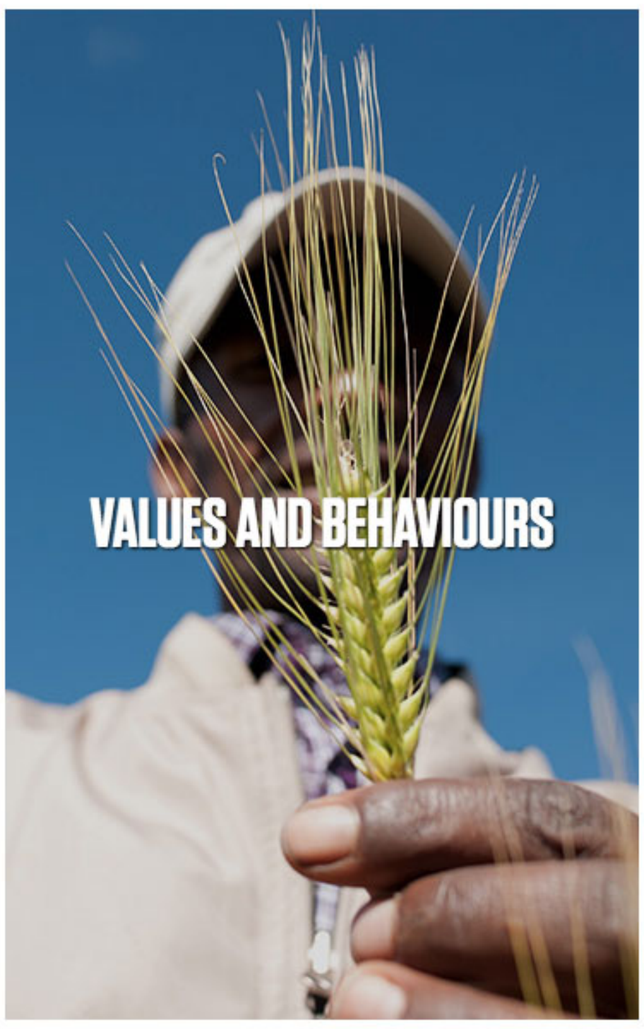
WELCOME TO THE DB BREWERIES 2014 SUSTAINABILITY REPORT

Watch a video message from our Managing Director





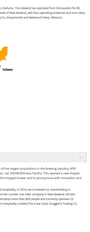




THE BIG PICTURE

ABOUT DB BREWERIES

DB Breweries Limited (DBL) is headquartered in South Auckland, adjacent to its main brewing site on Beerhive Road, East Tamaki. The brewery has operated from this location for 40 years, since its inception by Joseph W. Gordon in 1990. The DBL brewing range includes the well known and much loved Speight's and Gladstone Brands and four operational breweries and one cidery – Waitemata Brewery (Auckland), Tui Brewery (Mangatu), Richard Thomas, Emerson's Brewery (Christchurch) and Redwood Cidery (Nelson).



We are proud to be a New Zealand owned company and our focus is on premium beer, cider and beverages. In 2015, we increased our shareholding in Redwood Cider Company Limited (Redwood Cider) to 75% and in the 2016 financial year, we took over the production, sales and distribution of Gladstone Wine, DB also owns 50% of Barnsley Hospitality Group (Barnsley), a joint venture with Jetty Hospitality Limited. The group employs more than 400 people and currently operates 23 licensed premises in Auckland, Christchurch, Nelson and Queenstown. Operational lines are unique – Liquorhouse Hospitality Limited (The Free Dicks, Stagecoach Tavern Co-Limited (Oliver's Bar) and Neighbors Hospitality Limited (Neighbors).

GROUP STRUCTURE
Joint Venture
Subsidiary
Brewery
Brewery
Brewery

PROTECTING WATER RESOURCES

Why this is important | Our Priorities | Actions and results | Case study

WHY THIS IS IMPORTANT

Water is globally critical to health, urbanisation, energy, food, industry and ecosystems. It is integral to New Zealand's social, environmental and economic well-being. Water is also particularly fundamental to our business. We rely on water throughout our value chain as it: generates more than 75% of energy in New Zealand, is essential to our operational sites, and fills 95% of our finished beer and cider products.

New Zealand is fortunate to have a clean and abundant water supply. Yet, variable precipitation patterns can result in surplus or shortages, which significantly impact people and industries. In coming years, growing water demands and a changing climate will increasingly affect the availability of water for our activities and local communities.

We recognise that sustainable use and protection of water resources today, is critical for the well-being of New Zealand tomorrow. We approach the issue through water stewardship, meaning we manage water in a way that not only considers our business, but also benefits the wider environment and communities. Our parent company, HEINEKEN, is deeply committed to sustainable water use as a signatory of the **United Nations CEO Water Mandate**. As a HEINEKEN Operating Company (OpCo), we have access to world-class water management systems and have ambitious plans to meet our water stewardship **priorities**.

OUR PRIORITIES

DB has three key priorities related to water stewardship:

- Reduce the amount of water used in production
- Reduce the amount of water used in the rest of our supply chain
- Ensure the responsible discharge of brewery effluent

We are committed to reducing our specific water consumption and to keeping local waterways healthy. Our ultimate goal is to safeguard water resources for the future. We recognise the importance of promoting responsible water use throughout our value chain and encourage **suppliers** to drive sustainable water management.

ACTIONS AND RESULTS

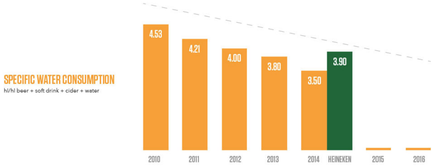
REDUCING WATER CONSUMPTION

DB has a long history of investing in water saving initiatives. Since 2005, we have achieved a 14.4% decrease in water use. We are committed to further reducing our water consumption to 3.39 hectolitres (hl) of water per hl of beer or cider produced by 2016.

HEINEKEN GLOBAL COMMITMENT BY 2020	DB'S OBJECTIVE BY 2016	WHAT DB HAS DONE IN 2014
Reduce the specific water consumption in breweries to 3.5 hl/hl overall	Reduce our specific water consumption in our breweries[1] and cidery to 3.39 hl/hl	*On track* Water consumption decreased to 3.5 hl/hl

[1] Excludes Monteith's Brewing Co. as this is not considered a significant or material operating site for the purposes of this report

From 2013 to 2014, we made significant progress towards our target. We reduced the specific water consumption in our breweries and cidery by 7%, decreasing from 3.8 hl of water per hl of beer or cider to 3.5hl/hl. Our 2014 performance is better than the HEINEKEN Group average of 3.9 hl/hl.



The most significant improvements in 2014 were in Redwood (26.5%), Waitemata (7.4%) and DB Draught (5.8%). The reduction at Waitemata was largely a result of increasing water recycling and minimising water use with the introduction of dry lube in the packaging hall. At DB Draught, specific water consumption improved due to increased water recovery, weekend audits and the installation of a new pasteuriser. Read more about our pasteuriser **here**.

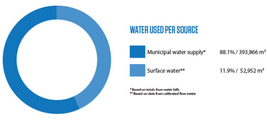
However, specific water consumption at Tui Brewery increased by 10% in the last year. This was due, in part, to shorter production runs which contributed to increased Clean-in-place (CIP), a method of cleaning the interior surfaces of pipes, vessels, process equipment, **filters** and associated fittings, without disassembly. In addition, we moved more returnable bottle (quart) production into Tui Brewery, meaning an increased requirement for bottle washing.

In 2015, we will be reviewing our production schedule at Tui, as well as optimising our planning in order to assist with the site's water saving plan. We will also continue work on a wider programme to reduce the water and energy used during the bottle washing process.

Overall, we are on track and have plans to continue improving our consumption to achieve our ambitious 2016 target.

WATER SOURCES

DB's primary water source is from municipal water supplies (88.1%). Our alternate water source is from surface water (11.9%). DB Breweries does not use groundwater, wastewater from other organisations, or directly collect and store rainwater for usage.



WASTEWATER MANAGEMENT

Responsibly managing effluents is critical to the local ecosystems and communities where we operate. Our Tui Brewery ensures the responsible management of effluent through its efficient wastewater treatment plant.

We take part in watershed protection initiatives and voluntarily comply with set actions for the Manawatu River Leaders' Accord. Our actions contribute to ongoing efforts to progressively improve the water quality and reduce impacts on the surrounding environment and communities.

From 2013 to 2014, while there appears to be an increase in the estimated total organic load to surface water discharged at Tui (3.3 ton COD to 5.4 ton COD), this was as a result of difficulties in attaining truly representative samples due to changes in production mix and patterns. The onsite wastewater treatment plant is highly effective in ensuring the minimal discharge of effluent however, we will work to achieve more consistent data and reporting through more frequent testing in 2015.

Wastewater from our Waitemata and DB Draught sites is treated in municipal waste treatment plants. While this data is tracked and reported at each site, an error in a new version of our HEINEKEN BCS (supply chain) reporting system has meant that 2014 data has not been recorded. As such we are unable to report on this any detail. We will work to ensure this data is captured for reporting and disclosure purposes in 2015.

In addition, in 2015 we will increasingly work with local communities to promote responsible water use, activating our first employee-led water stewardship day for the **United Nations World Water Day**.

CASE STUDY

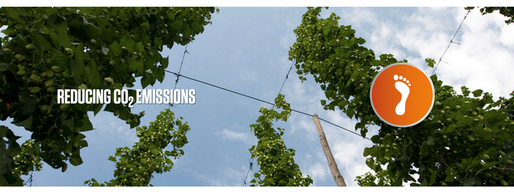
INVESTING IN WATER EFFICIENCY

We are constantly seeking to minimise our water and energy consumption, whilst simultaneously increasing the productivity, efficiency and quality of our beer production. Simply said, we strive to deliver more by using less. To achieve this, we are forward thinking and conscious of using the best technology available to future proof our breweries and cidery.

In 2014, we invested over $3 million to install and commission a new state-of-the-art tunnel pasteuriser in our DB Draught Brewery. The equipment was chosen for its internationally renowned credentials in sustainability, product quality and safety. The pasteuriser is one of two in the HEINEKEN Asia Pacific region.

Its unique heat and water recovery technology has enabled the brewery to achieve significant thermal energy and water savings. The new pasteuriser's annual water saving is equivalent in volume to 8.1 million bottles of Heineken.

	PERCENTAGE IMPROVEMENT	PER HL SAVINGS	ANNUALISED SAVING
Water consumption	45%	0.09 hl/hl	2,700,000 litres
Energy consumption	43%	21 MJ/hl	6,300,000 MJ



REDUCING CO_2 EMISSIONS

Why this is important | Our Priorities | Actions and results | Case Studies

WHY THIS IS IMPORTANT

CO_2 emissions directly contribute to a warming and changing climate. The impacts are complex and are experienced on local, regional and global scales. If CO_2 emissions are not addressed today, these impacts – although not yet fully understood – are likely to cause irreversible damage.

In New Zealand, temperatures are increasing and projections show a more intense and variable climate with more hot extremes, fewer cold extremes, rising sea levels and shifting rainfall patterns. This will have several implications for agriculture, industry and society – possibly affecting the availability and cost of our raw materials and other resources.

Limiting detrimental impacts requires immediate and sustained reductions in CO_2 emissions worldwide. New Zealand is committed to **The Climate Change Response Act 2002**, an Act of Parliament enabling the government to meet its international greenhouse gas emission obligations, under the **United Nations Framework Convention on Climate Change and the Kyoto Protocol**. We recognise the importance of supporting such efforts by voluntarily taking action today. As part of the world's most international brewer, our efforts directly contribute to global HEINEKEN commitments spanning across six continents.

OUR PRIORITIES

DB's key priority is to lower emissions in production.

Energy efficiency is key to **reducing CO_2 emissions in production**. As such, we are committed to reducing our total specific energy consumption in our breweries and cidery.

We work closely with suppliers to reduce our carbon footprint through design and product packaging as well in non-product related areas such as our sales fleet (see **case study**).

Where possible, we aim to minimise our carbon footprint outside of production. We work closely with suppliers to reduce our carbon footprint through design and **product packaging**. We also encourage consumers to help us in reducing our footprint by responsibly **disposing of packaging** after our products have been enjoyed.

ACTIONS AND RESULTS

REDUCING EMISSIONS IN PRODUCTION

Minimising our carbon footprint is a priority for DB and as such, we have reduced our CO_2 emissions per hectolitre by 35% since 2008. By 2016 we are committed to reaching a 44% reduction in CO_2 emissions per hectolitre (from the 2008 baseline).

HEINEKEN GLOBAL COMMITMENT BY 2020	DB'S OBJECTIVE BY 2016	WHAT DB HAS DONE IN 2014
Reduce CO_2 emissions in production by 40%[1] (equivalent to CO_2-eq/hl)	Reduce CO_2 emissions in production by 44%[1] (equivalent to CO_2-eq/hl)	On track CO_2 emissions reduced by 35% since 2008

[1] Excludes Mainstreet's Brewing Co. as this is not considered a significant or material operating site for the purposes of this report.

[2] Baseline 2008

From 2013 to 2014 we made good progress towards this target and while there is still room for improvement, we are confident that by the end of 2016, we will have reduced our CO_2 emissions per hectolitre by a further 9% (from 2008 baseline).

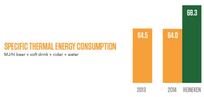
In 2015, we will continue to utilise our TPM (Total Productive Management) teams and activities to further reduce our energy usage and CO_2 emissions as well as investing capital expenditure (CAPEX) where and when required.

TOTAL SPECIFIC ENERGY CONSUMPTION

From 2013 to 2014, our total specific energy consumption decreased by 2% from 103.6 MJ/hl to 102 MJ/hl. This is a direct outcome of lower consumption in thermal energy and electricity (see below). Our consumption is higher than the HEINEKEN Group average of 97.5 MJ/hl

THERMAL ENERGY CONSUMPTION

Reducing our thermal energy use has been a significant focus in reducing our total energy consumption. Since 2005, we have achieved a 41.2% decrease. From 2013 to 2014, our specific thermal energy consumption – excluding logistics and biogas – decreased a further 1% from 64.5 MJ/hl to 64 MJ/hl. Our performance is better than the HEINEKEN Group average of 68.3 MJ/hl.



From 2013 to 2014, our total thermal consumption decreased across all sites. One of the largest improvements was at DB Draught due to the installation of a new, highly efficient, pasteuriser (see **case study**). However, three of our sites experienced a slight increase in specific thermal consumption (MJ/hl) from 2013-2014, including a 1.4% increase at Waitemata, 0.4% increase at DB Draught and 6.1% increase at Tui. Yet, overall we saw an improvement in specific thermal energy consumption as these small increases were offset by including our Redwood Cidery (which doesn't use thermal energy) in the calculation.

We acknowledge that had it not been for the new pasteuriser installed at DB Draught Brewery, these figures would look much less flattering. We have plans in place to continue to reduce thermal energy consumption across all sites in 2015.

SPECIFIC ELECTRICITY CONSUMPTION

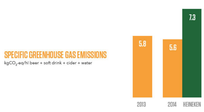
From 2013 to 2014, our specific electricity consumption decreased by 3% from 10.9 kWh/hl to 10.6 kWh/hl. We recognise that there is room for improvement as our electricity consumption is higher than the HEINEKEN Group average of 8.1 kWh/hl. By further reducing our electricity consumption, we will see significant changes in our total energy consumption.

From 2013 to 2014, the largest improvements were at Redwood (6.8%), Waitemata (5.3%) and DB Draught (1.5%). The decrease at Waitemata was largely a result of storage-cellar temperature optimisations, brewing optimisations and more efficient use of packaging lines. At the end of 2014, new LED lights and motion sensors were installed. We anticipate the benefits of these initiatives will show a greater impact in full year 2015. The reduction at DB Draught specific electricity consumption, largely due to new efficient refrigeration compressors, air leak surveys, air compressor optimisation and weekend energy audits. However, our Tui Brewery saw a 0.8% increase in specific electricity consumption. This was due to an increase in returnable bottle (quart) production at Tui Brewery, meaning an increased requirement for bottle washing.

In 2015, we will continue to install more LED lights and motion sensors across our sites. To further reduce our electricity consumption at Waitemata Brewery, the ongoing focus will be on air compressor optimisation, as this is the second largest electricity user on site. At Tui Brewery, we will continue work on a wider programme to reduce the water and energy used during the bottle washing process.

GREENHOUSE GAS EMISSIONS

Overall, DB's specific direct and indirect CO_2 emissions decreased by 3.4% from 5.8 kg of CO_2 equivalent per hectolitre (kgCO2-eq/hl) to 5.6 kgCO2-eq/hl. This is better than the HEINEKEN Group average of 7.3 kg CO2-eq/hl.



REDUCING EMISSIONS FROM PACKAGING

To decrease our carbon footprint outside of production we work closely with suppliers to source recyclable materials. We also strive to address the disposal of our product packaging after consumption. We empower customers and consumers to make informed decisions on responsible product disposal by ensuring that 100% of our packaging includes a mobius loop – the international symbol for recycling – or relevant recycling information e.g. PET. In 2014, we chose to roll out the LOVENZ logo on our packaging, as an additional way of promoting responsible product disposal.

MEMBERSHIP OF PACKAGING FORUM (INCLUDING GLASS PACKAGING FORUM AND PUBLIC PLACE RECYCLING SCHEME)

Through these important memberships, which manage and promote the recycling of glass in New Zealand as well as general public place recycling, we help provide recycling facilities and recycling initiatives across the country. Better known to consumers by the LOVENZ brand, we also work closely with the Packaging Forum to extend the reach of public place recycling by activating the scheme at events such as the Heineken Open live big screen video featuring Sky Sports Dennis Kaisanos **here**). We are also jointly working on adding a new dedicated plastics recycling scheme in 2015.

LOVE NZ
RECYCLE WITH CARE

CASE STUDIES

REDUCING CO_2 EMISSIONS ON THE ROAD

In 2014, we extended our CO_2 reduction efforts by targeting the emissions of our sales car fleet. To achieve significant CO_2 savings as well as efficiency gains, our procurement team compared a range of car models and chose to upgrade the existing fleet with the Mazda CX-5 2.5L GSX. By 2015, a total of 98 new cars will be on the road.

In comparison to the previous car fleet model, the Mazda CX-5 emits 39 grams less CO_2 per kilometre. Based on the average kilometres driven by our sales representatives across the country, the new fleet will save 98 tonnes of CO_2 from being released into the atmosphere annually. This is equivalent to the CO_2 offset by 4,454 trees in the tropics each year.

In addition, the new cars help keep our employees safer on the roads with a greater number of safety features including reversing cameras, blind spot monitoring and whiplash-minimising seats. See the **Health and Safety** section for more information on our safety programme.

REDUCING OUR FOOTPRINT WITH END-OF-LIFE SOLUTIONS

We strive to create responsible end-of-life solutions and achieve circular life cycles for the materials used in our breweries. Approximately 8,500 tonnes of spent grain goes to stock feed annually – enough to feed roughly 2,300 cows a year. In 2014, we also achieved a 95.4% recycling rate for co-products, packaging and industrial (solid) waste, across our four main operating sites.

Our largest site, Waitemata Brewery, spans more than 13.5 hectares. In 2014, the brewery diverted 92% of waste from landfill. Nearly 600 tonnes of glass, cardboard, plastic, paper and aluminium cans were recycled. The site also provided more than two tonnes of e-waste to the local "Computer Recycling" company, whose policy is to save 95% of e-waste from landfill.

SOURCING SUSTAINABLY

Why this is important | Our Priorities | Actions and results | Case Study

WHY THIS IS IMPORTANT

The world population is estimated to reach nine billion people by 2050, with food production likely needing to increase some 70%[1]. To meet growing demands in a sustainable way, productivity will need to increase without compromising the environment or the well-being of people. Although New Zealand has a comparatively small population, agricultural activities still significantly affect the environment, economy and society. For a sustainable future, it is crucial to ensure these activities are not degrading the environment, depleting resources, or negatively affecting our communities.

Sourcing sustainably to DB means mitigating negative impacts and optimising positive impacts on the environment and local communities, whilst maintaining a consistent supply of materials. A large enabler is local sourcing, which allows DB to access high quality materials, support local businesses, and reduce our environmental footprint (see our **case study**). In 2014, 92%[2] of the procurement budget at our most significant[3] locations of operation was spent on local[4] raw materials, packaging, services and freight.

Yet, we recognise that sustainable sourcing predominantly lies with our suppliers. We are committed to encouraging our suppliers to comply with world-class standards through HEINEKEN's Supplier Code Procedures. Based on a number of relevant **International Labour Organisation standards**, the code drives positive impacts on the environment and communities.

[1] United Nations Food and Agriculture Organisation

[2] Based on top 100 suppliers

[3] Waitemata Brewery and DB Draught Brewery (which produce 90% of total volume between them)

[4] New Zealand based organisations

OUR PRIORITIES

DB's priority is to achieve ongoing compliance with the HEINEKEN Supplier Code Procedures.

We are committed to managing a constant dialogue with suppliers on procurement practices. As part of this, we ask our suppliers to respect and adhere to the Supplier Code Procedures. The code outlines how we expect suppliers to act in the areas of integrity and business conduct, human rights and the environment. It urges suppliers to act in environmentally conscious ways and to enhance the well-being of individuals and wider communities.

ACTIONS AND RESULTS

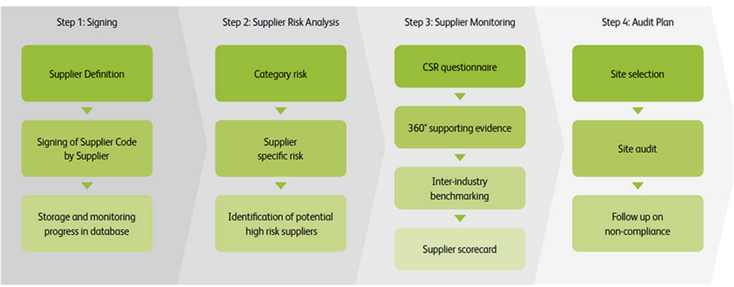
SUPPLIER CODE GOVERNANCE

HEINEKEN Global commitment by 2020	DB's objective by 2016	What DB has done in 2014
Four-step Supplier Code Procedures operational within all OpCos	Complete Step 1 of the Supplier Code Procedures – 95% of suppliers having signed the Supplier Code	*More to do* Rolled out Step 1 of the Supplier Code Procedures starting with key vendors – 3% of suppliers have signed the Supplier Code

In 2013, we conducted a spend analysis to identify our active product-related and non-product related suppliers. These included packaging, raw materials, freight, engineering and service providers.

In 2014, we began communicating Step-1 of the Supplier Code Procedures. By the end of the year, just 3% of our suppliers had signed the code. This was well below our target of 50% signed by 2014, however, we recognise that the implementation of the Supplier Code will take time. To meet our 2016 target, we have established a new process to continue engaging the remaining suppliers on these procedures.

Only one contract was terminated in 2014, and this was with a Singaporean supplier, who was replaced by a New Zealand-based supplier. The commercial relationship was not terminated as a result of the Supplier Code roll out.



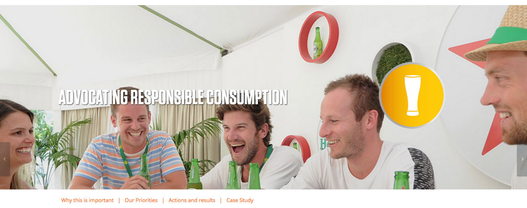
CASE STUDY

LOCAL SUSTAINABLE HOPS SOURCING

The vast majority of the hops used in our beers are grown in the fertile valleys of Nelson, situated at forty-one degrees South. We are proud to source from this distinctive region and from a sustainably conscious supplier – **New Zealand Hops Limited** (NZ Hops).

As the largest hops cooperative nationally, NZ Hops contributes substantially to the hops market. The cooperative also directly contributes to the Nelson economy with seventeen local growers, eight permanent staff and twelve seasonal contractors. The pristine environmental conditions and selective breeding programme, enables growers to focus on unique flavour and aroma attributes. The environment is also virtually free of hop pests allowing for some of the highest quality hops in the world. When pests do appear, NZ Hops work with the Plant and Food Research Institute to introduce a natural predator mite. Natural controls and a disease-free environment, have led growers to go spray-free, a benefit that not many other regions in the world experience.

NZ Hops is continuously looking for ways to further reduce their impacts. Transport is minimised as hops are grown between five and 35 kilometres from the NZ Hops site. As part of ongoing efforts to maintain environmental integrity, sheep are grazed in the hop gardens as natural defoliators. Other sustainable initiatives include fertiliser optimisation, compostable stringing trials, riverbank regeneration and native plantings.



ADVOCATING RESPONSIBLE CONSUMPTION

Why this is important | Our Priorities | Actions and results | Case Study

WHY THIS IS IMPORTANT

Beer and cider has inspired good times for centuries. The majority of adults enjoy these beverages in moderation as part of their normal healthy lifestyle. However, there are still a decreasing number of individuals who consume too much alcohol, putting themselves and those around them at risk. This is a serious issue facing New Zealand society, the wider industry and our business.

Our aim is to make moderation aspirational. It is commonly perceived that, as an alcohol producer, we wish all consumers would drink more alcohol. Contrary to this belief, we want to inform consumers about the dangers of alcohol misuse. We want to inspire safe and sociable environments. We aim to communicate this to consumers through our products and brands. By increasing innovation in low alcohol by volume (ABV) products (see **case study**), we strive to empower consumers to make smarter choices. Furthermore, we are committed to responsible communication and activate brand activities that encourage moderating drinking behaviours, for example through food and beverage matching.

Taking action on our own is not sufficient. A multi-stakeholder approach is essential to addressing the complexities surrounding alcohol-related harm. We are committed to actively seeking powerful partnerships that can drive cultural and behavioural change. Likewise, we continue to leverage industry platforms, such as *Cheers!* (see **case study**). We are confident that growing efforts will drive real and meaningful change, as consumers increasingly seek to stay in control of their actions and experiences.

We are also aware that creating cultural change around how we drink alcohol needs to start from within our organisation. For this reason all of our sites took part in 'Enjoy Responsibly Day' on 4 September 2014. On this day, staff from around the country talked about the need to drink in moderation and why they feel it is important to drink in moderation. We took the chance to provide information about the then upcoming changes to the drink-drive limit as well as information provided by *Cheers!* around knowing what a standard drink is and how your body processes alcohol.

DB employees featured in a video created by HEINEKEN that showcased HEINEKEN employees across the world discussing drinking responsibly. We also produced a DB-only video that was hosted on our intranet for all employees to view.

In 2015 we will build on this again as Enjoy Responsibly Day looks to grow even bigger with other global brewers getting involved. It is wonderful to see these initiatives activated globally, but our primary driver is ensuring our own people walk the talk.

OUR PRIORITIES

DB's key priorities around responsible consumption are to:

- Build partnerships
- Advocate responsible consumption through our brands
- Take action at industry level
- Innovation in low ABV

We are committed to creating meaningful and measureable partnerships that advocate responsible consumption (see **case study**). Through our trusted brands, we aim to make moderation aspirational for consumers. We ensure that commercial **communications** are activated responsibly. By keeping consumers informed through **product labelling** we support smarter decision-making. Additionally, as a founding partner of the **Tomorrow Project**, we drive behavioural change initiatives and awareness campaigns at an **industry level**.

ACTIONS AND RESULTS

BUILDING PARTNERSHIPS

HEINEKEN's global commitment by 2020	DB's annual objective	What DB has done in 2014
Every market in scope has a partnership to address alcohol related harm. All partnerships meet HEINEKEN's seven-point criteria	Activate a partnership to address alcohol related harm	*On track* Met HEINEKEN'S seven-point criteria in partnership with New Zealand Rugby League (NZRL) using *Cheers!*

To create a meaningful and powerful partnership, we went beyond our objectives to meet all seven of HEINEKEN's partnership criteria in 2014. Our partnership with the NZRL, using the industry-owned responsible consumption brand *Cheers!*, met the following criteria:

1. Addressed a relevant issue
2. Activated with a credible and effective partner
3. Provided more than funding
4. Agreed and documented objectives, actions, measures and targets
5. Conducted a sound evaluation on delivery, improvements and impact
6. Set a measurement process to evidence value
7. Communicated outcomes to stakeholders

For more information on the partnership and how it meets the above criteria see our **case study**.

ADVOCATING THROUGH OUR BRANDS

Responsible marketing communications

We strive to ensure that all marketing communications are conducted in a responsible way. We recognise that these communications are pivotal in preventing misuse of our products and in advocating responsible consumption.

We conform to HEINEKEN Rules (Heirloites) and have implemented the **Rules on Responsible Commercial Communication (RCC Code)** since 2013. The RCC code guides our marketing and selling strategies to ensure that we do not, actively or unintentionally, give the impression that excessive consumption or misuse of alcohol is acceptable.

Our communications do not include messaging that suggests alcohol consumption leads to sexual or social success. Likewise, we do not create communications that encourage or give the impression that hazardous, violent or harmful behaviours are acceptable. When undertaking sponsorships, we ensure that at least 75% of the audience is over 18 to mitigate the risk of engaging individuals who are not of legal purchase age.

We comply with all applicable marketing communication laws, regulations and voluntary codes. In the past year, DB experienced a substantial reduction in allegations of non-compliance with such laws, regulations and codes compared to 2013. In 2013, 28 complaints were made to the Advertising Standards Authority regarding marketing materials produced by or on behalf of DB. Two of those complaints were referred to the Advertising Standards Complaints Board, the other complaints had no grounds to proceed. Neither referred complaint was upheld and no complaints resulted in warnings, fines or penalties. In 2014, two complaints were made to the Advertising Standards Authority. One was referred to the Advertising Standards Complaints Board which did not uphold the complaint; DB voluntarily withdrew the billboard which was the subject of the other complaint. Neither complaint resulted in a warning, fine or penalty for non-compliance.

Product labelling

Packaging offers us an opportunity to communicate directly with our consumers at the point of consumption. As such, we leverage this platform to mitigate product misuse. Our aim is to empower consumers to make informed decisions by providing key information on our packaging.

We comply with New Zealand legislation and enable consumers to make responsible decisions by disclosing the alcohol content in each of our products. All local products include a standard drink equivalent on the label. To inform consumers of the importance of responsible consumption, we voluntarily include responsible consumption messaging on 100% of packaging. For international brands, we use various international platforms such as **Enjoy Responsibly**, **Drink Aware** and **DrinkSavvy**. All of our domestic brands include the industry-wide responsible consumption brand *Cheers!* (previously drinkresponsibly.co.nz).

We also voluntarily include a pregnancy advisory logo, which advises not to consume alcohol during pregnancy. Introduced in 2013, this logo was adopted a year before it became a global HEINEKEN requirement. By the end of 2014, 100% of ciders, 80% of beers and 60% of RTDs included the logo. We aim to achieve full implementation on all products during 2015. We also voluntarily began rolling out the don't-drink-and-drive logo in November 2014. By the end of 2015, we aim for 100% of our primary packaging to include this logo.

ACTION AT INDUSTRY LEVEL

As an integral member of the Brewers Association, we are a founding partner of the **Tomorrow Project** – a social change initiative led by beer, wine and spirit producers in New Zealand. Through the consumer-facing brand, *Cheers!*, the project supports New Zealanders in making informed choices. It educates consumers on the drivers and effects of harmful drinking behaviours and the importance of staying safe and sociable.

We also participate in regular consultation between industry and government departments to ensure that responsible consumption is top of the agenda. In 2014, we aligned with the Health Promotion Agency (HPA) **'Not Beerview'** alcohol moderation campaign, installing 'Not Beerview' – or water – taps in selected bars, alongside normal beer taps. This gave consumers the option to order a 'Not Beersie' at the point of purchase, putting a light-hearted spin on the importance of moderating alcohol intake with water.

Our parent company, HEINEKEN, has also partnered with 12 other global beer, wine and spirits producers, committing to action in **five key areas**: underage drinking, marketing codes of practices, consumer information and product innovation, drink-driving and retailer support. All commitments are aligned with the **World Health Organisation's Global Strategy to Reduce the Harmful Use of Alcohol.**

INNOVATION IN LOW ABV

We believe that growing the low alcohol category – spanning from no alcohol (0.0% ABV) right through to 3.0% ABV (which stretches wider than what the industry has historically defined as low ABV) – represents a significant opportunity to drive social change and foster a moderate drinking culture in New Zealand.

In November 2013 we launched DB Export Citrus, the first low alcohol (2.0% ABV) flavoured beer in the New Zealand market. A HEINEKEN concept which was adapted for the local consumer palate, DB Export Citrus blends natural citrus juices with DB Export beer to create what is today, the number one selling low alcohol brand in supermarkets.

In its first year on shelves, consumers bought more than five million bottles – almost doubling our initial forecasts. The brew was also recognised as 'Best in Class' winning a Grand Gold at the 2014 Monde Selection Awards.

Innovation is part of DB's history and heritage. We take pride in listening to our customers and consumers. In doing so, we recognise the increasing need for low alcohol alternatives. While we have been producing low alcohol beers since the mid-1980s, with the trend towards health and well-being, the need to drive social change around responsible consumption and ongoing changes to legislation, providing innovative low alcohol alternatives is now more important than ever. Our vision is to empower consumers to make responsible choices and having a portfolio of low alcohol alternatives is at the heart of this.

In 2014, we saw the introduction of single area sales in supermarkets, new Local Alcohol Policies and a reduced drink drive limit. Innovation in the low alcohol category is also a key tool for supporting our customers, especially those in the on-premise trade, to maintain their businesses while further disseminating the message around responsibility and moderation.

As such, 2014 saw us achieve the highest innovation rate across the HEINEKEN Asia Pacific region after investing heavily in the research, development and marketing of low ABV products. By September, we held 74% of the overall low ABV market share in New Zealand. In October, we launched DB Export Citrus Grapefruit (2.0% ABV) and, the first beer alcohol cider in New Zealand, Monteith's Lightly Crushed Apple Cider (2.0% ABV).

Ongoing investment and innovation in the low alcohol category is our commitment in 2015. We intend to launch a mainstream 3.0% ABV product in the first half of the year, followed by the market's first mainstream 0.0% beer. While the latter presents some challenges in terms of ranging due to anomalies under the Sale and Supply of Alcohol Act 2012, we will continue work with Government and our customers to ensure this alcohol free beer has the intended impact on driving moderation and empowering consumers to make responsible choices.

CASE STUDY

DRIVING SMARTER CHOICES IN PARTNERSHIP WITH NEW ZEALAND RUGBY LEAGUE

Our vision is to be a responsible brewer, driving social change to address responsible consumption and promote moderation. In October 2014, we led by example, by undertaking an unprecedented commercial sponsorship of New Zealand Rugby League (NZRL) and the Kiwis during the 2014 Four Nations tournament. The partnership was a unique opportunity to promote and encourage healthier drinking habits – an issue relevant to both league, and the wider sporting community. We aligned with the NZRL and created measurable objectives to activate a powerful sponsorship with a difference.

Rather than sponsoring the Kiwis with one of our alcohol brands as has been done in the past, we used the industry-wide responsible consumption brand *Cheers!*. As a founding partner of *Cheers!*, we felt that utilising this national, industry-owned platform would show leadership and further the responsible consumption agenda. The *Cheers!* brand appeared on players' jerseys and featured in communications throughout the Kiwi's Four Nations campaign. Kiwis captain, Simon Mannering, also delivered a **video** message around engaging in consumption behaviour that allowed fans to "look after their mates and see all 80 minutes of the game". This was played on the big screen at each game.

The sponsorship was also kicked off with a strong statement of intent; only our lower alcohol range of beers and ciders (DB Export Citrus Grapefruit, Monteith's Lightly Crushed Cider and Amber Light) were available for public purchase at the first game against Samoa. To further raise awareness we supported the sponsorship with a joint social media campaign including the **Legendary Mates** activation on Facebook.

The partnership became a positive vehicle for engaging stakeholders – from consumers to industry and government – on the importance of changing conversations and behaviours around alcohol consumption in New Zealand. It was also a finalist in the commercial partnerships category at the 2014 NZ Sport and Recreation Awards.

Objectives	Outcomes
Increase awareness for the *Cheers!* brand and initiatives	• First high-profile sporting sponsorship in New Zealand to utilise *Cheers!* • Number of sessions and users visiting the *Cheers!* website increased 41% during the key sponsorship period.
Increase awareness for the need to consume alcohol responsibly, including within the Rugby League community	• 84% of users during this period were new visitors to the website. • Average duration of visits to the *Cheers!* website increased 27%.
Increase awareness for DB's low alcohol portfolio	• No complaints from patrons about the lower alcohol only offerings at Whangarei.
Demonstrate that both DB and NZRL are actively addressing alcohol related harm, including in relation to the Rugby League community	• Evictions and arrests were minimised and reported as 'significantly less' than would be expected at the same venues with similar events. • 'Legendary Mates' received 1,388 likes and is estimated to have been seen by 24,000 people.

Top Left: NZRL CEO Phil Holden and DB Managing director Andy Beasley at a press conference at the New Zealand Rugby League Headquarters to announce DB Breweries sponsorship and new playing jersey ahead of the upcoming Four Nations. Auckland, New Zealand. Friday 17 October 2014. Photo: Andrew Cornaga / www.Photosport.co.nz

Top Right: Issac Luke of New Zealand is tackled by Frank-Pritchard and Pio Godinet of Samoa. Round two of Four Nations Rugby League test match, Kiwis v Samoa at Toll Stadium, Whangarei, New Zealand. Saturday 1 November 2014. Photo: Anthony Au-Yeung / photosport.co.nz

Bottom Left: Keiran Foran during the New Zealand Kiwis v England match. Four Nations Rugby League. Dunedin, New Zealand. Saturday 8 November 2014. Photo: Andrew Cornaga / www.Photosport.co.nz

Bottom Right: Sponsors signage. Round two of Four Nations Rugby League test match, Kiwis v Samoa at Toll Stadium, Whangarei, New Zealand. Saturday 1 November 2014. Photo: Anthony Au-Yeung / photosport.co.nz

PROMOTING HEALTH AND SAFETY

Why this is important | Our Priorities | Actions and results | Case studies

WHY THIS IS IMPORTANT

New Zealand has one of the worst occupational health and safety records amongst OECD countries, with an average 100 work-related fatalities annually. Organisations that do not operate to high health and safety standards run elevated risks of affecting the physical and psychological well-being of individuals and wider communities. The World Health Organisation (WHO) highlights that organisations prioritising health and safety, see improved employee morale, well-being and job satisfaction with reduced stress, injuries and absenteeism. In turn, workplaces experience increased productivity and profit.

Keeping our employees and the people we work with safe is of utmost importance to DB. We are committed to fostering a winning heath and safety culture across the entire business. Our vision is simply zero accidents, zero harm. Whether employees are in our operational sites or on the roads, we want *'Everyone home safe every day'*. We systematically mitigate risks and use comprehensive reporting systems to address areas of improvement and to monitor progress.

We also recognise the importance of extending our health and safety knowledge throughout our value chain. As such, suppliers are encouraged to adhere to high standards through the **HEINEKEN Supplier Code**.

OUR PRIORITIES

DB's ultimate health and safety priority is zero accidents, zero harm.

Safety has always been integral to DB. We believe every accident is one too many. We are proactive and consistently take preventive actions to mitigate any health and safety risks in our production sites. Yet, in recent times, we have identified that most work-related accidents happen outside production when individuals travel or distribute our products. Our aim is to better control these environments by promoting awareness through our *'Everyone home safe every day'* campaign.

ACTIONS AND RESULTS

EMBEDDING SAFETY

Upon employment, every employee is required to attend a health and safety induction session. Safety has also long been a measurable Key Result Area (KRA), included in every DB employee's performance appraisal. As of late 2014, performance is appraised on short-term incentive (STI) objectives and behaviours, one of which is 'Safety first'. In 2014, our employees were also encouraged to further their knowledge through e-learning modules. We introduced three e-learning modules including road traffic safety, slips trips and falls, and my safety for operators and managers.

To further motivate employees, senior management set improvement targets at all production sites. Additionally, every production site has a dedicated health and safety committee who drive the programme at all levels. The health and safety improvement team at our largest site, Waitemata Brewery, is cross functional and includes supply chain, sales, marketing and supporting teams. Drinkworks and Barworks also have a health and safety committee each.

Additionally, in 2014 we continued to raise awareness for health and safety across our business through the *'Everyone home safe every day'* campaign. The campaign encourages our employees to consider options, to plan carefully and to have the right mindset whilst driving.

In 2015, we will extend our Health and Safety programme with a range of new targets and projects across Supply Chain, Sales, Marketing, Finance, Human Resources, Barworks and Drinkworks. We aim to introduce quarterly business-wide safety committee meetings, which include sales offices (which are not part of a production site) where employees are often on the road. In an effort to better benchmark our progress, we will also be working towards and benchmarking our performance against the following HEINEKEN Global targets.

HEINEKEN Global safety targets starting in 2015

AREA	INDICATOR	2015 TARGET (BASELINE 2014)
Production	Accident frequency	10% reduction
Outside production	Percentage of sites reporting at least one near-miss per quarter	90% of OpCos at 75% of sites
Company-wide	E-learning training	90% of OpCos to have trained 90% of employees
Sales	Road safety training with Alert Driving	2,000 sales managers trained

Reporting systems

We are proactive in ensuring safety because we believe that all workplace harm is preventable. In order to identify trends and causes, we use comprehensive web-based reporting systems. Accessed and updated by employees, contractors and our subsidiaries, we track health and safety metrics such as accidents, incidents and near-misses. In 2014, HEINEKEN rolled out the Accident Reporting and Investigation Software System (ARISO). Going forward, we will enter our data into ARISO to benchmark our progress across the HEINEKEN Group.

Our systems are audited to **AS/NZ4801** standard and we are accredited to the highest level (tertiary) by the Accident Compensation Corporation (ACC) Workplace Safety Management Practices.

Safety performance

PARAMETERS (ABSOLUTE VALUES)	UNIT	2013	2014
Fatalities of company personnel	Cases	0	0
Fatalities of contractor personnel	Cases	0	0
Fatalities of company personnel in commuting	Cases	0	0
Accidents of company personnel	Cases	2	3
Accidents of contractor personnel	Cases	0	1
Lost days[1] of company personnel	Days	1	11
Workforce[2] (full-time equivalents)	FTEs	948.2	955
PERFORMANCE INDICATORS (AVERAGE VALUES)			
Accident frequency	Cases/100 FTE	0.21	0.31
Accident severity	Days/100 FTE	0.11	1.15

[1] Calendar days where 'medical leave' has been taken

[2] Includes all sales and operational sites, Drinkworks and Barworks

Fortunately, there have been no fatalities in DB's history. However, in 2014 the accident frequency and severity was higher than in 2013. Three employees, one male and two females, were involved in accidents. The two accidents which occurred within production were caused when opening a door and due to misuse of machinery. The third was outside of production and was a result of tripping. In 2014, one contractor had an accident outside the brewery. No cases of occupational disease were reported in 2014. Nonetheless, we made substantial improvements in mitigating safety risks in 2014, which largely contributed to the achievement of a HEINEKEN Total Productive Management (TPM) Bronze award.

EMBEDDING HEALTH AND WELL-BEING

We foster employee health and wellbeing with safe working environments, flexible working hours, stress management and health programmes (see 'DB Draught gets active' **case study**). We provide free annual health check-ups and flu vaccinations for all employees, as well as hearing and vision testing for operators. In 2015, our wellness programme will be extended with a variety of wellness activities. By the end of the year, we hope that each employee will take part in three wellness activities per year.

CASE STUDIES

DB DRAUGHT GETS ACTIVE

In 2014, DB Draught Brewery kicked off the third year of a successful wellbeing programme aligned with **WorkWell**. The Public Health Service initiative supports workplaces in developing effective and sustainable employee health and wellbeing programmes. The programme is tailored to a relatively mature workforce and focuses on five critical areas: mental health, physical activity, healthy eating, smokefree and sunsmart.

This year, over 40 activities were offered to employees including:

- "Bike to Work" day
- Men's Health Week
- Mindfulness workshop
- Guest nutritionist
- 12 hour mountain bike challenge
- Inter-departmental challenge – each department presents their best team of six to compete in an array of physical and mental agility challenges
- Sea2Sea Challenge – a six week fitness programme where employees exercise 30 minutes daily, with the aim of covering the equivalent of 240km in distance, equivalent to the distance between the Tasman Sea and Pacific Ocean

Since the integration of the programme, our employees have felt increasingly empowered to adopt healthier lifestyles – many experiencing an increased sense of wellbeing. As a result, the brewery enjoys higher engagement and job satisfaction at all levels.

CO_2 DETECTION ROLLOUT TO BARWORKS

In 2014, we worked with a number of our Barworks venues to apply HEINEKEN knowledge of CO_2 safety. In hospitality, CO_2 can accumulate in beers systems. In the event of a leak, entering a confined space with high CO_2 levels is hazardous to an individual's health and safety.

To mitigate such risks, fourteen Barworks venues received a site audit. Following the DB auditor's recommendations, we worked with each venue to take the precautionary measure of installing a CO_2 detection device. Bar managers received training on device activation and utilisation, extending this knowledge to their staff through induction programmes. We also shared this knowledge with safety managers from other beverage suppliers, to ensure everyone accessing these sites stays safe. The devices installed are robust, user-friendly and easily accessible, enabling stakeholders to clearly identify if the area should not be accessed.

Why this is important | Our Priorities | Actions and results | Case studies

WHY THIS IS IMPORTANT

A sustainable company is one that considers its impacts on communities and recognises the benefits of thriving with them. Businesses that support the development of communities, not only retain their social license to operate, but also enjoy multiple other benefits. The more our communities are educated, prosperous, safe and healthy, the greater the well-being of society, the economy and our business.

Our breweries and cidery are historically iconic to their local communities across New Zealand. Many of our employees and their families also form part of these communities. Yet, our interdependence with communities extends much further than this, as they are intrinsically linked to all our focus areas. As such, they are considered throughout our value chain – **from barley to bar.**

Our aim is to create positive impacts that extend further than philanthropy. We strive to create long-term shared value with communities through direct contributions, such as partnerships and in-kind donations, as well as indirect contributions to the economy. Helping communities prosper will support and grow our business in the long-term.

OUR PRIORITIES

To grow with our communities DB prioritises:

- Projects that support 'inclusive growth' and/or link with the focus areas of Brewing a Better World
- Focus on long-term community investments in multi-stakeholder partnerships

We aim to support communities where we live, work and sell our products. We also try to involve a range of local stakeholders where possible, to ensure the relevance and sustainability of the projects. All five of our operational sites take part in local community engagement initiatives.

ACTIONS AND RESULTS

DIRECT CONTRIBUTIONS

Every year, DB invests in responsible consumption partnerships, educational programmes, charitable causes and other in-kind donations. Outside of financial donations we contribute our time, skills and knowledge.

In 2014, we launched several new partnerships, with New Zealand Rugby League (see **case study**), New Zealand Leadership Institute (see **case study**) and **Big Buddy**. The latter is a passionate organisation committed to brightening the future of young fatherless boys. We believe in building positive and responsible societies from a young age. To demonstrate support, our IS team assisted in the redesign of the Big Buddy database. We also provided beer and cider for the Big Buddy Foundation launch event and staff Christmas functions. In October, we invited CEO, Richard Aaton, to share inspiring stories with our Waitemata staff. In coming years, our ambition is to continue supporting the organisation by using our networks to raise awareness and involvement for the cause.

Corporate social investment 2014

***Cheers!* partnership:** Includes investments on water warriors and other responsible consumption initiatives
New Zealand Rugby League partnership with *Cheers!*: See **case study**
Big Buddy charity partnership
Auckland University Morton Coutts Award: Supports students undertaking scientific research broadly related to the brewing or processing of beer. In recognition of Morton William Coutts, a DB legend and born inventor, who revolutionised the science of brewing beer.
New Zealand Leadership Institute Leading Light scholarships: See **case study**
DB Draught on-premise charity promotion
Grocery Charity Ball Trust Fundraising ball to support annual summer camps that aim to help New Zealand children and families overcome the challenges of living with cancer.
Black Dog "Going to the Dogs" Brewed a Blonde Ale named "Going to the Dogs" where all proceeds went to the Wellington SPCA.
TOTAL = $250,000+

Barworks also makes substantial contributions to local communities through fundraising, charity events, sponsorships, local school support and other initiatives. For example, every six months Barworks chefs and waiters go to the Starship Children's Hospital in Auckland to cook parents of sick children a three-course meal.

Good Sorts Committee

In 2014, we created the Good Sorts Committee – a forum where employees volunteer to further our sustainability strategy by driving and inspiring employee-led initiatives. Amongst other projects, the committee will drive a community development programme aimed at better understanding the needs of our local communities and creating shared-value projects.

The majority of members come from our Waitemata Brewery, Tui Brewery and DB Draught Brewery. In 2015, we aim to draw more interest to the committee to ensure that all five sites are adequately represented. This will enable us to develop and execute stronger initiatives within our communities.

The Good Sorts plan to roll out several community development projects in 2015. The first will promote responsible water use, where DB employees will partner with local volunteer groups and councils to activate waterway clean ups to align with the **United Nations World Water Day**. The initiative will highlight the importance of water resources to our business and local communities.

INDIRECT CONTRIBUTIONS

Our largest contribution to communities is through job creation, tax payment and local sourcing. In 2014, DB spent over $80 million on New Zealand supplies. We directly employed more than 500 people in our operational sites and sales offices, supported more than 800 jobs in hospitality and thousands more indirectly throughout our value chain.

As part of the Brewers Association, we conducted an industry-wide economic contribution analysis in 2013. New Zealand's beer economy was found to contribute $400 million to family incomes. Between 2012 and 2013, the industry paid $329 million on excise tax and the Health Promotion Agency levy. As the second largest beer and cider company in New Zealand we contribute significantly to this. The study will be reviewed in 2015.

Other indirect contributions are our improvements in social and environmental conditions as we continue to work towards our targets and commitments set through the Brewing a Better World strategy.

CASE STUDIES

EMPOWERING OUT SOUTH AUCKLAND COMMUNITY IN LEADERSHIP

Corporate social responsibility is about growing with communities. For 85 years, our Waitemata Brewery has grown alongside the South Auckland community. In May 2014, we delivered a new long-term commitment to our local community.

In partnership with the New Zealand Leadership Institute (NZLI) we presented leaders in the South Auckland community with the opportunity to enhance their leadership capabilities. Since its establishment, DB has been renowned for its innovation, from inventions such as continuous fermentation to our unique range of products. As such, we made a significant financial contribution to incentivise and encourage promising leaders to further their skills through scholarships focused on innovative leadership.

Ten middle and senior level leaders, from South Auckland business and not-for-profit organisations, were offered a *DB Leading Light Scholarship* to attend the highly regarded Leadership Mindset Programme. The scholarships were administered by NZLI at the University of Auckland Business School. To congratulate the winners, participants were invited to a launch function at our Waitemata Brewery, where they delivered inspiring speeches on their goals and visions.

RECYCLING WITH LOVENZ AT HEINEKEN OPEN

We are committed to addressing our impact on local communities and the environment. In 2014, as proud title sponsor of the Heineken Open, we aimed to minimise the impact of our largest premium sponsorship and encouraged over 30,000 spectators to help us activate an environmentally conscious event.

In collaboration with Tennis Auckland, the Glass Packaging Forum and LOVENZ, we placed bottle banks and recycling bins around the stadium. To raise awareness and inspire the large crowd to use the allocated bins, we screened awareness videos between matches (attach link to video).

We were proud to see our efforts successful in inspiring spectators to take action. The combined effort resulted in a 57% recycling rate across both tennis tournaments; 10% higher than any previous LOVENZ affiliated event.

RECYCLED MATERIAL	TONNAGE
Rubbish	14.5
Glass bottles	7.9
Cardboard	3.8

Going forward, our target is to build on these figures and to increase the level of recycling at our sponsorship events by continuing to partner with LOVENZ and the Packaging Forum.

GRI CONTENT INDEX

General standards disclosures | Disclosures of management approach | Specific standard disclosures

GENERAL STANDARD DISCLOSURES

PROFILE DISCLOSURE	DESCRIPTION	CROSS-REFERENCE/ DIRECT ANSWER
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	**The big picture > Message from DB Managing Director**
G4-3	Name of the organisation	**The big picture > About DB Breweries**
G4-4	Primary brands, products and/or services	**The big picture > About DB Breweries**
G4-5	Location of organisation's headquarters	**The big picture > About DB Breweries**
G4-6	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	**The big picture > About DB Breweries**
G4-7	Nature of ownership and legal form	**The big picture > About DB Breweries**
		Additional to information provided: DB South Island Brewery Limited (trading as DB Draught Brewery) is 51% owned by DB Breweries Ltd.
G4-8	Markets serviced (including geographic breakdown, sectors served and types of customers/beneficiaries)	**The big picture > About DB Breweries**
G4-9	Scale of the reporting organisation	**The big picture > About DB Breweries**
		Heineken Annual Report 2014 (HAR), Overview > Performance highlights (see p.1)
		HAR 2014, Overview > Key figures (see p.2)
		HAR 2014, Financial Statements > Note 5 "Operating segments" (see pp.83-85)
G4-10	Total workforce by employment type, gender, employment contract and region	**Appendix > G4-10**
		Data excludes supervised workers because the information is currently unavailable. We do not intend on collecting this data in the future, as our supervised worker numbers are not significant. The proportion of work undertaken by self-employed or individuals other than employees or supervised workers is not substantial.
G4-11	Percentage of employees covered by collective bargaining agreements	22.2% of DB employees are covered by collective bargaining agreements
G4-12	Description of the organisation's supply chain (including product or service providers, engaged suppliers in total number, type and location, payments made to suppliers)	**The big picture > Our approach**
		Sourcing sustainably > Supplier Code Governance
		Heineken Sustainability Report (HSR) 2014 > The big picture > Our value chain (see pp.8-9)
		HSR 2014 > Sourcing sustainably > Compliance with our Supplier Code (see p.32)
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	**The big picture > About DB Breweries**
		Sourcing sustainably > Supplier code governance
G4-14	Explanation of whether and how the precautionary principle is addressed by the organisation	**The big picture > Message from DB Managing Director**
		Reducing CO_2 emissions > Why this is important
G4-15	Externally developed economic, environment, and social charters principles, or other initiatives to which the organisation subscribes or endorses	**Protecting water resources > Why this is important**
		Sourcing sustainably > Why this is important
		Advocating responsible consumption > Actions and results > Taking action at industry level
G4-16	Memberships in associations (such as industry associations)	**Stakeholder dialogue**
G4-17	Operational structure of the organisation, including main division, operating companies, subsidiaries, and joint ventures (list all entities in the consolidated financial statements)	**The big picture > About DB Breweries**
		Appendix > G4-17
G4-18	Process for defining report content and the Aspect Boundaries and explain how the Reporting Principles has been implemented	**About this report > Stakeholder dialogue**
		About this report > Materiality assessment
		About this report > Report content
G4-19	List all the material Aspects identified	**About this report > Materiality assessment**
G4-20	The Aspect Boundary within the organisation: Whether the Aspect is material within the organisation; The list of entities included in G4-17 for which the Aspect is or is not material; Specific limitation regarding the Aspect Boundary within the organisation	**Protecting water resources > Why this is important**
		Reducing CO_2 emissions > Why this is important
		Sourcing sustainably > Why this is important
		Advocating responsible consumption > Why this is important
		Promoting health and safety > Why this is important
		Growing with communities > Why this is important
		About this report > Report content
		Aspects are material to all financial entities within the organisation.
G4-21	The Aspect Boundary outside the organisation: Whether the Aspect is material outside the organisation; The list of entities for which the Aspect is material, relate to geographical location; Specific limitation regarding the Aspect Boundary outside the organisation.	**Protecting water resources > Why this is important**
		Reducing CO_2 emissions > Why this is important
		Sourcing sustainably > Why this is important
		Advocating responsible consumption > Why this is important
		Promoting health and safety > Why this is important
		Growing with communities > Why this is important
		About this report > Report content
		Occupational health and safety is material to all financial entities but is not material outside of the organisation. All other Aspects are material outside of the organisation.
G4-22	Explanation of the effect of any restatements	Not applicable as this is the first year of reporting
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Not applicable as this is the first year of reporting
G4-24	List of stakeholder groups engaged by the organisation	**About this report > Stakeholder dialogue**
G4-25	Basis for identification and selection of stakeholders with whom to engage	**About this report > Stakeholder dialogue**
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	**About this report > Stakeholder dialogue**
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting: Report the stakeholder groups that raised each of the key topics and concerns	**About this report > Stakeholder dialogue**
G4-28	Reporting period	**About this report > Report content**
G4-29	Date of most recent previous report	Not applicable as this is the first year of reporting
G4-30	Recycling cycle	**About this report > Report content**
G4-31	Contact point for questions regarding the report or its contents	**About this report > Report content**
G4-32	Report the 'in accordance' option the organisation has chosen; Report the GRI Context Index for the chosen option	Reported 'in accordance' with G4-Core
G4-33	Policy and current practice with regard to seeking external assurance for the report	**About this report > Report content**
		Heineken Sustainability Report 2014 KPMG Assurance Report (see p.48)
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	**The big picture > About DB Breweries > Our leadership team and reporting lines**
		The big picture > Sustainability governance
		Heineken Annual Report (HAR) 2014 Report of the Executive Board > Executive Committee (see pp.6-7)
		HAR 2014 Corporate Governance Statement (see pp.34-44)
		HAR 2014 Report of the Supervisory Board > To the Shareholders (see pp.45-49)
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	**Values and behaviours**

DISCLOSURES OF MANAGEMENT APPROACH

FOCUS AREAS	KEY MATERIAL ASPECT	DISCLOSURE OF MANAGEMENT APPROACH
Protecting water resources	Water	**Protecting water resources > Why this is important**
	Effluents and waste	**Protecting water resources > Actions and results > Wastewater management**
Reducing CO_2 emissions	Energy	**Reducing CO_2 emissions > Why this is important**
	Emissions	
	Product and service labelling	**Reducing CO_2 emissions > Actions and results > Reducing emissions from packaging**
Sourcing sustainably	Procurement practices	**Sourcing sustainability > Why this is important**
Advocating responsible consumption	Product and service labelling	**Advocating responsible consumption > Why this is important**
		Advocating responsible consumption > Actions and results > Product labelling
	Marketing communications	**Advocating responsible consumption > Actions and results > Responsible marketing communications**
Promoting health and safety	Occupational health and safety	**Promoting health and safety > Why this is important**
Growing with communities	Indirect economic impacts	**Growing with communities > Why this is important**
	Local communities	

SPECIFIC STANDARD DISCLOSURES

PROFILE DISCLOSURE	DESCRIPTION	CROSS-REFERENCE/DIRECT ANSWER
G4-EC8	Significant indirect economic impacts, including the extent of impacts	**Growing with communities > Actions and results > Indirect contributions**
		Sourcing sustainably >Why this is important
G4-EC9	Proportion of spending on local suppliers at significant locations	**Sourcing sustainably > Why this is important**
G4-EN3	Energy consumption within the organisation	**Reducing CO_2 emissions > Actions and results > Reducing emissions in production**
		HSR 2014 > Appendix 3 > Overview of environmental performance (see pp.53-54)
		HSR 2014, Reducing CO_2 emissions > Actions and results (see pp.21-27)
G4-EN6	Reduction of energy consumption	**Reducing CO_2 emissions > Actions and results > Reducing emissions in production**
		HSR 2014, Reducing CO_2 emissions > Actions and results (see pp.21-27)
G4-EN8	Total water withdrawal by source	**Protecting water resources > Actions and results > Water sources**
		HSR 2014, GRI 4 Table > Supplements (see p.35)
G4-EN15	Direct greenhouse gas (GHG emissions)	**Reducing CO_2 emissions > Actions and results > Reducing emissions in production**
		HSR 2014 > Appendix 3 > Overview of environmental performance (see pp.53-54)
		HSR 2014, Reducing CO_2 emissions >Actions and results (see pp.21-27)
G4-EN16	Indirect greenhouse gas (GHG emissions)	**Reducing CO_2 emissions > Actions and results > Reducing emissions in production**
		HSR 2014 > Appendix 3 > Overview of environmental performance (see pp.53-54)
		HSR 2014, Reducing CO_2 emissions >Actions and results (see pp.21-27)
G4-EN22	Total water discharge by quality and destination	**Protecting water resources > Actions and results > Wastewater management**
		HSR 2014 > Appendix 3 > Overview of environmental performance (see pp.53-54)
		HSR 2014 Protecting water resources > Wastewater treatment (see p.19)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender	**Promoting health and safety > Actions and results > Embedding safety**
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	**Growing with communities > Actions and results**
		53.3% of operations implement local community engagement, impact assessments and development programmes. We currently use anecdotal feedback to assess the impact of our community programmes.
G4-PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	**Advocating responsible consumption > Actions and results > Product labelling**
		Reducing CO_2 emissions > Actions and results > Reducing emissions from packaging
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	**Advocating responsible consumption > Actions and results > Responsible marketing communications**

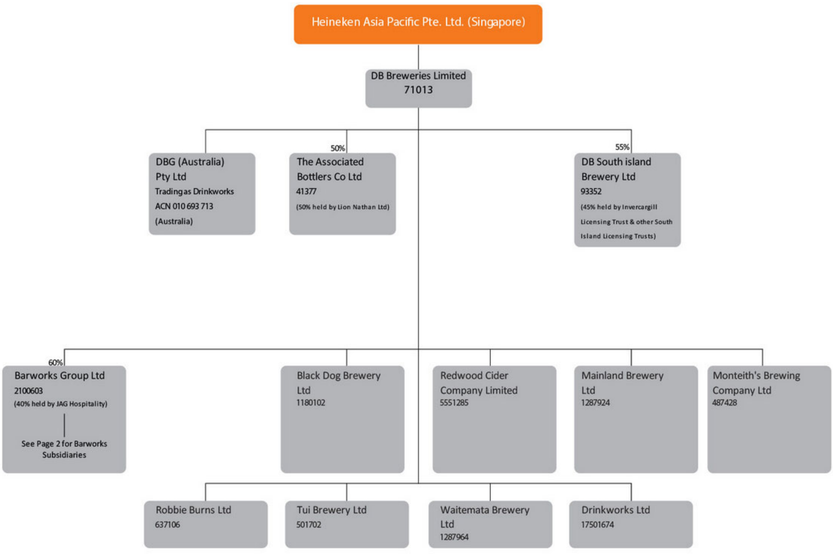
APPENDIX

G4-10: DB BREWERIES TOTAL WORKFORCE BY EMPLOYMENT TYPE, GENDER, EMPLOYMENT CONTRACT AND REGION

CONTRACT TYPE	NUMBER OF MALE EMPLOYEES	NUMBER OF FEMALE EMPLOYEES	TOTAL
Permanent	338	172	510
Temporary	11	15	26
Total	349	187	536
CONTRACT TYPE	**NUMBER OF MALE EMPLOYEES**	**NUMBER OF FEMALE EMPLOYEES**	**TOTAL**
Full-time	325	133	458
Part-time	24	54	78
Total	349	187	536
COUNTRY	**NUMBER OF MALE EMPLOYEES**	**NUMBER OF FEMALE EMPLOYEES**	**TOTAL**
New Zealand	332	182	514
Australia	17	5	22
Total	349	187	536

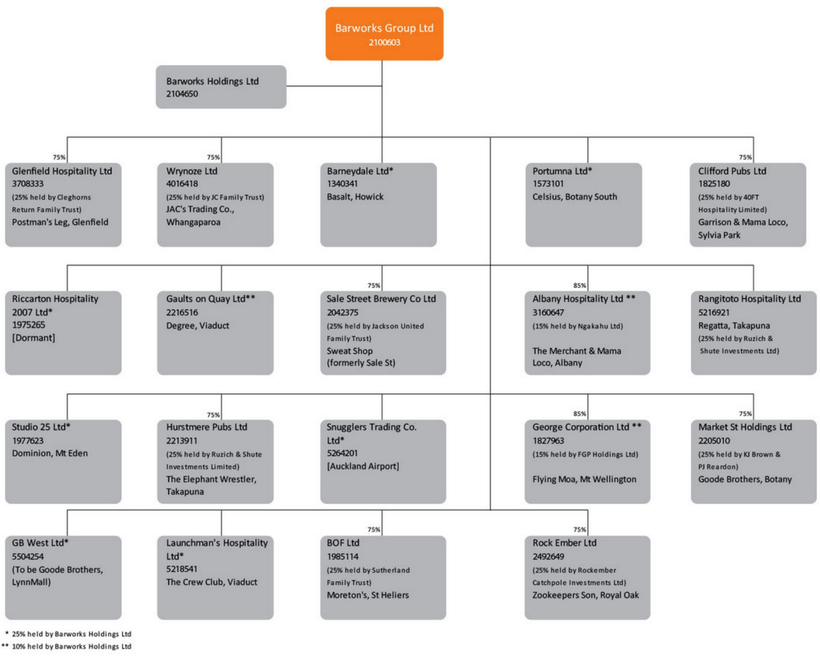
Data includes all operational sites and Drinkworks, excludes Barworks.

DB GROUP STRUCTURE



(All shareholdings 100% unless otherwise indicated)

BARWORKS GROUP STRUCTURE



* 25% held by Barworks Holdings Ltd
** 10% held by Barworks Holdings Ltd

(All shareholdings 100% unless otherwise indicated)

CONTACT US

FILL IN THE FORM BELOW

Sustainability reporting for DB Breweries is a circular process. In this inaugural report, we have disclosed our progress and shared our sustainability vision. Now we would love your feedback and ideas to help shape our sustainability strategy for the future. Please use the below form to contact us or email **sustainability@db.co.nz**

Your Name (required)

Your Email (required)

Subject

Your Message

SEND

DB BREWERIES HEAD OFFICE

1 Bairds Road, Otahuhu, Auckland
PO Box 22010, Manukau 2025, Auckland
National Customer Contact Centre: 0800 RING DB (0800 746 432)
www.db.co.nz