



DB BREWERIES
Sustainability Report

2016



A scenic view of a beach with turquoise water and a large rock formation, framed by a natural rock archway. The text is overlaid on the upper right portion of the image.

We have continued to improve our environmental performance exceeding our targets for water consumption, waste to landfill and greenhouse gas emissions. While we are very proud of our environmental achievements, we continue our search for a long-term innovative partnership in responsible consumption.



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The Big Picture



Message from the Managing Director

Welcome to our 2016 sustainability report. This is our third sustainability report and the year has produced many achievements we are very proud of, along with some continued challenges for us to focus on.

We continue to aspire to be New Zealand's most sustainable producer of alcohol and one of New Zealand's most sustainable businesses. We continue to be guided by HEINEKEN's *Brewing a Better World* strategy which focuses on six key areas: Protecting water resources, Reducing CO₂ emissions, Sourcing sustainably, Advocating responsible consumption, Promoting health and safety and Growing with communities. We set targets, develop actions and report on all six key areas. However, the issues and our responses are also shaped by our operating context in New Zealand, which is a unique place in the world. Of our six key areas, we locally prioritise reducing our environmental footprint, advocating responsible consumption and ensuring the safety of our people and the people we do business with.

This year we redeveloped our Tui Brewery site in Mangatainoka, investing around \$5 million to earthquake strengthen the iconic Tui Tower opening a new, innovative, regionally focused brewery.

Reducing our environmental footprint and contributing to the decarbonisation of the global economy are priorities for us. Our award winning biofuel – *DB Export Brewtroleum* - continues to be recognised globally for its innovation in communications and as an exemplar in turning waste into a lower emissions fuel source. The project reflects our culture and the emphasis we place on the courage to “have a go”. Trying different things is important to our progress and the development of a circular economy which is restorative and regenerative by design. This year, we have started a new project to produce a man-made sand product to substitute for the sand mining which occurs on some of our most beautiful beaches. DB Export Beer Bottle Sand will be produced from the twenty seven percent of waste consumer glass which is not yet recycled but destined for landfill.

We continue to aspire to be New Zealand's most sustainable producer of alcohol and one of New Zealand's most sustainable businesses.

We have continued to improve our environmental performance exceeding our targets for water consumption, waste to landfill and greenhouse gas emissions. While we are very proud of our environmental achievements, we continue our search for a long-term innovative partnership in responsible consumption. Our StudentCard partnership was extremely successful in targeting tertiary students with the important message of enjoying responsibly to have a Summer to Remember, however engaging in an enduring and meaningful partnership remains a priority for us. Overall, we still aspire to be a world leader in responsible consumption and achieve better health outcomes for all New Zealanders.

We truly welcome your feedback on this report – both good and bad - and where we can do better. We need robust conversations to make a real and lasting difference to New Zealand communities.

Cheers,

A handwritten signature in black ink, appearing to read 'AR', with a horizontal line underneath.

Andy Routley

DB Breweries Managing Director



About DB Breweries

DB Breweries Ltd (DB Breweries) head office is located in South Auckland, adjacent to its main brewing site on Bairds Road, Otahuhu. The brewery has operated from this location for 85 years, since its inception by Joseph W. Coutts in 1930. Our 2016 operating sites are located in both the North and South Islands of New Zealand, with four operating breweries and one cidery – Waitemata Brewery (Auckland), Tui Brewery (Mangatainoka), DB Draught Brewery (Timaru), Monteith's Brewing Co (Greymouth) and Redwood Cidery (Nelson).

Ownership and subsidiaries

DB Breweries is a 100% owned subsidiary of Heineken Asia Pacific Pte Ltd (HEINEKEN Asia Pacific). As part of the HEINEKEN Company, our approach to sustainability is informed by HEINEKEN'S *Brewing a Better World* strategy which sits with our long history of continuous improvement, responsible consumption and community development initiatives in New Zealand. For more information on HEINEKEN's approach to sustainability and Brewing a Better World visit: <http://www.theheinekencompany.com/sustainability>

We maintain our position as New Zealand's second largest brewing company with our focus on premium beer, beer, cider and hospitality. Last year, we increased our production by 2%. We own 100% of the Redwood Cidery (Redwood Cider Co.), making us the number one cider producer in New Zealand. DB Breweries also owns 60% of Barworks Hospitality Group (Barworks), a joint venture with JAG Hospitality Limited. The group operates 19 premium gastro-pub establishments in Auckland. Between 2014 and 2015, Barworks has opened five new venues – Launchman's Hospitality Limited (The Crew Club), Snuggler's Trading Co. Limited (Flight Bar), Rangitoto Hospitality Limited (Regatta Bar & Eatery), Strand Hospitality Limited (Franc's Bar and Diner), and GB West Limited (Goode Brothers, New Lynn). In 2016, Barworks opened GB Westgate Limited (Goode Brothers, Northwest).

DB New Zealand locations



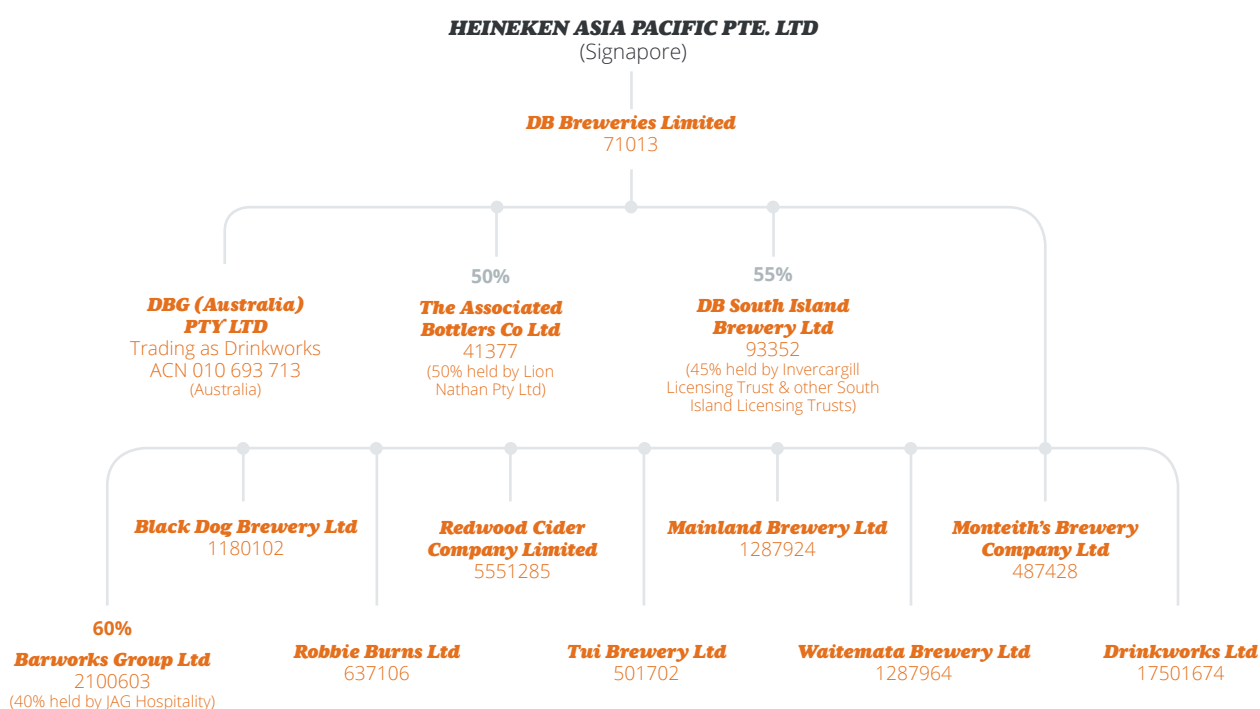
DB Breweries directly employs 481 people in our operational sites and sales offices and supports more than 800 jobs in hospitality and thousands more indirectly throughout our value chain. DB Breweries staff are free to join any trade union. DB Breweries has a collective employment agreement with one union, E tū, which is a merger of the Engineering, Printing and Manufacturing Union (EPMU) and the Service and Food Workers Union (SFWU) formed in late 2015. Approximately 111 DB Breweries employees are covered by this agreement.

Contract Type	Male Employees		Female Employees	
	2015	2016	2015	2016
Permanent – Full time	294	293	111	111
Permanent – Part time	18	15	52	33
Temporary – Full time	9	11	5	6
Temporary – Part time	6	8	8	4

Country	Male Employees		Female Employees	
New Zealand	312	310	170	147
Australia	15	17	6	7

DB Group Structure

DB's Organisational Structure



Sustainability Strategy

Our focus

We continue to align our approach with HEINEKEN's strategy – *Brewing a Better World* which began in 2012. The strategy outlines HEINEKEN's long-term approach for creating shared, sustainable value for both business and stakeholders. It outlines six priority areas: protecting water resources, reducing CO₂ emissions, sourcing sustainably, advocating responsible consumption, promoting health & safety and growing with communities.

Brewing a Better World




...we had exceptional results in our Culture Survey with an 8% annual increase in both our **Co-Operation, Teamwork and Engagement scores.**



Our commitments and performance highlights

Our commitments to drive positive local impacts in our focus areas are voluntary and outlined throughout this report. As a HEINEKEN Operating Company (OpCo), our initiatives also contribute to HEINEKEN's wider global sustainability commitments.

HEINEKEN's global commitment 2020	HEINEKEN's global commitment 2018 Milestone	DB Breweries – performance 2016	Performance
Reduce specific water consumption in our breweries to 3.5 hl/hl	Reduce specific water consumption in our breweries to 4.0 hl/hl	Water consumption decreased to 3.3 hl/hl against a target of 3.39 hl/hl for 2016	
100% of wastewater treated on-site or by third party.		Achieved	
Reduce COD to surface water to 0.05 COD kg/hl	Reduce COD to surface water to 0.40 COD kg/hl	0.35 COD kg/hl	
Reduce CO2 emissions in production by 40% (equivalent to CO2-eq/hl)		CO2 emissions reduced by 46% since 2008 against a target of 44% by 2016	
Zero waste to landfill - 99% of co-products and waste diverted from landfill	Zero waste to landfill - 97% of co-products and waste diverted from landfill	More than 95% of co-products and waste diverted from landfill	
Four-step Supplier Code Procedures operational within all OpCos – 95% compliance		Step 2 of the Supplier Code Procedures – Supplier Risk Analysis completed for 80% of locally managed suppliers. Step 1 - 100% compliance	
Safety – 100% Roll out of Life Saving Rules action plans	Safety – 80% Roll out of Life Saving Rules action plans	On track	
>10% Media spend on responsible consumption campaign – 12% target by 2020		Achieved	
Low- and No-alcohol products – 4 no-alcohol products in portfolio	Low- and No-alcohol products – 1 no alcohol product in portfolio	On track	
Every market in scope has a partnership to address alcohol related harm. All partnerships meet HEINEKEN's seven-point criteria.	Every market in scope has a partnership to address alcohol related harm. All partnerships meet HEINEKEN's seven-point criteria.	Met HEINEKEN's seven-point criteria, in partnership with StudentCard, through the campaign <i>A Summer to Remember</i>	



Achieved or on track



Progressing



Not Achieved

Our Approach

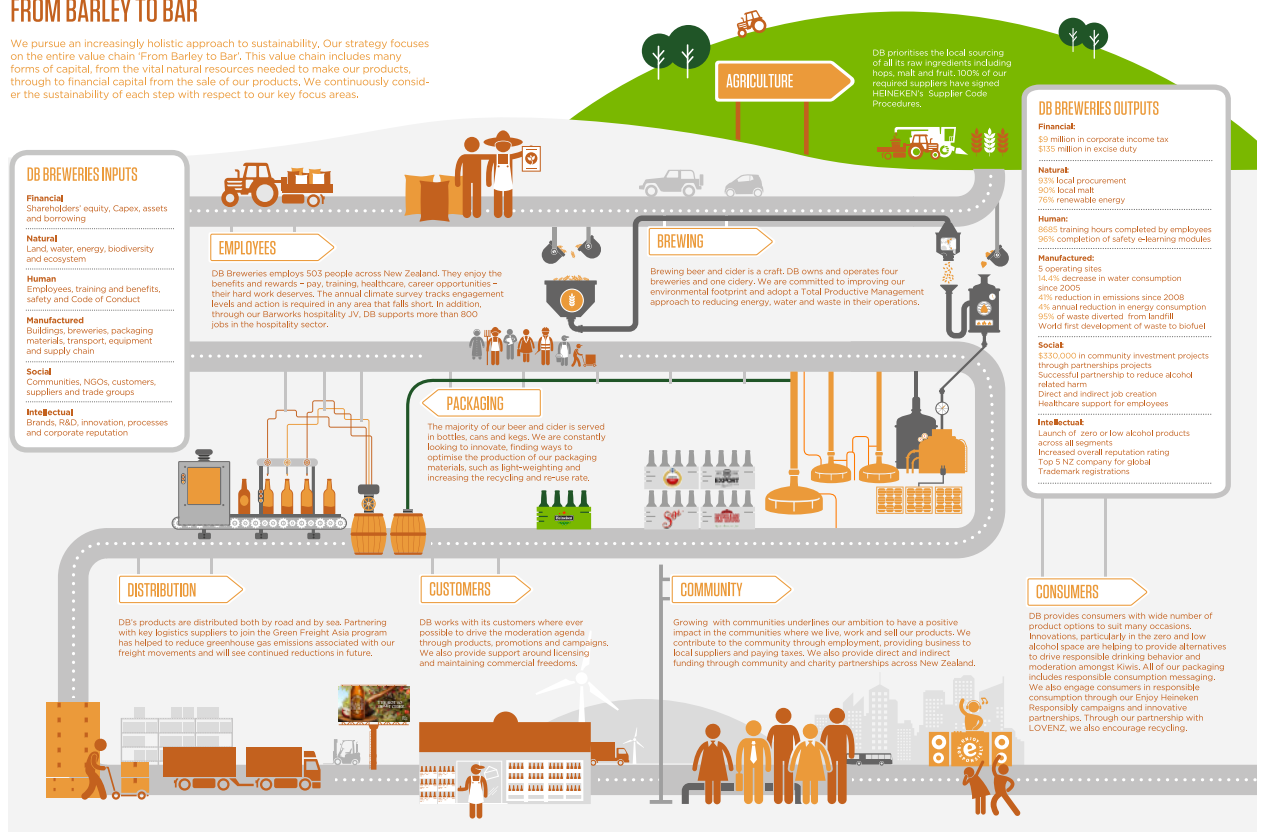
From Barley to Bar

We adopt an entire value chain approach to addressing the sustainability of our six focus areas. In doing so, we consider the impacts of our activities, the value we create and opportunities to improve from the point at which the barley and hops are planted, through to the point at which the consumer disposes of our packaging.

Value Chain

FROM BARLEY TO BAR

We pursue an increasingly holistic approach to sustainability. Our strategy focuses on the entire value chain 'From Barley to Bar'. This value chain includes many forms of capital, from the vital natural resources needed to make our products, through to financial capital from the sale of our products. We continuously consider the sustainability of each step with respect to our key focus areas.



Sustainability Governance

Our highest sustainability governance body is the Sustainability Committee. The Committee is chaired by our Managing Director, Andy Routley, and includes the leadership team as well as other direct reports. The Corporate Affairs Director and team also undertake a role as Sustainability Coordinators to support the Committee members in achieving their objectives. Our progress on objectives is measured and reported as part of the quarterly business cycle and appraised annually. We communicate our quarterly progress back to the HEINEKEN Global Corporate Affairs Committee.

Our sustainability committee






Sustainability Focus Area	DB Breweries Responsible Units	Members
Protecting water resources	Supply Chain Director	Charl Marais
Reducing CO2 emissions	Supply Chain Director National Logistics Manager	Charl Marais Garth Deenik
Sourcing sustainably	Supply Chain Director Procurement Manager	Charl Marais Nic Boyd
Advocating responsible consumption	Marketing Director Corporate Affairs Director	Sean O'Donnell Matt Wilson /Amber McEwen ¹
Growing with communities	Corporate Affairs Director External Relations Advisor	Matt Wilson/Amber McEwen/ Emma Barnes
Promoting health & safety	Sales Director Human Resources Director Supply Chain Director National HSE Manager	Dan Gilbert Natasha Whiting Charl Marais Natalee Scripps-Hawkins
Related finance and taxes	Finance Director	Wiltold Kramarz
Auditing processes	Process and Control Improvement Manager	Komal Patel
Legal requirements	Legal Manager	Anna Hildyard

¹ Matt Wilson was Corporate Relations & Legal Director for approximately half of the reporting period.

Our partners and memberships

We maintain strong relationships with industry bodies and associations and, in some cases, members of our leadership team are also represented on the governance bodies of these groups.

Membership	Description	Direct representation by DB Breweries on governance body
	<p>An industry association which represents the manufacturers and suppliers behind New Zealand's food, beverage, and grocery brands.</p>	<p>Amber McEwen (Corporate Affairs Director) is a member of the Health & Regulatory Working Group</p>
	<p>An industry association working on the development, promotion and advocacy of advertising and marketing communications for the benefit of New Zealand.</p>	<p>None</p>
	<p>An industry association which represents brewers in legislative and regulatory affairs in both countries.</p>	<p>Andy Routley (Managing Director) is one of four Principals</p>
	<p>An industry association whose missions is to grow the value and quality of the New Zealand beer sector while maintaining integrity with its members, the industry and the public as a whole.</p>	<p>Jonathan Alve (Business Investment Manager) is Chair of the Executive</p>
	<p>The Sustainable Business Council (SBC) is an executive-led organisation that advocates a better way of doing business, one which creates a sustainable future for New Zealand.</p>	<p>None</p>
	<p>The Tomorrow Project is a social change initiative of beer, wine and spirit producers.</p>	<p>None</p>
	<p>An industry association representing business interests to local and national government.</p>	<p>None</p>

Membership	Description	Direct representation by DB Breweries on governance body
	<p>A voluntary trade organisation of hospitality businesses and operators.</p>	<p>None</p>
	<p>A broad-based packaging organisation operating product stewardship & public place recycling schemes.</p>	<p>Matt Wilson (Corporate Relations & Legal Director) is a member of the Governing Board and a member of the Public Place Recycling Scheme Steering Committee. He was replaced by Amber McEwen during 2016.</p>
	<p>The Advertising Standards Authority (ASA) self-regulate advertising in New Zealand. Advertising Codes of Practice provide the rules by which all advertisements in all media should comply.</p>	<p>None</p>
	<p>The Trans – Tasman Business Circle is a member-based, strategic growth partner for the region's leading organisations in the private and public sector. The Circle builds strategic relationships, business insights, and profile by developing customised programs for stakeholder engagement.</p>	<p>None</p>
	<p>Business and Community Shares New Zealand (BACS) is a Trust which offers a range of practical ways for responsible businesses to work together with communities to help tackle key issues facing NZ society.</p>	<p>None</p>

About this Report

Stakeholders inform our report

We share our *Brewing a Better World* strategy with our stakeholders including our shareholders, employees, suppliers, government, industry, customers, consumers, media, non-government organisations (NGOs) and local communities. This helps us to better understand how *Brewing a Better World* works in our unique operating environment in New Zealand, the impacts we have as an industry and how we can contribute to sustainable development in this country. Engaging our stakeholders also helps us to identify risks to our business, opportunities for action and change and also co-create strategies which genuinely target the issues which concern them the most.

To gather feedback this year, we hosted two Sustainability roundtables - one with up to 15 key senior stakeholders including representatives from retailers, bar owners, suppliers, media, NGO's and community and another with a group of eight representative and diverse consumers. The roundtables sought feedback on our current issues and future challenges and opportunities.

We started reputation research in 2013 and repeated it in 2015 to better understand our stakeholders and their view on our performance. We will undertake the research again later in 2017 and the results will be used to track our progress and inform our next sustainability report.

Stakeholders	Examples of how we've engaged	Frequency
Industry associations	Face to face meetings	Quarterly
	Partnerships	Ad hoc
	Roundtable lunch	Annual
Suppliers	Supplier Reviews	Annual
	Ongoing dialogue	Quarterly
Customers	Regular call cycles	Variable
	Roundtable lunch	Annual
Government	Face to face meetings	Ad Hoc
	Joint initiatives	Ad Hoc
	Roundtable lunch	Annual
Media	Media relations	Ongoing
NGOs and local communities	Ongoing dialogue	Quarterly
	Partnerships	Ad Hoc
	Roundtable lunch	Annual
Employees	Team Talk	Monthly
	Insight	Quarterly
	Brewnet	Daily
	Risk Assessment Workshops	Annual
	Climate Survey	Annual

Stakeholders	Examples of how we've engaged	Frequency
HEINEKEN	Ongoing dialogue	Monthly
Consumers	Roundtable session Ongoing dialogue	Annual

Key Issues Raised

There were a number of consistent themes across all of the feedback we received, with stakeholders continuing to prioritise responsible consumption. The consumer roundtable, for example, found that consumers prioritise issues with a direct link to our products and how we make them in our operating context in New Zealand. Specifically, advocating responsible consumption, developing authentic community partnerships and addressing local environmental issues such as water and sustainable sourcing were more important to consumers than philanthropy, sponsorships or health and safety. Both roundtables prioritised responsible consumption as the issue of greatest concern, followed by environmental factors chiefly water consumption, water quality and sustainable sourcing.

A focus on material issues

HEINEKEN began the *Brewing a Better World* journey in 2012 with a series of 'expert meetings' bringing stakeholders together to share insights on sustainability performance, thinking and future plans. In 2016, HEINEKEN refreshed its materiality matrix which illustrates issues of greatest impact on the company and greatest importance to stakeholders.

The UN 2030 Agenda for Sustainable Development is a global plan for action. Here's how we are contributing.

DB's Sustainable Development Goals



DB Breweries uses this list of issues as a starting point as we continue to examine them in light of our own operating context in New Zealand and our specific groups of stakeholders. We consider:

- The impacts of our products and activities across the value chain
- Stakeholder's perceptions, interests and expectations informed by ongoing dialogue
- Challenges facing our business and industry, given who we are and what we do

Opportunities to contribute to the sustainable development of New Zealand, specifically how we impact both positively and negatively on the United Nations Sustainable Development Goals 2030 in our country.

We then group the issues into three key areas of importance (our material issues) which align with the HEINEKEN *Brewing a Better World* strategy while reflecting the issues of greatest local impact and of most interest to our stakeholders.

- 1 **Responsible consumption and supporting communities** – leading the industry to promote and engage in partnerships which drive moderate drinking behaviours and social change and making a positive contribution to the communities in which we operate
- 2 **Reducing our environmental footprint** – reducing our water consumption, energy consumption, greenhouse gas emissions and waste generation and sourcing locally and sustainably.
- 3 **Health & safety** – safety for our people and the people we do business with.

Application of reporting standards

Reporting period, cycle and standards

This report covers the reporting period 1 January 2016 to 31 December 2016 (our fiscal year 2016). The DB Breweries Sustainability Report is published on an annual basis. This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines and a GRI Content Index has been provided.

Reporting boundary

Unless otherwise stated, the scope of the report includes all of DB Breweries' subsidiaries and operational sites. This generally includes our five operational sites: Waitemata Brewery, DB Draught Brewery, Tui Brewery², Redwood Cidery and Monteith's Brewing Co as well as Drinkworks. Barworks is generally excluded. The boundaries used to report performance data varies between parameters in the following ways:

- › Environmental data uses an operational consolidation approach and includes relevant data for operational sites with the exception of Monteith's Brewing Co, as it is not considered a significant or material production site for the purposes of this report.
- › Human resources and staffing data includes all operational sites and Drinkworks and excludes Barworks. Supervised workers are also excluded as their numbers are not material.
- › Safety data includes all operational sites and Drinkworks and excludes Barworks.
- › Financial data includes all operational sites and Drinkworks and excludes Barworks.
- › Procurement data includes all operational sites but excludes both Drinkworks and Barworks.

The content of the report is informed by the HEINEKEN *Brewing a Better World* strategy and feedback from our local stakeholders. Data is collected using HEINEKEN's global data collection systems including: ARISO, for safety data, the Business Comparison System (BCS), for environmental data, and Green Gauge for other key areas of sustainability performance. We work with HEINEKEN to apply uniform definitions for reporting purposes and to improve both the accuracy and comparability of data and benchmark our performance across the HEINEKEN Group.

2 The Tui Brewery was re-developed into a smaller capacity brewery in June 2016.

For more information on the methodologies used in our data collection, please visit <http://www.theheinekencompany.com/sustainability/governance>.

Assurance

External assurance was not sought for our 2016 performance and data. We rely on our internal processes to verify the accuracy of all sustainability-related data. Data collected through our internal systems, such as BCS and Green Gauge, is reviewed by DB Breweries and HEINEKEN. This information is also reviewed and aggregated by HEINEKEN for presentation in the sustainability review section of the HEINEKEN Annual Report 2016, which is then externally assured by Deloitte. For the Deloitte Assurance Report, please see the HEINEKEN Annual Report 2016 – p 158.

For questions or feedback regarding this report or its contents please contact sustainability@db.co.nz.

Compliance – safety and environment

We did not receive any environmental or safety complaints in 2016 and no fines for non-compliance with environmental regulations.

...our breweries used **3.3 hectolitres (hl)**
of water per hectolitre of beer or cider
surpassing our 3.4 hl/hl
target by 3%.



Protecting our Water Resources

Our operating context

Globally, the demand for freshwater is expected to exceed supply by 2030 and businesses may be subject to declines in water quality and access³. In New Zealand, water remains one of our most valuable natural assets, used for irrigation and hydro-electric energy. The cultural significance of water is also recognised under the Treaty of Waitangi.

The New Zealand government commenced a series of reforms in 2009 to improve the way fresh water is managed and further legislative change is proposed for 2017. This includes an investment of \$100 million in the Freshwater Improvement Fund and a vision that 90% of the country's rivers and lakes are swimmable by 2040. Although much of the reform is focused on water quality, the efficient and productive economic use of fresh water is also part of this vision.

All of DB Breweries sites are based in areas currently rated to be of low or medium baseline water stress⁴. Baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumptive use. However, expected trends in climate change and a growing population requires careful management of our water resources. The national weekly water allocation for irrigation, households, manufacturing and other uses in New Zealand nearly doubled between 1999 and 2010, for example.

Why water is important to DB Breweries

Our operations impact on water availability, consumption and water quality in New Zealand. Water fills 95% of our finished beer products and is vital to our business across the value chain, being used to grow raw materials such as hops and malt, to cleaning our plant and equipment to ensure product safety. While we draw on supplies of freshwater for our products, we also impact on water quality in New Zealand by generating wastewater which requires treatment before being returned to the environment.

Our priorities

We are committed to keeping our local waterways healthy and look forward to working with the New Zealand government on its vision for the country's rivers and lakes. Through this work we can also contribute to the UN Sustainable Development Goals and how they can be progressed in New Zealand through reducing water consumption and managing effluent.

Excerpt from UN Sustainable Development Goals

Protecting Water Resources

- Reducing the amount of water used in production
- Ensuring the responsible discharge of brewery effluent
- Protecting water resources in water-stressed areas
- Involving stakeholders through partnership with UNIDO
- Heineken Africa Foundation water projects



3 Expect the Unexpected: Building business value in a changing world. KPMG International 2012.

4 Sources: WRI Aqueduct 2014; FAO AQUASTAT 2008-2012; NASA GLDAS-2 2012; Shiklomanov and Rodda 2004; Flörke et al. 2012; Matsutomi et al. 2009.

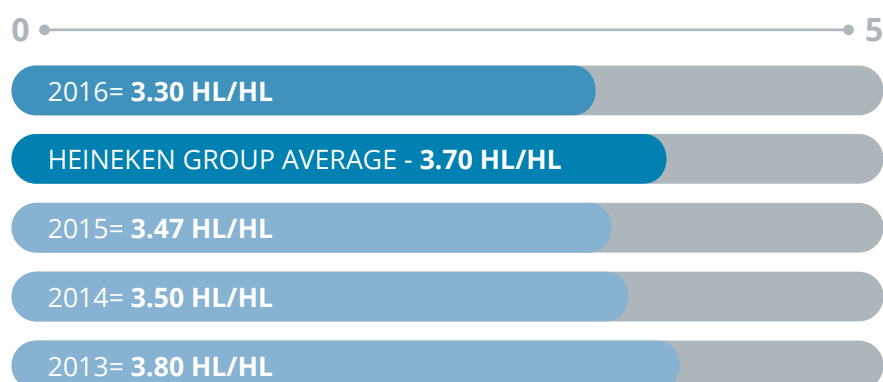
Globally, HEINEKEN is a signatory of the United Nations CEO Water Mandate. Through this, we have access to world-class water management systems and have our own water stewardship priorities, specifically to reduce the amount of water used in production and reduce the amount of water used in the rest of our business.

Our results

HEINEKEN Global commitment by 2020	DB Breweries – objective by 2016	What DB Breweries has done in 2016
Reduce the specific water consumption in breweries to 3.5 hl/hl overall	Reduce our specific water consumption in our breweries and cidery to 3.39 hl/hl	Water consumption decreased to 3.3 hl/hl
100% of wastewater treated on-site or by third party		Achieved
HEINEKEN's global commitment 2018 Milestone		
Reduce COD to surface water to 0.05 COD kg/hl	Reduce COD to surface water to 0.40 COD kg/hl	0.35 COD kg/hl

We have achieved our target this year with another decrease in water consumption from 3.47 hectolitres (hl) of water per hectolitres of beer or cider in 2015 to 3.30 hl/hl in 2016. DB Breweries has lower specific water consumption than the HEINEKEN average of 3.70 hl/hl.

Water consumption data



hl/hl beer + soft drink + cider + water

OUR ACTIONS 2016

Reducing water consumption

Over the past decade, we have achieved significant decreases in water use, having already achieved the HEINEKEN goal for 2020. We are also well below the HEINEKEN average for water consumption. Our efforts have been incremental in nature rather than relying on a single technical solution. We continue to take a Total Productive Management (TPM) approach which allows for the development of annual master plans and regular team meetings to monitor consumption as well as empowering individual action to address waste. Staff are now highly engaged in looking for opportunities to save water and this has become mainstream at operating sites.

Water sources

Our primary water source is from municipal water supplies (99.7%). Our alternate water source is from bore water at the Tui Brewery (0.3%). Since the upgrade in 2016 to the Tui Brewery, we no longer use surface water or wastewater from other organisations, or directly collect and store rainwater for usage.

Waste water

The responsible discharge of brewery effluent is vital to the communities where we operate and their local ecosystems. Our Tui Brewery was the only site to take water from a river and return water after it had been treated by a waste water treatment plant. In 2016 we redeveloped the Tui Brewery into a smaller capacity brewery which no longer takes surface water. Wastewater from our Waitemata Brewery and DB Draught Brewery sites is treated in municipal waste treatment plants.

The amount of effluent organic load discharged to surface water was reported in 2015 as having increased from 375,951 Kg chemical oxygen demand (COD) in 2014 to 734,970 Kg COD in 2015. This year, the effluent organic load discharged was 436,623 Kg COD and the re-stated data for 2015 is 369,800 Kg COD. This is largely attributed to changes in data collection methodologies, definitions and boundaries in reporting for different purposes, including regulations. Some of the result may also be due to variations during the de-commissioning of the old Tui Brewery waste water treatment facility. Our target for 2018 is 0.40 COD kg/hl and we are on track with a result for 2016 of 0.35 COD kg/hl.

COD Figures

2014

375,951 KG

2015

369,800 KG

2016

436,623 KG

//Case Study

Protecting Water Resources: One initiative at a time

Water is essential to our business and fills 95% of our finished beer products. DB has a strong focus on water stewardship and the efficient use of water at our sites and we are increasingly pursuing the same goals with our suppliers in New Zealand through our sustainable sourcing program.

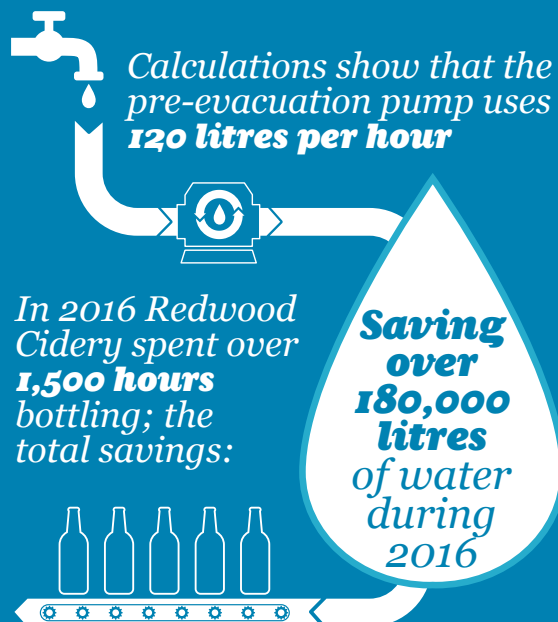
Redwood Cidery, based just out of Nelson, put the responsibility of water protection on all their staff and challenged team members to find new ways to improve water efficiency throughout their site. Bottling Line operator Aaron Eynon is the perfect example of how this truly became a team challenge when found a clever initiative that saved Redwood Cidery over 180,000 litres of water per year.

Aaron noticed two different parts of the bottling line required continual water usage, and that in both instances, the water was being sent to waste after it was used.

The bottles within the filler room start their bottling line journey at the bottle rinser which takes filtered water and injects it at a high pressure into the bottles prior to being filled, this filtered water was then being drained away.

Following the rinser, glass bottles go through a pre-evacuation process to expel excess air prior to filling. The motor on this pre-evacuation pump requires constant replenishment of water to keep the motor cool enough to operate. With some great kiwi ingenuity Aaron was able to connect a pipe between the bottle rinser and the pre-evacuation pump. This resulted in the water being used in the bottle rinser process being recycled through to cool the motor in the pre-evacuation pump.

This simple idea allowed the tap for a whole process within the bottling line to be turned off, significantly reducing the amount of water being used throughout the bottling process.



with more to come in the future...

While this is a great step, it is not the end of the water efficiency challenge set by Redwood Cidery or the last of Aaron's ideas. The entire team continues to have a focus on reducing the waste and increasing the recycling capabilities by scoping out new ways to get even greater water efficiency at Redwood Cidery.

“The tap that was being used to feed water into the pre-evacuation pump is now completely turned off”

Aaron Eynon, Bottling Line Operator, Redwood Cidery.

**Aaron was nominated for, and won, the Spirit of DB Award for this water efficiency initiative.*



Watch the video below to find out more



..we reduced specific greenhouse gas emissions to **5 kg CO₂-eq/hl.** This successfully meets our **44% reduction target.**



CO₂



Reducing CO₂ Emissions

Our operating context

In October 2016, 113 countries ratified the Paris Agreement to limit greenhouse gas emissions to below 2 degrees celsius, making it a legally-binding climate deal. New Zealand's post-2020 target is to reduce greenhouse gas emissions to 30% below 2005 levels by 2030. The government is reviewing the New Zealand Emissions Trading Scheme (NZ ETS) to assess how it should evolve to support New Zealand in meeting future emissions reduction targets. Now in its second stage, the review will provide advice by the middle of 2017 on how the NZ ETS is working and possible improvements and changes required to deliver on the Paris target.

Under the Paris Agreement, New Zealand is also required to plan for and take action on adapting to the impacts of climate change. In July 2016, the government established a Climate Change Adaptation Technical Working Group which will provide an interim report in 2017 and final recommendations in March 2018.

Why greenhouse gas emissions are important to DB Breweries

DB Breweries acknowledges that we have a responsibility to reduce our greenhouse gas emissions and contribute to global and national targets. We also need to prepare for the impacts of climate change on our communities and on our business by managing risks such as water consumption and drought. We also support HEINEKEN's membership of the Beverage Industry Environmental Roundtable (BIER) and the BIER 2015 Joint Commitment on Climate Change, which commits us to:

- Reduce energy consumption and source cleaner fuels
- Work with others to share tools and knowledge to manage water risk
- Collaborate on research and partnerships to create a more climate-resilient food chain
- Continue to reduce the industry's water footprint and support other sectors to do the same.

Excerpt from UN Sustainable Development Goals

Reducing CO₂ Emissions

- Energy-saving initiatives in production
- Increasing renewables (solar, wind, biomass) in energy mix
- Increasing efficiency in distribution
- Installing more energy efficient fridges



Our priorities

Our priority is to contribute to HEINEKEN's global target of reducing greenhouse gas emissions in production by 40% by 2020. To do this we focus on saving energy, increasing efficiency and increasing our use of renewable energy. These initiatives also help us to contribute to the UN Sustainable Development Goals and how they can be progressed in New Zealand.

Lowering emissions in production is our focus and we pursue this through energy optimisation and increasing our energy efficiency as a first order priority in our breweries and cidery. We approach this through our Total Productive Management (TPM) teams who regularly examine all of our resource consumption at our production sites as well as including efficiency provisions in our rolling capital expenditure plans when plant and equipment is upgraded. There were no major infrastructure investments in 2016 and our progress is the result of a continuous improvement approach which includes weekend checks, energy audits and the use of thermal cameras to detect losses.

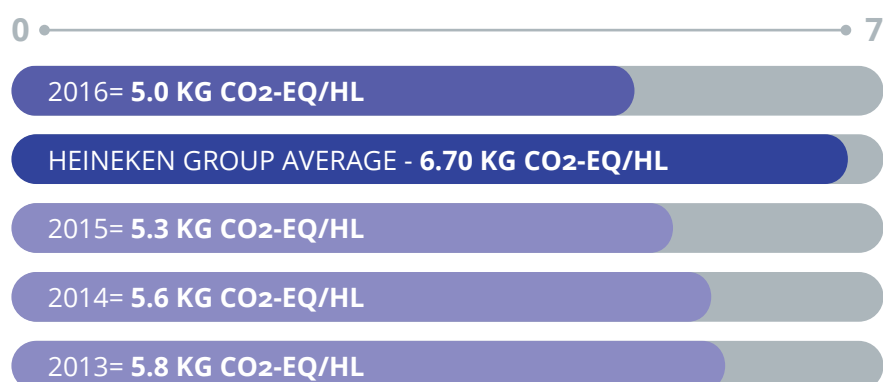
Our results

HEINEKEN Global commitment by 2020	DB Breweries - objective by 2016	What DB Breweries has achieved in 2016
Reduce CO ₂ emissions in production by 40% (equivalent to CO ₂ -eq/hl) ⁵	Reduce CO ₂ emissions ⁶ in production by 44% (equivalent to CO ₂ -eq/hl) ⁷	CO ₂ emissions reduced by 46% since 2008 baseline

Specific greenhouse gas emissions

We have reduced our CO₂ emissions per hectolitre by 46% from the 2008 baseline, reaching our goal for 2016 and exceeding HEINEKEN's global commitment for 2020. The specific direct and indirect CO₂ emissions of DB Breweries decreased from 5.3 kg CO₂-eq/hl to 5.0 kgCO₂-eq/hl in 2016. This is a decrease of 5% compared to last year. DB Breweries has lower specific direct and indirect CO₂ emissions than the HEINEKEN Group average of 6.5 kg CO₂-eq/hl.

Specific greenhouse gas emissions data



kg CO₂-eq/hl beer + soft drink + cider + water

5 Baseline of 2008

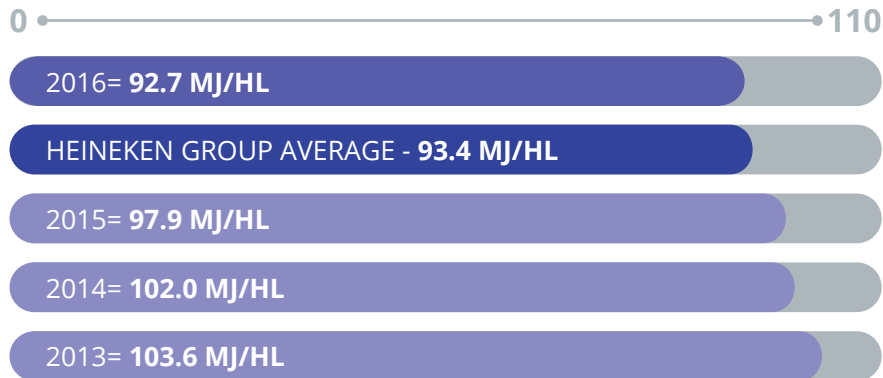
6 Scope 1 and scope 2 emissions defined and calculated according the GHG Protocol <http://www.ghgprotocol.org/about-ghgp>

7 Data excludes Monteith's Brewing Co. as this is not considered material for the purposes of this report.

Total specific energy consumption

The specific total energy consumption of DB Breweries decreased from 97.9 MJ/hl to 92.7 MJ/hl in 2016. This is a decrease of 5% compared to last year. DB Breweries has a higher specific total energy consumption than the HEINEKEN Group average of 91.4 MJ/hl.

Specific energy consumption data

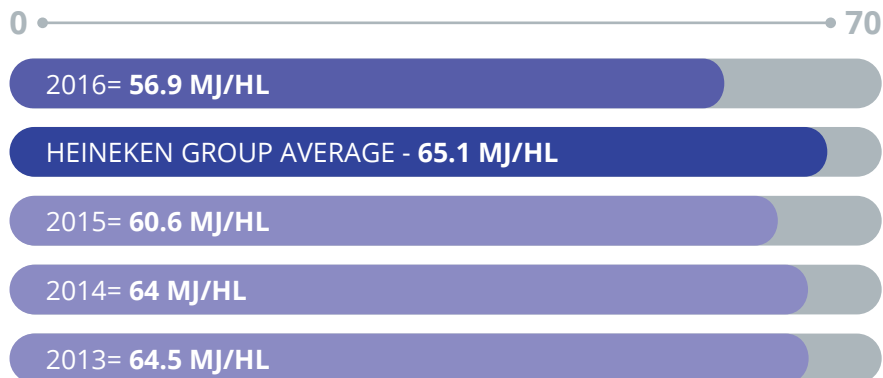


MJ/hl beer + soft drink + cider + water

Specific thermal energy consumption

The specific thermal energy consumption (ex logistics & biogas) of DB Breweries decreased from 60.6 MJ/hl to 56.9 MJ/hl in 2016. This is a decrease of 6% compared to last year. DB Breweries has a lower thermal energy consumption than the HEINEKEN Group average of 63.2 MJ/hl.

Specific thermal energy consumption data

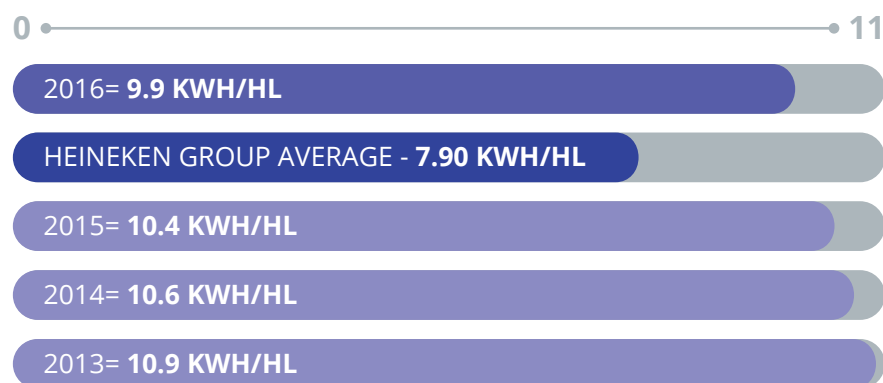


MJ/hl beer + soft drink + cider + water

Specific electricity consumption

The specific electricity consumption of DB Breweries decreased from 10.4 kWh/hl to 9.9 kWh/hl. This is a decrease of 4% compared to last year. DB Breweries has a higher specific electricity consumption than the HEINEKEN Group average of 7.8 kWh/hl. Renewable energy in our specific electricity consumption for beverage production this year was 75%, based on the overall country energy mix.

Specific electricity consumption data



kWh/hl beer + soft drink + cider + water

OUR ACTIONS 2016

Continuous improvement in energy

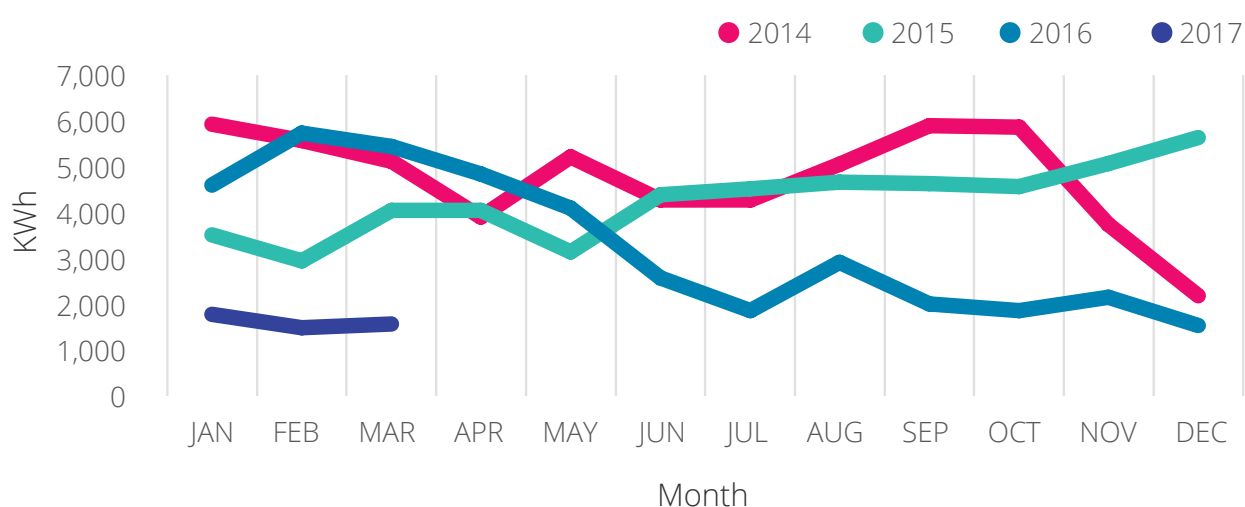
We adopt a continuous improvement approach to managing resources such as energy, water and waste generation. We don't look at energy efficiency as a project that has an end which we can declare ourselves finished. Nor do we pin all of our expectations for energy savings on a single upgrade or piece of equipment.

We developed an Energy Saving Programme in 2015 which set the scope and objectives for energy management and allowed us to measure and monitor results and then review the effectiveness of our approach. This has helped us to embed the thinking of resource efficiency among our operations staff and find small but multiple savings which continue to add up and help us to progress toward our targets. Initiatives such as the installation of LED lights and motion sensors continue to provide savings, while air leak surveys and weekend energy audits contribute to the identification of opportunities for further work.

Toward carbon neutral brewing

In March 2015, we commissioned a solar unit at our Redwood Cidery. A standalone unit, it was dedicated to heating water in the sterilisation (CIP) supply tank which was, until then, done through electricity only. Throughout the year we used a combination of electric and solar capacity at the site and in 2016 we made further changes to save more electricity, including halving the volume of water heated from 30 to 15 Hls, sterilising post shift instead of pre shift and filling the tank with thermal heated water. The unit has consistently reduced our electricity consumption from 2.54 kilowatt hours per hectolitre packed product in 2014 to 1.37 in 2016.

Sterilisation Hot Water Tank electrical consumption FTY2



Year	Elec. Consumption (KWHRs)	HL Packed	KWHRs per HL Packed
2014	57,028	22,403	2.54
2015	51,195	28,397	1.8
2016	39,670	28,880	1.37

Reducing waste

DB Breweries is always looking for opportunities to get the most value from the resources we use. As the world's developing countries rapidly industrialise, global food prices are expected to rise as businesses compete for resources constrained by climate change and water scarcity. Doing more with less, prioritising human nutrition and retaining as much value as possible are priorities for DB Breweries.


This year HEINEKEN commenced a roll out of a 'zero waste' programme to support zero waste to landfill by 2020 across its operations. The main residual products from the brewing process are brewer's spent grains, surplus yeast and materials like glass, cardboard, aluminium, plastic and paper.

By making the most of these raw materials, we can also reduce our broader environmental footprint and retain as much value as possible. We divert more than 95% of our waste from landfill with more than 86% of our waste from spent grains, and other organic sources, being diverted to animal feed.

Reducing waste and greenhouse gas emissions are priorities and our leading edge project, *DB Export Brewtroleum* continues to be recognised globally for its innovative approach to these problems. This year, DB Export Brewtroleum won multiple awards including 11 Cannes Lions:

- › *DB Export Brewtroleum* – Cannes Titanium and Grand Prix Outdoor plus eight Gold Lions (multiple categories) and one Bronze Lion
- › *DB Export Brewtroleum* Clio Grand Prix Outdoor
- › *DB Export Brewtroleum* D&AD Impact Awards two Yellow Pencils, one White Pencil and two Wood Pencils
- › *DB Export Brewtroleum* three Grand Prix Spikes Asia
- › *DB Export Brewtroleum* Grand Prix New York Festival
- › *DB Export Brewtroleum* two Gold Effies, one Silver Effie and two Bronze Effies

The project was also highly commended in the innovation category of the Energy Efficiency & Conservation Authority (EECA) Awards.

Destination	%
 Animal Feed	87
	Materials
 Compost/Soil Improvement	0.5
	Energy (Biogas)
Combustion with Energy Recovery	0
 Combustion without Heat Recovery	0.5
	Landfill
Unknown	1
Total	100%

 Recycling
  Recovery
  Disposal



...we reused
or recycled

95%
of our waste.



//Case Study

Reducing our CO₂ emissions

DB Breweries acknowledges that we have a responsibility to reduce our greenhouse gas emissions and contribute to global and national targets.

DB set a target nationwide to reduce CO₂ emissions in production by 44% (equivalent to CO₂-eq/hl), and in 2016 we celebrated our CO₂ emissions being reduced by 46% since 2008.

While in previous years we were able to make major infrastructure and operational changes to reduce our CO₂ emissions, in 2016 we focused on continuous improvement of our supply chain to ensure our reduced emission figures were sustainable in the long term.

A major part of our focus was on our transportation and logistics in and around our production sites, on both a large and small scale. Through TPM principles we targeted specific areas to optimise our truck movements highlighting opportunities where we could reduce fuel usage or alter our delivery systems and locations to reduce our CO₂ emissions.

We identified that the usage of our offsite storage facilities, where we store overflow product, could be optimised at certain times of year. By working hard on our forecasting we were able to ensure the amount of product held in offsite storage facilities was minimised. The effect of this was significantly reducing the movements of trucks between these sites and less time on the roads.

In 2016 we also began the development of an onsite warehouse extension at our largest Waitemata site, with the long-term aim of completely eliminating the need for additional truck movement to offsite storage.



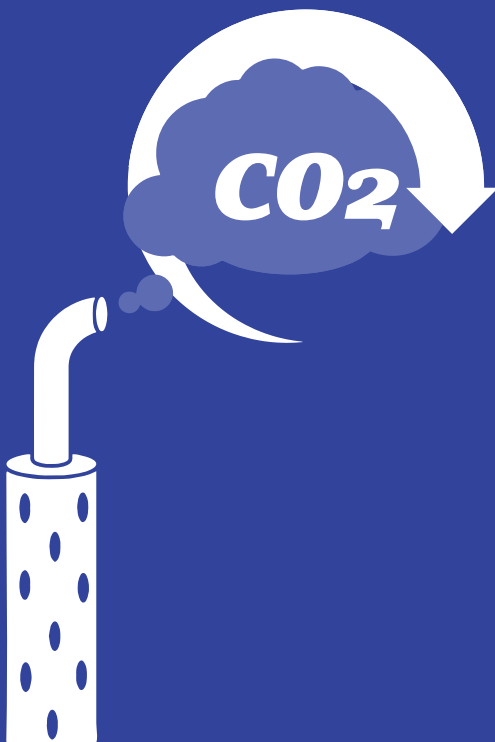
Further, we conducted a full analysis of our production schedule across all operational sites. This highlighted some opportunities to amend our schedules in order to produce certain products at the most efficient plant based on localised demand. This optimisation significantly reduced transportation of our products as well as resulting fuel consumption.

As well as looking at our external transportation and logistics, we identified that in order to sustainably maintain our lower CO₂ emissions, and continue to reduce emissions, all aspects must be addressed; no truck or vehicle was too big or too small to ignore. Therefore in 2016 we invested in a multi-million dollar automated delivery system on the packaging lines, which has eliminated forklift usage in the area completely.

By focusing on our own transportation and logistics processes, we have been able to surpass our initial CO₂ emissions targets and have put ourselves in a position where we can push boundaries again, knowing we have initiatives in place that can support lower CO₂ emission levels into the future.

“By focusing on smaller initiatives around our operational sites we were able to make changes that continued to lower our CO₂ emissions. The culmination of all these improvements will have a large impact over the lifetime of our brewery.”

Fred Britton, Waitemata Brewery Manager





...93%

of our procurement
budget was spent on

local suppliers.



Sourcing Sustainably

Our operating context

Our use of natural resources and our impact on people is by no means limited to the brewing activities in our plants. Much of our impact happens in our supply chain – in the use of water and energy to grow hops and barley and in the small businesses and rural communities where our raw materials are grown. In 2016, brewers in New Zealand purchased \$632 million of goods and services from upstream industries including \$97 million of ingredients such as hops, malt and sugar⁸. The beer value chain in New Zealand from grain to glass was worth \$2.2 billion in the year to March 2016.

Responsible agriculture and sourcing have never been more important as the pressure to feed more people and the impacts of climate change unfold. Zero hunger is a key UN Sustainable Development Goal and includes a target of doubling the agricultural productivity and incomes of small-scale food producers by 2030. HEINEKEN is working with key partners on local sourcing initiatives in Africa where these issues have clear and present impacts. However, we need to also act responsibly when it comes to local sourcing and what that means in the context of New Zealand.

Excerpt from UN Sustainable Development Goals

Sustainable Sourcing

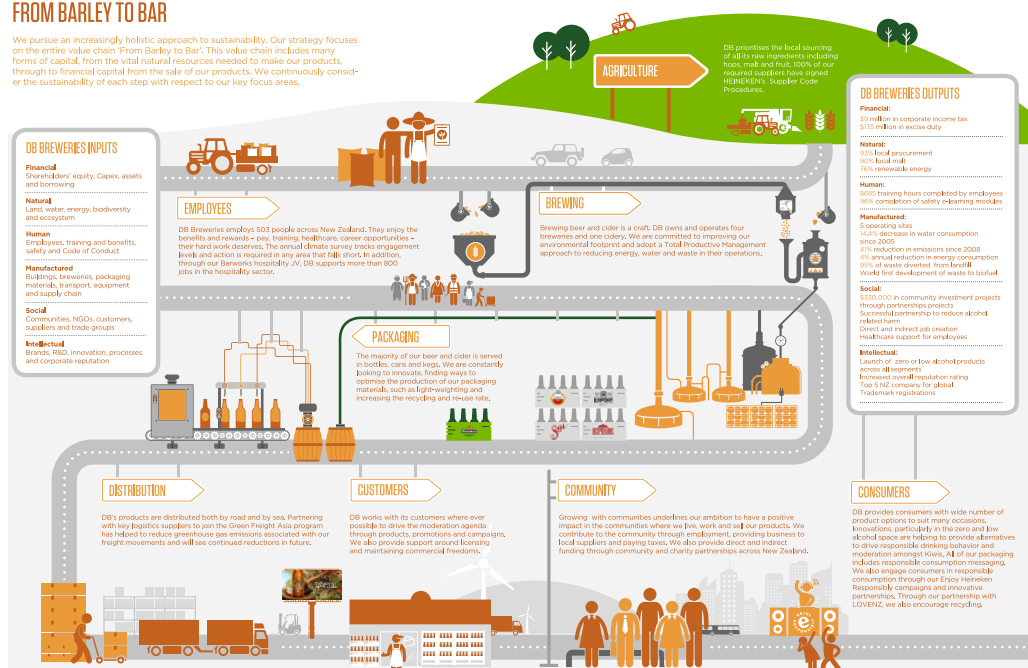
- Our local sourcing projects, helping smallholder farmers to improve yields and increase incomes
- Sustainable sourcing of our agricultural raw materials
- Ongoing compliance with our Supplier Code Procedures



Value chain

FROM BARLEY TO BAR

We pursue an increasingly holistic approach to sustainability. Our strategy focuses on the entire value chain. From Barley to Bar. This value chain includes many forms of capital, from the vital natural resources needed to make our products, through to financial capital from the sale of our products. We continuously consider the sustainability of each step with respect to our key focus areas.



Why sustainable sourcing is important to DB Breweries

Our aim is to develop a supply chain that supports local communities and smaller businesses, reduces our environmental footprint and ensures a consistent supply of raw materials for our business. Maintaining this consistent and reliable supply of raw materials is a business imperative. Our commercial success is tied to the success of suppliers who depend on access to land and water as well as labour and thriving rural communities.

DB Breweries has 1,327 suppliers. Based on our top 100 suppliers, we spend more than 90% of our procurement budget on New Zealand raw materials, packaging, services and freight. Focusing on local, New Zealand based suppliers allows us to form strong and long term relationships. This helps us to access high quality raw materials and support local businesses and employment. We can also develop relationships with suppliers on broader issues such as reducing their environmental footprint and ensuring compliance on social challenges such as fair work and on-farm safety.

Our priorities

DB Breweries' key mechanism in increasing the sustainability of our sourcing is through the implementation of the HEINEKEN Supplier Code. HEINEKEN is committed to sourcing 50% of its main raw materials from sustainable sources by 2020. The code outlines our expectations of suppliers in the areas of:

- › integrity and business conduct (eg. legal compliance, conflicts of interest, confidentiality)
- › human rights (eg. safe work practices, fair treatment, equal opportunity, child and forced labour and values associated with the Universal declaration of Human Rights and the Core Conventions of the International Labour Organization)
- › environment (eg. resource efficiency, reducing environmental impact & use of environmentally friendly technologies).

The HEINEKEN Supplier Code consists of a four stage programme of: signing, risk analysis, monitoring and auditing. In 2014, we began communicating Step-1 of the HEINEKEN Supplier Code Procedures which required our suppliers to sign the Supplier Code Procedures.

Our results

Our target for 2016 was to have 95% of our suppliers sign the Supplier Code Procedures to complete Step 1. This was achieved ahead of time with 100% of our required suppliers and 90% of all suppliers having signed the Supplier Code Procedures in 2015. In 2016, we progressed this to 100% of all suppliers having signed the Supplier Code Procedures. We have also progressed Step 2 by completing a risk assessment of 1,066 locally managed suppliers.

HEINEKEN Global commitment by 2020	DB Breweries – objective by 2016	What DB Breweries has done in 2016
Four-step Supplier Code Procedures operational within all OpCos – 95% compliance	Complete Step 1 of the Supplier Code Procedures – 95% of suppliers having signed the Supplier Code Procedures	Step 1 of the Supplier Code Procedures – 100% of all suppliers have signed the Supplier Code Procedures Step 2 of the Supplier Code Procedures – 80% of suppliers assessed for risk

OUR ACTIONS 2016

Supplier Code

Supplier Chain



We continue to prioritise local sourcing of raw materials and services. We source 90% of our hops locally and have increased our sourcing of New Zealand malt from 67% in 2014 to 95% in 2016.

Our priority action remains the roll out of the HEINEKEN Supplier Code Procedures and we are currently progressing to Step-3; Supplier Monitoring, having completed Step-2; Supplier Risk Analysis in 2016. This assessment will help to determine the frequency and type of subsequent audits. The risk assessment is based on the significance of our spending with the supplier, the country of origin and if the materials supplied contribute to products branded by HEINEKEN. Of the eight suppliers identified as high risk, six have since accepted our invitation to join the EcoVadis sustainability-monitoring platform. Of the remaining two high risk suppliers, one supplier refused to subscribe to EcoVadis and was terminated, while another supplier is no longer being used. HEINEKEN is currently reviewing the Supplier Code to strengthen these procedures in the coming year.

Actions with suppliers

This year HEINEKEN has commenced a global procurement programme looking at what is being purchased, how much and from who. The aim is to develop a single collaboration tool to manage the full sourcing cycle, a central repository for contracts and a one stop procurement system. Although a key objective of the project is to increase our own productivity, the system will make it easier for us to manage our relationships with our suppliers and also make it easier for them to manage their relationship with us by streamlining processes and payment schedules. This is particularly important as we increasingly source raw materials locally and seek to explore forms of shared value with our supplier base in New Zealand.

//Case Study

Sourcing Sustainably: Mooving our spent grain.

DB has a continual focus to develop a supply chain that supports local communities and smaller businesses, reduces our environmental footprint and ensures a consistent supply of raw materials for our business.

With 11,000 tonnes of malt being used in the brewing process at our Waitemata site there is the potential to produce a large amount of waste as a result. DB Breweries is proud of our circular economy approach that ensures 100% of our malt is recycled at the end of the brewing process.

Our locally sourced malt is delivered to site and loaded, in a contained environment, into the storage silos. From the silos the malt is transferred to the Brewhouse to be used in the beer brewing process. Once the malt is pressed, with all extracts removed all that remains of the original malt is the spent grain. The spent grain is then sent to the spent grain silos, where a local supplier comes to collect it on a regular basis. The spent grain, which is in high demand, is then sent to farms around New Zealand to become a highly effective and in demand feed for cows.

Allan Upton, of Upton Farms located in the Coromandel is one of many recipients of our spent grain, or as the farmers call it – brewers grain. Allan's farm gets a delivery every 10 days. Once it has been delivered it gets mixed in with various other feeds, generally maize and silage to produce a balanced feed for his stock. Upland Farms then feed this delicacy to their cows twice a day during the milking season.



The farmers tell us that our “brewers grain” helps increase milk production, and is a nutritious option for their stock. And it’s a win win for DB with 11,000 tonnes of spent grain diverted from waste each year.



“all 11,000 tonnes of the malt we use each year is recycled, it all goes back to the farmers, and back to New Zealand to keep New Zealand beautiful”

Steve Bailey, Cellar & Filtration Brewer

Watch the video below to find out more



**During the delivery and unloading process of the malt at the brewery a large amount of dust is produced. This delivery occurs in a contained environment to capture the dust to ensure no pollution or damage to the environment occurs. The dust that is captured is supplied to local pig farmers as a feed for their stock.*



...we invested NZD \$310,000 in
**29 community
activities,
sponsorships
and donations**
across New Zealand to make
a positive local impact.



Growing with Communities

Our operating context

Our biggest contribution to communities is through our core business: creating jobs, providing business to local suppliers and paying taxes. Overall, the brewing industry in New Zealand employed 1,880 people in 2016, paid \$290 million in excise tax to the New Zealand government and generated a further \$290 million of GST through sales. Brewing itself contributes \$620 million in value added (GDP). This doesn't include cider which is a significant and growing part of DB Breweries.

While we contribute financially to communities through taxation and employment, we also need to contribute to the long term economic and social development of our communities. Our prosperity is mutually dependent. Every year, DB Breweries invests in responsible consumption partnerships, educational programmes, charitable causes and other in-kind donations. Like other businesses in New Zealand, we also contribute our time, skills and knowledge to the communities in which we operate.

Why growing with communities is important to DB Breweries

We depend on a healthy and engaged workforce and thriving local communities across New Zealand where we operate and also where we source the majority of our raw materials. Our breweries and cidery are iconic to their local communities and we understand our responsibility to create a shared and sustainable future. The UN Sustainable Development Goals 2030 also acknowledge that we need partnerships between governments, the private sector and civil society to achieve progress in sustainable development globally and locally. We aspire towards partnerships built on shared values and principles which place the sustainable development of New Zealand at the centre.

Excerpt from UN Sustainable Development Goals

Growing with Communities

- Community investments by our operating companies and foundations
- Supporting economic growth through job creation and paying taxes



Our priorities

HEINEKEN bases its global programme on three building blocks:

- Direct contributions (eg. charitable giving)
- Shared-value projects (eg. capacity building with local suppliers)
- The Heineken Africa Foundation (eg. a dedicated fund focused on healthcare and water projects in sub-Saharan Africa).

In New Zealand, DB Breweries focuses on two key areas:

1. Projects that support 'inclusive growth' and/or link with the focus areas of our strategy – *Brewing a Better World*
2. Long-term community investments in multi-stakeholder partnerships.

Our results

The taxes we pay contribute to the New Zealand economy and the broader New Zealand community. DB Breweries pursues an open and constructive dialogue with New Zealand's tax authorities, based on respect, transparency and trust. In 2016, BD Breweries contributed approximately \$14,240,000 NZD in Corporate Income Tax and more than \$140,283,000 NZD in Excise Duty associated with our beer, cider and ready to drink products. In 2016, HEINEKEN's consolidated total tax contribution was EUR 9.9 billion. For more information see:

<http://www.theheinekencompany.com/sustainability/governance/our-approach-to-tax>.

Our brands (owned and licensed) include Heineken, Amstel, Tiger, Tui, Monteith's, DB Export, Orchard Thieves and Old Mout. Together with our corporate brand, we provide around \$5m each year in sponsorship to sporting, cultural, charitable and educational activities in New Zealand. This year we funded 29 separate community investment partnerships, sponsorships and charitable donations, spending more than \$311,227 NZD.

Corporate Social Investment⁹ – Summary 2016

Organisation	Project
Halberg Disability Sport Foundation	Halberg Disability Sport Foundation aims to enhance the lives of physically disabled New Zealanders by enabling them to participate in sport and recreation. The Halberg Awards are New Zealand's pre-eminent sports awards to honour and celebrate sporting excellence.
World Water Day	World Water Day is an annual event which focuses attention on the importance of universal access to clean water in developing countries and on advocating for the sustainable management of freshwater resources. DB Breweries celebrated World Water Day through the participation of staff in the removal of rubbish from a local waterway in the vicinity of Waitemata Brewery.
Big Buddy Mentoring Trust	Big Buddy is a free mentoring service run by dedicated professionals who recruit and screen male volunteers from the community to become mentors to fatherless boys. A registered charity, Big Buddy operates in Greater Auckland, Hamilton, Wellington and North Shore/Rodney areas.
New Zealand Leadership Institute (NZLI)	DB Leading Light Scholarships is a partnership between DB Breweries and the New Zealand Leadership Institute (NZLI) to provide leadership scholarships to people who live and work in South Auckland.
The Packaging Forum	Funds the recovery of glass for recycling, litter reduction programmes and recycling bins in public places and at sponsored events.

Corporate Social Investment⁹ – Summary 2016

Organisation	Project
The Tomorrow Project – Cheers!	The Tomorrow Project is a drinks industry social change initiative in New Zealand whose aim is to create a safe and sociable drinking culture by providing facts and tools drinkers need to make smarter drinking choices. The consumer brand of The Tomorrow Project is called Cheers! which, in 2015, started a three year campaign focused on increasing New Zealander's awareness and understanding of standard drinks.
University of Auckland – Morton Coutts Scholarship	This scholarship supports research into the science related to the brewing or processing of beer.
A Summer to Remember	A partnership with StudentCard to reach tertiary students and promote responsible consumption.
Wellington Free Ambulance	The Wellington Free Ambulance provides paramedic response to emergencies in the Greater Wellington and the Wairarapa areas.
Social Change Initiative - Scoping	Scoping of a responsible consumption project which would focus on the important role of conversation in supporting mental health.

OUR ACTIONS 2016

Our Own Backyard

In 2016 we had a focus on our own backyards, with each of our operating sites encouraged to focus on communities in and around the areas we do business. Each site focused across areas that were important to the continued growth of their respective communities.

World Water Day

Our largest site, Waitemata, used World Water Day to clean up the creek located just up the road from the brewery. DB collaborated with Auckland Council and the Manukau Beautification Charitable Trust to clean up the Otara Creek Reserve – deemed to be one of New Zealand's most polluted waterways. Nearly 20% of our Auckland based employees collected over 70 rubbish bags of litter, car tyres and even a shopping trolley. The aim was to remove all rubbish from the banks of the Otara Creek Reserve for a proposed tree planting project to ensure the sustainable development of the waterways.

Big Buddy

With DB's partnership with Big Buddy now in its fourth year, we wanted to extend the reach of this organisation which helps find good men to become big buddies and mentors to fatherless boys. With a strong need for a South Auckland office, our focus was to introduce the charity to other partners and organisations which could offer a direct benefit to Big Buddy and help build a South Auckland office. Through DB's support and with the contributions of a wider network of partners, a South Auckland office build commenced in 2016 and now has a dedicated staff member to extend the reach of Big Buddy into an area which was deemed to be a focus.

//Case Study

Growing with Communities

DB is committed to growing with its community's right across New Zealand. In 2016 DB Breweries contributed over \$310,000 to sponsorships, partnerships and community organisations across the country. In 2016, we chose to focus at a corporate level, on our biggest backyard, South Auckland, the home of our largest brewing operation and head office. Our remaining operational and sales sites were also encouraged to actively engage in initiatives of local importance to them.

“It is important to DB to ensure we support and engage with causes and organisations active in our own backyards. We are a big part of the communities in which we operate and want to ensure we have a positive influence at a local level.”

Amber McEwen, Corporate Affairs Director.



As a result the organisations that we worked with across the country were varied and inspiring with each of our operational sites organising local initiatives benefitting their own communities.

Our Wellington based craft brewery, Black Dog, once again engaged with the Wellington SPCA, creating a special brew for the charity and donating the proceeds of its sales – both from the brewery itself and through other outlets in the wider community. The Extra Pale Ale, named XPCA was launched at a brewery open day for both customers and their canine friends. The initiative raised \$10,000 for the SPCA and secured local media. All in all, a tail-wagging success.

[Click to find out more about XPCA](#)





Up in Auckland, our team based in our Waitemata, South Auckland site got their hands wet in support of World Water Day. The initiative was run in collaboration with Manukau Beautification Charitable Trust, which is focused on looking after and cleaning up the local community. Through this partnership we were identify the worst affected area of our local waterway, the Otara Creek Reserve, as well as secure resources to ensure we had the right tools for the job.

In the lead up to the day DB not only educated our people on the importance of water throughout our value chain, but also the importance of fresh water being one of New Zealand's most valuable natural assets.

Over 40 staff signed up to help out and spent an afternoon cleaning the Otara Creek Reserve, one of New Zealand's most polluted waterways. Our clean up produced over 40 full rubbish bags as well removing large objects such as shopping trolleys, tires, hard-drives and car batteries.

“The Otara Creek Reserve literally runs through our own neighbourhood and is an integral part of the larger Otara Waterways and Lake Project. To be able to make a difference at a local level, for the entire community to enjoy was really special.”

Simon Smith, DB Breweries



//Case Study

Growing with Communities: Big Buddy

DB commenced its partnership with registered charity Big Buddy in 2013, and in 2016 we committed the much needed first investment into opening a South Auckland based office.

Big Buddy is a free, mentoring service with a difference; run by dedicated professionals, male volunteers are recruited from the community and rigorously screened to become mentors to fatherless boys.

“The statistics on positive mentoring are clear and compelling. It’s about making a world of difference to fatherless boys’ lives – one visit at a time. Big Buddy had a waitlist of boys in South Auckland but no physical presence in order to recruit mentors. DB wanted to be part of the solution in our own backyard.”

Amber McEwen, Corporate Affairs Director

As word spread about the positive impact of Big Buddy, demand grew – and South Auckland was an area of great need. DB, through an undisclosed investment, was able to give Big Buddy the confidence it needed to progress with opening a South Auckland-based office and hiring a full time staff member. Soon after, additional partners – in GJ Gardner and ITM – also joined the crusade.

With this significant expansion of operations and territory Big Buddy are able to recruit a larger number of mentors for even more fatherless boys.

As part of the partnership, DB was also able to introduce the Big Buddy charity to a number of other organisations who were able to offer further assistance. The new organisations add a whole new level of support for Big Buddy and following a successful implementation in South Auckland are now able to focus on new areas for expansion.

The level of support throughout DB continues to gain momentum and during 2016 Mike Smillie, DB’s National Facilities Manager, successfully became a Big Buddy to his Little Buddy Max.

The process to becoming a Big Buddy can seem daunting, but for very good reasons it has to be thorough, rigorous and secure. The Big Buddy’s have a responsibility to be a good role model to guide these boys into adulthood with true self-worth, enabling them to make positive life choices towards living a life of purpose and meaning as an involved member of our community.



“To have our partners so invested in our organisation with one of their own becoming a Big Buddy is extraordinary. Becoming a Big Buddy requires support from all facets of your life, including work and home, and the support shown to Mike by DB has been outstanding.”

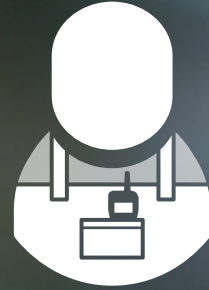
Travis Field, Chairman, Big Buddy

To have one of DB's own team become a mentor during 2016 is the pinnacle of our support to date. It highlights that we are not an organisation that simply ticks the box for support, we roll up our sleeves and engage.

Watch the video below to find out more



...we provided *all DB technicians* with **personal CO₂ monitors** to ensure any leaks were detected immediately, reducing potential harm.



Promoting Health and Safety

Our operating context

The New Zealand government introduced a new Health and Safety at Work Act 2015 which came into force in April 2016. The package of reforms represents the most significant changes to New Zealand's workplace health and safety system in 20 years. It includes a new regulatory agency, a focus on high risk sectors and capacity building including targets to reduce work-related fatalities and serious injury by at least 10% by 2016 and 25% by 2020. During the 2016 calendar year, there were 49 work-related fatalities reported to WorkSafe New Zealand, with four of those attributed to the manufacturing sector¹⁰.

Why health, safety and wellbeing is important to DB Breweries

We want to make sure that everyone goes home safe every day. Zero fatalities is the only acceptable target. Health and safety risks in the brewing industry range from managing materials like grain and malt dust and chemicals associated with cleaning and refrigeration to heavy manual handling of materials as well as falls from heights and the general management of machinery. However, many of our risks are outside our production sites when people are travelling or distributing our products. These are less controlled environments, making road safety a priority for us. In 2016 we rolled out our successful driver behaviour training to those within DB Breweries who are high users of rental vehicles, as well as to all new employees responsible for a company vehicle. Good health and wellbeing is also a key UN Sustainable Development Goal to which DB Breweries can contribute.

Excerpt from UN Sustainable Development Goals

Promoting Health & Safety

- Our 'Safety First' approach for our employees and contractors
- Provision of healthcare for employees and family members in developing countries, including malaria and HIV treatment
- Heineken Africa Foundation healthcare projects



Our priorities

In 2015 we reviewed our approach against the requirements of the new Health and Safety at Work Act 2015, so we were ready for the changes to workplace safety by 2016. Our single Health and Safety Manual provides details our Health and Safety Management System, links to all of our policies and procedures and is also based on HEINEKEN's Global Occupational Health and Safety Policy. Our Health, Safety and Wellness Committee is key to implementing many of our initiatives and engages functions right across the entire business including sales, marketing and events as well as traditional areas like our manufacturing sites. A member of the senior leadership team attends these monthly meetings, reflecting the importance of its work plan.

This year HEINEKEN launched its 12 Life Saving Rules, focused on the “dos and don’ts” of the most risky activities. This includes a list of “dos and don’ts” for activities ranging from working with chemicals and working at heights to the use of phones when driving and being free of alcohol and drugs. The programme requires all operating companies, including DB Breweries, to assess their performance and implement action plans over coming years. To date, we have assessed our safety performance and defined our rules of the Life Saving Rules action plan. We have also continued our Road Safety Training programme which remains a global priority for HEINEKEN.

Heineken Life Saving Rules



Be sober and free from drugs.



Wear your seatbelt and helmet.



Operate vehicles only when authorized.



Comply with CO2 procedure when required.



Obtain authorisation before entering a confined space.



Obtain authorisation before starting any hot work activity.



Phone hands free only.



Drive at the allowed speed.



Lock out, tag out before work on machines or equipment begins.



Protect yourself when working with chemicals.



Protect yourself against a fall when working at height.



Drive forklift trucks safely.

Our results

DB Breweries has maintained a record of zero fatalities throughout its history. We report on our incidents both publicly and to HEINEKEN, contributing to global safety performance targets and benchmarks.

Parameters	Unit	2013	2014	2015	2016
Fatalities of company personnel	Cases	0	0	0	0
Fatalities of contractor personnel	Cases	0	0	0	0
Fatalities of company personnel in commuting	Cases	0	0	0	0
Accidents of company personnel	Cases	2	3	10	3
Accidents of contractor personnel	Cases	0	1	2	1
Lost days of company personnel	Days	1	11	5	31
Workforce (full-time equivalents)	FTEs	948.2	955	1059	481 ¹¹
Performance indicators (average values)					
Accident frequency	Cases /100FTE	0.21	0.433 ¹²	1.03	Not reported
Accident severity	Days /100 FTE	0.11	3.47	0.41	Not reported

Only one serious accident was recorded this year which required surgery and 31 days away from work. There were also two minor accidents classified as sprains or strains requiring three days away from work. Neither of these accidents involved a Life Saving Rule. Overall, serious accidents were reduced by 75% and minor accidents were reduced by 66% during the year.

Tracking near misses is vital to improving safety. It helps us to better understand how and why they occurred so that we can take corrective action and prevent injuries in the future. The reporting of near misses increased by 166%, from 420 in 2015 to 1,119 in 2016. In the past year, DB Breweries accounted for 25.7% of reporting on total near misses for HEINEKEN Asia Pacific concerning our workers and 24.3% of contracted workers. Globally we accounted for 2.9% of total worker related near misses and 2.7% of contractor related near miss reporting. This year we introduced a new mobile device application as a version of our health and safety portal which is portable and easy to use immediately. It can be used to report near misses, incidents, or injuries as well as observations from anywhere in the country. It also allows for corrective actions to be sent directly to a mobile phone. Reporting from this system is then uploaded into HEINEKEN's safety data portal to contribute to global reporting which is also consistent with the new legislative requirements in New Zealand.

¹¹ Data excludes Monteith's Brewing Co. as this is not considered material for the purposes of this report.

¹² Figure for DB FTE only.

In 2016 we developed our “First Move” initiative to address high frequency, low consequence incidents, such as sprains and strains. The initiative is designed to educate people about how their bodies work and inspire them to change how they move to prevent injury in the workplace by fostering physical intelligence. This is being rolled out through a train the trainer approach, delivered by DB Breweries workers.

No cases of occupational disease were reported in 2016 and the company received no fines for non-compliance with safety regulations in 2016.

<i>Injury by type</i>	<i>Males</i>		<i>Females</i>		<i>Employees</i>		<i>Contractors</i>	
	2015	2016	2015	2016	2015	2016	2015	2016
Sprain/Strain	6	9	1	6	6	15	1	15
Bruising	1	7	1	5	2	10	0	4
Cuts	0	13	1	5	1	15	0	7
Fracture	1	0	0	0	0	0	1	0
Dislocation	1	0	0	0	0	0	1	0
Graze	0	4	0	2	0	4	0	4
Burn	0	4	0	0	0	4	0	4
Inflammation	0	1	0	1	0	2	0	2
Allergic reaction	0	1	0	0	0	1	0	0
Contusion	0	0	0	1	0	1	0	0
Foreign body	0	0	0	0	0	0	0	1

OUR ACTIONS 2016

Our health, safety and wellness culture

This year we undertook a dedicated Health, Safety & Wellness (HS&W) survey across the organisation to help identify our HS&W culture. Like many businesses we have been measuring our performance through mechanisms such as compliance-based reporting and lag indicators. While compliance is important, we need to move toward a more proactive and maturing approach to HS&W and how risks to our people are both identified and managed. The survey asked 41 questions. While it was rolled out company-wide, patterns and differences between business units were monitored as well. The results provide a clear understanding of our strengths and where interventions should be targeted. The survey identified that DB Breweries has many strengths including teamwork, learning and the support of leaders across the business. One key learning is the significance of internal reporting on risks, observations and near misses which tell us what is really going on in the business and help us to take action. Such reporting is being encouraged and also facilitated by a new phone app available to all company phones.

Embedding HEINEKEN's Life Saving Rules – CO2 awareness

As part of the Heineken Life Saving Rules initiative, CO2 awareness within our customer premises has been highlighted as a potential risk globally. If a CO2 cylinder has a leak, the escaping gas can cause oxygen levels in the surrounding air to drop. People who breathe in this air can suffocate, leading to possible brain damage or death. CO2 gas is both colourless and odourless, making it difficult to detect a leak.

In Feb/March 2016 we visited premises to check on the risk of CO2 exposure to DB Breweries workers. While all Barworks sites have a CO2 monitoring and alarm system in place, the majority of other sites, which form the large part of our customer base, had no form of monitoring or alarm system for CO2. The risk of someone entering a cool room that has CO2 present which could cause them harm was considered to be probable. As a result, workers who regularly enter customer cool rooms or confined spaces where CO2 is present were allocated personal CO2 monitors.

Brew Well Be Well

We have continued our employee wellness programme - Brew Well Be Well – with a monthly calendar of events throughout 2016. This includes a range of programmes:

- November Boot Camp – fitness training run on site by a qualified personal trainer.
- August Yoga – free yoga sessions at the Waitemata site run by a qualified instructor and for all levels of ability.
- April flu jabs – a free vaccination programme administered by a nurse at the Waitemata site.
- January skin risk assessments - a subsidised skin risk assessment conducted by a dermoscopy nurse to identify risk of skin cancer and melanoma.

//Case Studies

Promoting Health & Safety #1: Keeping our team safe from CO₂

Safety is the number one priority for DB and CO₂ is one of the 12 biggest risks to employees. As such, DB has CO₂ awareness and detection measures in place across all operational sites, such as compulsory training for all staff (regardless of role), tight CO₂ controls on all operational sites and monitoring in all high CO₂ risk areas. However, during 2016 we identified that a number of our people could potentially be exposed to CO₂ away from DB sites and within our customer premises during their working day.

Most beer systems in New Zealand are driven by CO₂, and the risk of CO₂ exposure can occur if there is a crack or a loose joint within the system. As CO₂ is a colourless and odourless gas, detection is difficult without proper monitoring.

A high concentration of CO₂ can displace oxygen in the air. This high concentration of CO₂ within a confined space can cause symptoms such as rapid breathing, rapid heart rate, clumsiness, emotional upsets

and fatigue. As less oxygen becomes available, nausea and vomiting, collapse, convulsions can occur, and extreme exposure could lead to coma and death.

A thorough investigation of all DB sites and customer work spaces was done in early 2016 and as a result all employees who could potentially be exposed to CO₂, were fitted with a personal CO₂ monitor. These are used during all relevant customer visits in order to detect potentially harmful levels of CO₂. If any unusual levels of CO₂ are detected the alarm on the monitor will immediately sound until it has been disarmed by our team member.

Nearly 50 of our staff were trained in the correct use and application of these monitors with regular calibrations of the personal monitors being performed by an external company.

In addition to DB staff gaining peace of mind when working in potentially hazardous environments, the personal CO₂ monitors can provide peace of mind to our customers by alerting them to any potential leaks or risks in a timely manner.

Watch the video below to find out more



“Having the personal CO₂ monitor makes me feel safer in my job”

Scott McEwen, Territory Manager

“It offers peace of mind to not only me, but to my customers”

Jennifer Florkowski, Territory Manager

Promoting Health & Safety #2: Walking the Walk

While Health & Safety has long been a priority for DB, more recently we identified that employee wellbeing was also an extremely important focus. We already had a well-established Health & Safety committee, however we knew from talking to our people that there was a desire for an elevated focus on personal wellbeing.

In order to establish a programme that met the needs of our people, it was important to include them in the process of developing it. We worked with people from across the business to design a name and logo, and from that, Brew Well – Be Well born.

The formation and subsequent calendar of activities and initiatives has seen an exceptional result in our culture survey, with an 8% annual increase in our engagement score.

Brew Well – Be Well includes a wide variety of initiatives to ensure that we engaged with a large number of our staff and departments.

In 2016 our highest engagement came in April from the inaugural FitBit challenge. DB laid the gauntlet to their staff to collectively (and virtually) walk to the HEINEKEN offices, located 18,000+ kilometres away in Amsterdam.

Over 280 of our staff took part in the FitBit challenge, which pitted departments against each other to get the step count up. Teams would sync their step count daily, and engage with each other and other departments through the app where the team tallies were collated.

The FitBit challenge dramatically changed the way we worked. We noticed a decrease in the number of emails being sent, with people getting up and walking across the building instead. Teams had walking meetings, people walked to work and cross functional teams got together for walks at lunchtime.

At the completion of the FitBit challenge the engagement went well beyond the original 280 staff who participated, with the whole company was supporting the participants. The dedicated DB staff, from all across our sites, took it in their stride and managed to collectively make it to the home of HEINEKEN in 26 days.

Over 27 million steps
18,120 km
in 26 days

**“People weren’t emailing,
they were walking up and
down the stairs to get to
each other and emails
dropped off.”**

Ainslie Easton, HR Advisor



...we reached over 273,000 tertiary students with a **30% engagement rate** through a digital

Summer to Remember campaign

promoting responsible consumption.



Advocating Responsible Consumption

Our operating context

Over the past 37 years, New Zealand beer consumption has fallen by 2% a year on average. At the same time, off-premise craft beer sales have risen 42% between 2014 and 2015. Alcohol consumption in New Zealand is now in the middle of the range of OECD countries. However, the misuse of alcohol continues to result in costs to New Zealand society through crime, road trauma and health impacts.

Globally, the volume of alcoholic beverages drunk in 2015 fell by 0.7% and this has been reported to be the first decline since 2001. Moderation is one, among other key driving forces¹³. Hazardous drinking has also declined since 2006/2007 particularly among younger drinkers who are increasingly moderating their drinking behaviour. Millennial consumers, aged 18-29, are seeking to limit their alcohol consumption on nights out and this is at least partly fuelled by concerns about social media and control of self-image. At the same time, regulatory change is also playing a role such as the introduction in New Zealand in 2014 of a lower legal blood alcohol limit for drivers from 80mg to 50mg per millilitre of blood. This was a factor in increasing the supermarket sales of low alcohol beer by up to 60% in the following year.

While the majority of adults are moving toward moderation and can include alcohol consumption as part of a healthy lifestyle, this is not a uniform trend for all social groups. For some specific demographic groups, hazardous drinking behaviours remain a challenge.

Why responsible consumption is important to DB Breweries

Driving responsible consumption is a serious issue for our business, the wider industry and to New Zealand society as a whole. Simply drinking more alcohol is not in the best interests of our consumers, our wider stakeholders, or our business. DB and HEINEKEN have a long history of encouraging responsible consumption and acknowledge that while the majority of adults enjoy our products in moderation there is still a decreasing number of individuals who consume too much alcohol, putting themselves and those around them at risk. Good health and well-being is also a crucial UN Sustainable Development Goal in which DB Breweries can make a significant contribution both in New Zealand and in other key markets.

Innovation in lower alcohol products is one part of the solution and offers opportunities for commercial growth in New Zealand if consumption follows a similar trend to that experienced in Australia in recent years. More than that is to make responsible consumption an aspiration, changing culture itself.

Excerpt from UN Sustainable Development Goals

Advocating Responsible

Consumption

- Making responsible consumption aspirational through Heineken®
- Building partnerships to address alcohol-related harm
- Taking action at global industry level
- Increasing portfolio of no- and low alcohol brands



Our priorities

DB Breweries' key priorities for responsible consumption are based on four pillars:

1. **Build partnerships.** We are committed to creating meaningful and measureable partnerships in responsible consumption.
2. **Advocate responsible consumption through our brands.** We aim to keep consumers informed through product labelling and ensure that a minimum of 10% of our media spend for HEINEKEN brands is in supporting our dedicated responsible consumption campaign.
3. **Take action at industry level.** We drive behavioural change initiatives and awareness campaigns working at an industry level with other companies and stakeholders primarily the Cheers! initiative and The Tomorrow Project.
4. **Innovation in low ABV.** We continue to develop new, high quality and innovative products with low and zero ABV to provide alternatives for consumers and improve access to those products.

Our results

DB Breweries is committed to the development and implementation of meaningful partnerships in responsible consumption. HEINEKEN also aims for every one of their markets to pursue partnerships aimed at reducing alcohol related harm every year. Last year we highlighted our work with the Auckland Philharmonia Orchestra (APO) and their Remix the Orchestra programme which targeted at risk youth. This year, our StudentCard partnership targeted tertiary students with the message of enjoying responsibly to have a Summer to Remember.

HEINEKEN N.V's global target by 2020	DB Breweries – annual objective	What DB Breweries has done in 2016
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.	Met HEINEKEN's seven-point criteria in the partnership with StudentCard – A Summer to Remember.

To be considered successful by HEINEKEN, such partnerships need to meet seven key 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

OUR ACTIONS 2016

Advocating through our brands

We strive to ensure that all marketing communications are conducted in a responsible way and use our flagship brands to convey this message. We invest 10% of the Heineken brands' media spend in New Zealand on dedicated responsible consumption campaigns.

Our local research into the drinking attitudes of millennial consumers in New Zealand (aged 18-29) has found that for Kiwi millennials, the key to a great night out is spending time with friends, and 82% say they look to limit the amount of alcohol they drink on nights out. The majority of Kiwis surveyed think that moderating drinking is "cool" (67%) and respect others when they moderate their drinking (80%). This study shows moderation is becoming an active choice for an image-conscious generation of Kiwis who want to stay in control on nights out and find drunkenness unattractive.

This work complements Heineken's own global research into drinking attitudes of millennial consumers which has revealed that self-awareness and staying in control are the motivating factors for moderating alcohol consumption during a night out. The popularity and reach of social media among this age group means that control of their self-image is paramount and 75% of millennials limit how much alcohol they drink on the majority of their nights out. The research polled 5,000 21-35 year-old premium beer drinkers in five countries and was commissioned to provide insight into the Heineken brand campaign, 'Moderate Drinkers Wanted' - aimed at boosting a growing trend of moderation and responsible consumption.

DB Breweries is also committed to complying with applicable marketing communication laws, regulations and voluntary codes. In the past year, five complaints were made to the Advertising Standards Authority regarding marketing materials produced by or on behalf of DB Breweries. No complaints resulted in warnings, fines or penalties for non-compliance.

Year	Complaints made to the Advertising Standards Authority	Referrals to Advertising Standards Complaints Board	Warnings, fines or penalties for non-compliance
2013	28	2	0
2014	2	1	0
2015	5	4	0
2016	5	1	0

Product labelling

Packaging offers us an opportunity to communicate directly at the point of consumption, helping consumers to make informed decisions. In 2013 HEINEKEN undertook an exercise to apply a set of easily understood symbols or equivalent words to discourage drinking and driving and consumption by pregnant women globally. Today 100% of our primary packaging includes these logos.

We also comply with New Zealand legislation and disclose the alcohol content in each of our products. All local products include a standard drink equivalent on the label which is also detailed on our website, alongside information regarding nutritional content. HEINEKEN has committed to provide ingredients and nutrition information on packs for all of its beer brands brewed and sold in the EU. DB Breweries also believes that consumers should be able to make fair comparisons between different beverages. Recently we commenced a campaign through the Brewers Association to voluntarily roll out nutrition content labels on our beer products. These will detail information on energy, carbohydrate content including sugars, dietary fibre, protein and sodium content.

Action at industry level

Our parent company, HEINEKEN, is a signatory to the collective Commitments to Reduce Harmful Drinking which aim to contribute to the World Health Organisation target of at least a 10% relative reduction in the harmful use of alcohol by 2025. This is managed by the International Alliance for Responsible Drinking (IARD). Locally, DB Breweries is an active and integral member of the Brewers Association and 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.

Innovation in low ABV

While we have been producing low alcohol beers since the mid-1980s, providing innovative low alcohol alternatives is now more important than ever. Increasing trends towards health and well-being, more responsible consumption and changes to legislation, including lowering of the drink drive limit in New Zealand, make the ongoing development of low alcohol products a key part of our future business. Growing the low alcohol beer and cider category represents benefits to our consumers and broader society in New Zealand as well as making good business sense.

After launching products such as DB Export Citrus Grapefruit (2.0% ABV) and DB Export Citrus (2.0% ABV) we achieved the highest innovation rate across the HEINEKEN Asia Pacific region in 2014. By 2015 we achieved a leading position in low ABV in New Zealand with around 70% share of the market. We now have low or zero alcohol product offerings in all of our segments. In 2015, we launched DB Export 0.0 Citrus (0.0% ABV), Tui 2.5 (2.5% ABV) Monteith's Mid (3% ABV) and a world first Heineken Light (2.5% ABV) for the New Zealand market. In 2016, we launched our DB Export Citrus, Lime & Ginger (2.0% ABV) and became the first HEINEKEN company to offer DB Export Citrus on tap for the on premise market.

DB Breweries believes New Zealanders should be able to see low and non-alcoholic beer stocked alongside full strength beer in supermarkets to provide options and encourage safe and responsible consumption of alcohol as well as responsible host behaviour. After discussions with the industry in 2016, the New Zealand government amended The Sale and Supply of Alcohol Act 2012 to clarify that no and low alcohol (0-1.15% ABV) beer and cider could be displayed and sold in the single area of a supermarket.

//Case Study

Advocating Responsible Consumption during a summer to remember

In 2016 the media highlighted a number of instances of New Zealand tertiary students drinking in an irresponsible way. DB Breweries identified an opportunity to educate tertiary students about consuming alcohol in a responsible manner highlighting that drinking in moderation creates positive and memorable experiences.

With the academic year coinciding with Christmas, New Year and extended summer holidays, the December and January period sees an increase in festivities and social occasions, which inevitably leads to an increase in alcohol consumption.

By partnering with New Zealand's prominent Student-based organisation, StudentCard, DB aimed to reach tertiary students (18-24) to promote responsible consumption through a campaign called A SUMMER TO REMEMBER.

The 100% digital campaign reflected the media consumption of the target audience. The campaign was leveraged through StudentCard's digital distribution network combined with a social media influencer campaign.

The mechanics of the campaign drove tertiary students to an online and mobile responsive test that highlighted tips to moderate alcohol consumption throughout any social occasion. Completion of the test put students in the draw to win A SUMMER TO REMEMBER prize pack. The test was restricted to entrants aged 18+.

The consistent online messaging coupled with the mobile responsive test highlighted

Media Headlines relevant to the issue:

“Drink Driving PhD Student leaves a trail of destruction in Dunedin.”

“Victoria University student suffers fractured skull following drunken fall.”

“Drunk Dunedin students accused of harassment.”



Watch the video below to find out more



three easy to remember key points to ensure our tertiary students practised responsible consumption, in turn ensuring they did indeed have a summer to remember.

The three points to have A SUMMER TO REMEMBER are:

- Keep hydrated, before, during and after your drinks
- Eat to last: plan when you are going to eat throughout the night
- Ensure you have plans to get home safely

The campaign resulted in a reach of over 270,000 tertiary students as well as a level of engagement of over 30%, considerably higher than industry standards.

Our social influencers gained further reach by communicating with their friends and followers in their own tone, to ensure both a high level of engagement and that the key messages were understood.

Feedback from our social influencers has been positive with clear indications that the message got through.

“I thought it was a successful way to promote safer drinking. Using diverse platforms in informal ways made it feel less like a campaign and more like an important message worth sharing with friends.”

Olivia, age 21

“As someone who is personally involved with the drinking culture, I have begun to adopt these principles simply from this campaign and a lot of friends and family say they’ve noticed a massive difference and are proud that I have changed how I drink.”

Emily, age 22

“Everyone I talked to thought they were really important messages to promote, and I think especially got behind them as they were relatable, simple and not about anti-drinking just about having a good time and staying safe.”

Alex, age 22

GRI Index

General Standard Disclosures¹⁴		Reference
Organisational profile		
G4-1	Statement from the most senior decision maker	Message from the Managing Director
Organisational profile		
G4-3	Name of the organisation	About DB Breweries
G4-4	Primary brands, products & services	About DB Breweries
G4-5	Location of headquarters	About DB Breweries
G4-6	Countries of operations	About DB Breweries
G4-7	Nature of ownership	About DB Breweries
G4-8	Markets served	About DB Breweries
G4-9	Scale of the organisation	About DB Breweries
G4-10	Number of employees	About DB Breweries
G4-11	Employees covered by collective bargaining agreements	About DB Breweries
G4-12	Description of supply chain	About DB Breweries Sourcing Sustainably
G4-13	Significant changes to the organisation	About DB Breweries Sourcing Sustainably
G4-14	Use of the precautionary principle	Refer to HEINEKEN's risk management approach http://www.theheinekencompany.com/investors/financial-information/risk-management
G4-15	List of charters, principles or initiatives subscribed	Sustainability governance Protecting water resources – Our priorities Advocating responsible consumption – Our priorities
Identified material aspects and boundaries		
G4-16	Memberships of associations	Sustainability governance
G4-17	Entities included in financial statements	About DB Breweries – Ownership & subsidiaries
G4-18	Defining report content	About this report – A focus on material issues
G4-19	Material aspects identified	About this report – A focus on material issues
G4-20	Aspect boundary within the organisation	About this report – Reporting boundary
G4-21	Aspect boundary outside the organisation	Sustainability Strategy – Our approach

14 The description of the disclosures has been summarised. For the full text of disclosures see www.globalreporting.org

General Standard Disclosures¹⁴		Reference
Identified material aspects and boundaries		
G4-22	Restatements of information	Re-statements have been made for waste water and noted in the text.
G4-23	Significant changes to scope and aspect boundaries	No significant changes.
Stakeholder engagement		
G4-24	List of stakeholder groups engaged by the organisation	About this report - Stakeholders inform our report
G4-25	Basis for identification of stakeholders	About this report - Stakeholders inform our report
G4-26	Approach to stakeholder engagement	About this report - Stakeholders inform our report
G4-27	Topics raised by stakeholders	About this report - Stakeholders inform our report
Report profile		
G4-28	Reporting period	About this report – Application of reporting standards
G4-29	Date of previous report	About this report – Application of reporting standards
G4-30	Reporting cycle	About this report – Application of reporting standards
G4-31	Contact point for questions	About this report – Assurance
G4-32	In accordance option of GRI	About this report – Application of reporting standards
G4-33	Assurance	About this report – Assurance
Governance		
G4-34	Governance structure	Sustainability governance
Ethics and integrity		
G4-56	Values, principles, codes of conduct	http://www.theheinekencompany.com/about-us/business-conduct/the-heineken-code-of-business-conduct

14 The description of the disclosures has been summarised. For the full text of disclosures see www.globalreporting.org

Specific Standard Disclosures			
Material aspect	DMA & indicators		Reference
Economic performance	G4 DMA		Growing with communities – Our priorities
	G4-EC1* ¹⁵	Direct economic value generated and distributed	Growing with communities – Our results 2016
Indirect economic impacts			Growing with communities – Our priorities
	G4-EC8*	Significant indirect economic impacts, including the extent of impacts	Growing with communities – Our results 2016
Procurement practices	G4 DMA		Sourcing sustainably – Our priorities
	G4-EC9*	Proportion of spending on local suppliers at significant locations of operation	Sourcing sustainably – Our results 2016
	G4-FP1*	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Sourcing sustainably – Our actions 2016
Energy	G4 DMA		Reducing CO ₂ emissions – Our priorities
	G4-EN3*	Energy consumption within the organisation	Reducing CO ₂ emissions – Our results 2016
Water	G4 DMA		Protecting water resources – Our priorities
	G4-EN8*	Total water withdrawal by source	Protecting water resources – Our results 2016
Emissions	G4 DMA		Reducing CO ₂ emissions – Our priorities
	G4-EN15*	Direct greenhouse gas emissions (scope 1)	Reducing CO ₂ emissions – Our results 2016
	G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	Reducing CO ₂ emissions – Our results 2016
	G4-EN18	Greenhouse gas emissions intensity	Reducing CO ₂ emissions – Our results 2016
Effluents and Waste	G4 DMA		Protecting water resources – waste water management
	G4-EN22*	Total water discharge by quality & destination	Protecting water resources – waste water management
Compliance	G4 DMA		Reducing CO ₂ emissions – Our priorities
	G4-EN29*	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Reducing CO ₂ emissions – Our results 2016
Supplier environmental assessment	G4 DMA		Sourcing sustainably – Our priorities
	G4-EN32*	Percentage of new suppliers that were screened using environmental criteria	Sourcing sustainably – Our results 2016

Specific Standard Disclosures			
Material aspect	DMA & indicators		Reference
Occupational Health & Safety	G4 DMA		Promoting health and safety – Our priorities
	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 by gender	Promoting health and safety – Our results 2016
Supplier assessment and labour practices	G4 DMA		Sourcing sustainably – Our priorities
	G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Sourcing sustainably – Our results 2016
Supplier human rights assessment	G4 DMA		Sourcing sustainably – Our priorities
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Sourcing sustainably – Our results 2016
Local Communities	G4 DMA		Growing with communities – Our priorities
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Growing with communities – Our results 2016
Product and Service Labelling	G4 DMA		Advocating responsible consumption – Our priorities
	G4-PR3*	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Advocating responsible consumption – Our actions 2016
	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 – Our actions 2016



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