

Brewing a Better NZ

DB BREWERIES' 2018 SUSTAINABILITY REPORT



Message from the Managing Director



Over the past year we've seen sustainability well and truly become a business imperative. There is no doubt in my mind that operating sustainably is critical to the future of DB and the success of New Zealand as a whole. One need only look at the data, which tells us that issues like plastics, climate change, water quality and New Zealand's high youth suicide rates are of deep concern to Kiwis, and that there is little room for businesses that do not respond to changing consumer needs and global challenges.

DB has been on its sustainability journey for many years now and we continue to develop our business strategy to ensure that we are operating well into the future. Through our Brewing a Better New Zealand sustainability programme, we are front footing sustainability challenges and opportunities across our value chain, from fostering a safe and social drinking culture, through to lowering our carbon emissions, and making sure our people are safe and well. We believe that even small actions can make a difference and that all of our people have a role to play in the success and prosperity of our business and local communities. Coupled with this is the knowledge that we need to be pragmatic in our approach and collaborate with others to achieve our goals. To that end, we benefit from a wealth of knowledge through the HEINEKEN network and ensure that the best ideas and solutions from around the globe feed into our local sustainability programme.

Since our last report, we have been busy developing and beginning to implement long term action plans across our focus areas. We will start to share more details of these over the coming year. In 2018, I signed up to the Climate Leaders Coalition, which now represents over 80 businesses that are committed to transitioning to a low carbon economy. In this report we share our new science based targets for reducing our scope 1 and 2 carbon emissions and start to outline how we'll get there. We are currently developing our roadmap for scope 3

emissions and I look forward to collaborating with our suppliers to achieve these goals.

Along with our focus on reducing carbon emissions, we have had a number of other highlights during 2018. We launched two powerful drink driving reduction programmes that aim to address New Zealand's high road toll. The year also marked the hugely successful launch of Heineken 0.0, which is catering to a growing demand for non-alcoholic beverages. We proudly closed our gender pay gap following the roll out of a three-year talent and acquisition strategy. Mental health and wellbeing continued to remain in focus and we have been working to normalise conversations around mental health in the workplace by sharing our personal stories and being open and vulnerable. And we continued to educate consumers about reducing and reusing waste through DB Export Brewtroleum and Beer Bottle Sand.

As I look ahead to 2019 and beyond, I am excited about the future. We have a number of programmes in development that will result in a real step change for our business. These include investing in waste water treatment infrastructure in Timaru that will mean the quality of waste water at DB Draught Brewery is well above local standards, as well as investments in renewable thermal energy that will lead to a material reduction in our carbon emissions.

Our report includes many more examples of the progress we are making and our direction of travel. As always, I welcome your feedback on how DB can continue to Brew a Better New Zealand.

Cheers

Peter Simons

Managing Director

About DB Breweries

[DB Breweries](#) is an iconic New Zealand company that has been part of the Kiwi landscape since 1929. It produces and sells a wide range of high quality beers, ciders and RTDs, including premium global brands such as Heineken and Tiger; local favourites Tui and DB Export; and leading craft brands Monteith's, Tuatara, Black Dog and Lagunitas (USA). It also operates [Drinkworks](#), which markets and distributes premium beer and cider in Australia, and has a direct interest in over 20 licensed premises in Auckland through [Joylab](#), a joint venture with JAG Hospitality Group.

DB is 100% owned by [HEINEKEN Asia Pacific Limited](#). While our shareholding is global in nature, DB remains very much a New Zealand company with strong ties to the local community. All of our breweries, and our cidery, have long histories in New Zealand and are embedded with a strong sense of Kiwi pride.

Our sites



Our economic contribution

Through our business we contribute to the community by creating jobs, providing business to local suppliers and paying taxes. In 2018, our economic contribution came to a combined value of over NZD \$612 million. Overall, the brewing industry from barley to bar in New Zealand is worth \$2.3 billion¹, and contributes \$640 million to New Zealand's GDP.

DB's economic contribution	Value in 2018 (NZD million)
Wages and employee taxes paid	\$14.84
Excise duty*	\$150.92
GST paid	\$30.13
Corporate tax paid	\$13.38
Supplier payments*	\$403.82
Total	\$612.86

* Includes Drinkworks

(1) *Brewing in New Zealand: Economic contribution of brewing report 2018, NZIER*

Our people

DB is home to a close-knit team of around 500 people who are focused on creating sustainable value, from barley to bar. Our current people strategy aims to develop the talents of our people while building engaged, inclusive and diverse teams and leaders.

In 2018, we proudly closed our gender pay gap following a three-year focus on talent acquisition and development. During this time, business practices were fine-tuned to allow us to monitor remuneration benchmarks and then address any discrepancy through tactics like standardising pay rates within job grades and ensuring that the FTE (full time equivalent) salaries of part time and flexible workers are aligned to their job grade and colleagues. Anyone coming back from parental leave has their salary or hourly rate reviewed to ensure it is in line with the market and that they are not disadvantaged as a result of having time away from work.

We have begun to roll out our future of work strategy, which focuses on inclusion and diversity, employee wellbeing, flexible working, our work environment and agile resourcing options. Currently 25% of our staff work under official flexible arrangements and we have many others who informally arrange

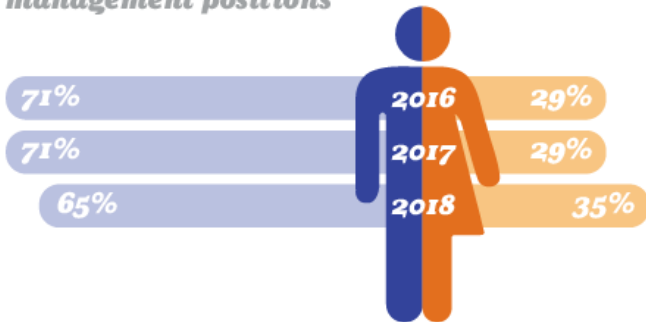
their work day around other commitments. We are also building on our ability to attract and retain talent by leveraging the positive association that people have with our brands, building on our strong position on sustainability and working with HEINEKEN to develop regional and national strategies to address this challenge. This work will be critical to the future success of DB as increasing demand for talent, or the 'talent crunch', is putting pressure on companies in New Zealand and globally.

Our annual Climate Survey captures feedback from employees on topics including personal development, job satisfaction, strategic alignment, management, innovation, reward and recognition, collaboration and team work. In 2018, our employee engagement index and performance enablement index scores were both 77%. Last year, we introduced an inclusion index for the first time, which measures employees' views of how much their environment supports their different and diverse contributions. Our score was 84%, which is 5% above the external norm.

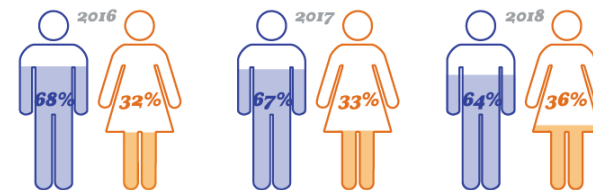
Average length of service (years)



Males and females in senior management positions



Percentage of male and female employees



Our approach

Sustainability doesn't start and stop with any one part of our business. It's a factor in everything we do. That means constantly considering our impact, the value we create, and opportunities to improve – all the way from the barley and hops that are used to make our beers, through to the moment a customer takes a sip of their favourite DB beer or cider.

Brewing a Better New Zealand

Our Brewing a Better New Zealand programme sets out our focus areas and how we manage and embed sustainability into our business. The programme is led by our Managing Director and Executive Team and its delivery is supported by teams across the business. We strongly believe that everyone has a part to play when it comes to being more sustainable and we encourage our people to be more sustainable wherever they can – drop by drop, team by team and day by day. Our strategy is also guided by the UN Sustainable Development Goals and we seek opportunities to contribute to the goals through our focus areas and through HEINEKEN.



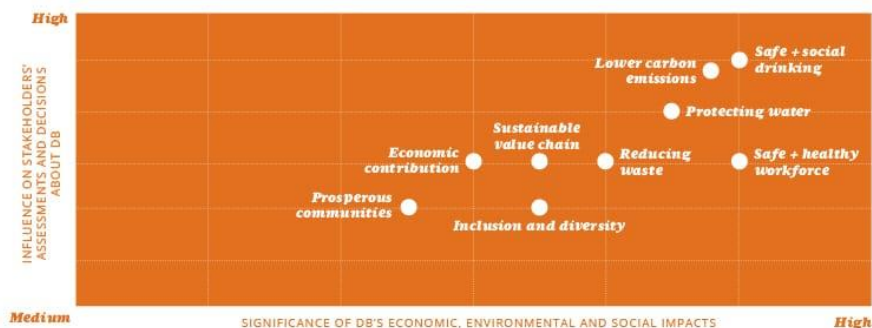
About our reporting

This report covers our performance from 1 January 2018 to 31 December 2018. It covers the activity and impacts of DB Breweries' main operating sites, including: Waitemata Brewery, Tui Brewery, Monteith's Brewery, DB Draught Brewery, Black Dog Brewing Company, Redwood Cidery and Tuatara Brewery. Unless stated otherwise, our reporting doesn't include Joylab and Drinkworks.

Our carbon footprint (scope 1 and 2) for 2018 has been externally verified by Enviro-Mark solutions. External assurance was not sought for our other 2018 disclosures.

Materiality

We reviewed our material topics for 2018. These are topics that may have significant impacts or substantively influence stakeholders. The method for assessing the materiality of each topic followed GRI's Materiality Principle and considered a wide range of information sources, including engagement with internal and external stakeholders. Our key stakeholders include our employees, suppliers, government, industry, customers, consumers, media, non-government organisations and local communities.



The following topics are considered to be material for reporting to stakeholders in 2018, in order of priority:

Safe and social drinking

Promoting moderate drinking behaviours and social change through partnerships, campaigns, innovation in low and no alcohol products, product labelling and responsible marketing.

Lower carbon emissions

Managing our resources, including reducing energy consumption, greenhouse gas emissions and waste from our operations.

Safe and healthy workforce

The health, safety and wellbeing of our people and the people we do business with.

Protecting water

Reducing our water consumption and managing the impact that our business has on water quality.

Reducing waste

Reducing waste through better design, waste avoidance, reduction and recycling.

Sustainable value chain

Working with suppliers that meet our environmental and ethical sustainability standards and purchasing from local suppliers.

Economic contribution

Our direct and indirect economic contribution to the New Zealand economy.

Inclusion and diversity

Diversity is about the representation of different groups at DB in the broader sense (including age, nationality, gender, experiences, skills, and thinking styles). Inclusion is about creating an environment that appreciates and values different contributions that a diverse workforce can bring.

Prosperous communities

Our direct and indirect contributions to local communities, including partnerships, sponsorship and philanthropy.

Brewing with less water

Water is at the heart of our culture and identity in New Zealand and it plays a crucial role in brewing beer and cider. It fills around 95% of finished beer products and is a key part of our supply chain, from growing raw materials like hops and malt, to cleaning our plant equipment. As one of our company's most important resources, we know how important it is to protect.

All of our breweries, except for Tui, source their water from reticulated municipal supplies that are rated low water stress. Our breweries can affect surface water quality by generating wastewater that needs to be treated before being returned to the watershed.

Our approach

At a global level, HEINEKEN looks at [watershed health holistically](#) through three key areas: water stewardship, efficiency and circularity. It places a strong emphasis on collaboration with NGOs, businesses and government to develop its strategy and implement its plans. Locally, DB is continuing to focus on reducing water consumption in production and improve

the quality of wastewater discharged from its breweries and cidery. We also contribute to improved water quality by running planting and beach clean ups around our local [waterways](#).

One of our most significant planned investments is upgrading our wastewater treatment process and infrastructure at DB Draught Brewery in Timaru by 2020. This investment will result in a discharge water quality standard that exceeds the local standard and will represent a material improvement in wastewater quality.

Our key targets and performance

We measure our performance based on the amount of water we consume per hectolitre (100 litres) of beer and cider produced. We also measure the quality of the water we are discharging. In 2018, our water consumption intensity for production was 3.18 hectolitres of water per hectolitre of product produced. The chemical oxygen demand (COD) of our waste water (a measure of water quality) was 1.19 kg COD per hectolitre of waste water, increasing slightly from 2017 as yeast loads increased at our DB Draught Brewery.

Key measures	2020 target	2018	2017	2016	2015
Water consumption (hl/hl)	3.0	3.18	3.2	3.3	3.47
Water discharge (COD kg / hl to surface water)	0.01	1.19	1.131	1.064	0.862

Waitemata in 2011, and a new pasteuriser at Timaru in 2015, have also led to significant water savings. More recently, additional water saving measures have been implemented at Redwood due to summer drought.

Looking ahead

We will continue to reduce our water consumption in production to 3.0 hl/hl by 2020, invest in water stewardship programmes in our communities, and explore opportunities for water circularity at our sites.

Saving water – drop by drop

Over the past decade, DB has reduced its water consumption in production by 25% against a backdrop of increasing production complexity. Continuous improvement activities across brewing and bottling have played an important role in this achievement. For example, Redwood’s bottling line operator, Aaron Enyon, saved over 180,000 litres a year by seeing an opportunity to recycle bottle rinse water for reuse. Investments in new technology at our sites, such as the brewhouse upgrade at

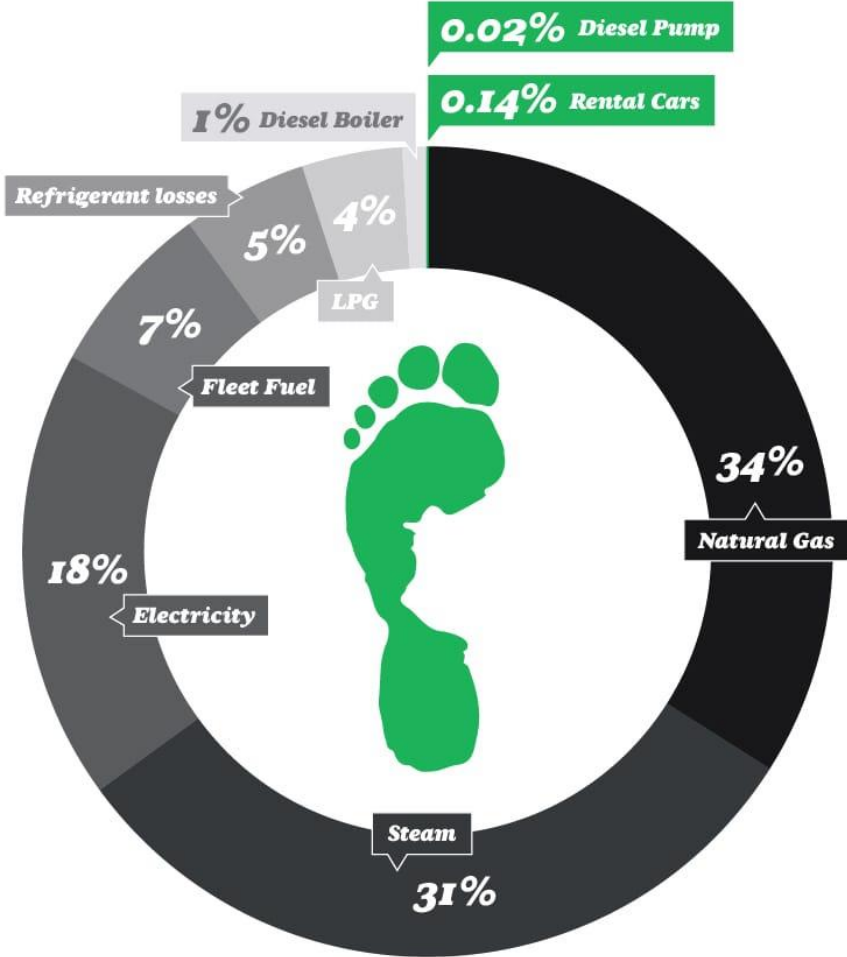
Brewing lower carbon emissions

Climate change is one of the biggest risks facing the world today. As part of a global company, it's our responsibility to work towards national and worldwide targets, by lowering greenhouse gas emissions across our entire business. In 2018, DB re-confirmed its commitment to transitioning to a low carbon economy by joining the [Climate Leaders Coalition](#), a group of over 80 businesses that have committed to taking voluntary action on climate change.

Our carbon footprint

DB's carbon footprint in 2018 was 9,846 tonnes of carbon dioxide equivalents (CO₂e) or 7.58 kg CO₂e per hectolitre of beer and cider produced. Our greenhouse gas emissions come mainly from natural gas, electricity in our breweries, purchased steam, and fuel used by our fleet.

Our Carbon Footprint



Greenhouse Gas Emissions	CO ₂ e (tonnes) 2018
Scope 1	5,046
Scope 2	4,800

Our approach

We monitor our emissions and have programmes in place to help lower them, like smarter travel, energy efficiency, shifting to renewable energy sources and waste reduction. We continue to focus on improving the efficiency of our systems, and while some gains are still being made, we're approaching the technological and efficiency limits of our existing plant and equipment. With this in mind, we're setting up for the next major step change, which will involve investment in renewable thermal energy in production.

Our key targets and performance

We currently use the measure of carbon intensity per unit of production to track our carbon emissions performance – kilograms of carbon dioxide equivalents per hectolitre (100 litres) of production. Through a range of infrastructure investments, energy efficiency initiatives and process modifications, we have reduced our total carbon emissions in production by 47% when compared to our 2008 baseline. Eliminating waste to landfill remains a priority and we currently divert over 96% of all waste from landfill through recycling or reuse. This is a slight decrease from last year due to the China

National Sword Policy, which has meant that certain plastics used in production are no longer recyclable.

Looking outside of production, we have reduced carbon emissions from cooling by 52% since 2017 through our 'green fridge' programme. We also achieved a 6.5% reduction in carbon emissions from our glass bottles between 2015 and 2018, by working with our suppliers to adjust the weight while retaining their quality and robustness. The implementation of telemetry devices in our fleet vehicles in 2018 is now complete and we will monitor and measure any fuel efficiencies gained from installing these devices.

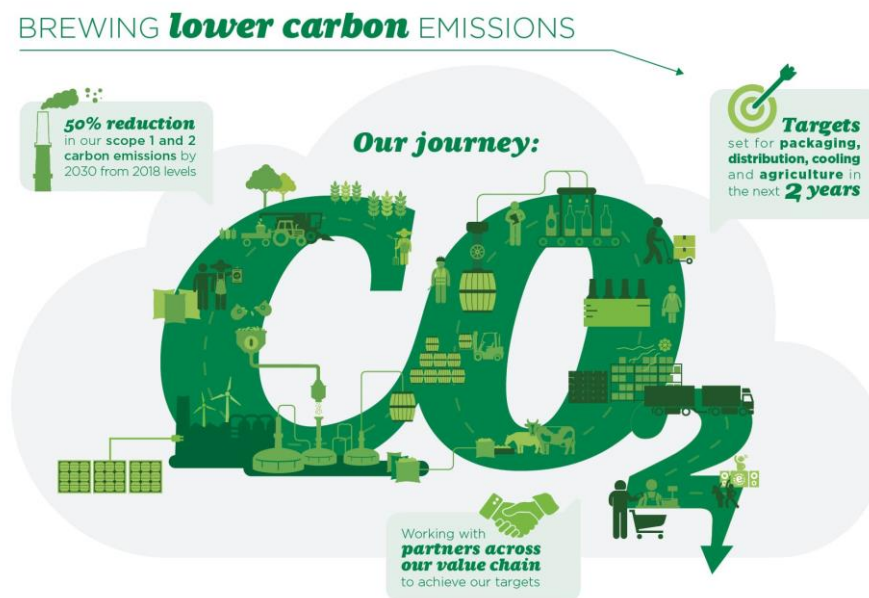
We continue to test and promote circular economy concepts through our DB Export brand, and in 2018, we produced 3,000 litres of ethanol for our DB Export Brewtroleum biofuel. We also continue to produce DB Export Beer Bottle Sand, which was used in major construction and roading projects such as the new Queenstown Airport runway with [Downer](#). Over 300 tonnes of DB Export Beer Bottle Sand has been used to date.

	2020 target	2018	2017	2016	2015
Scope 1 & 2 carbon emissions (tonnes)	9764	9,846	n/a	n/a	n/a
Carbon emissions in production (kg CO2 eq / hl)*	4.5	4.88	4.9	5	5.3
Carbon emission reduction in production (kg CO2 eq / hl) (2008 baseline)*	40%	47%	47%	46%	38%
Thermal energy use (GJ)*	n/a	74,416	70,088	71,164	74,076
Total energy use (thermal & electricity) (GJ)*	n/a	119,136	113,305	108,274	100,043
Energy intensity (MJ / hl)*	83.4	91.15	91.7	92.7	97.9
Thermal energy intensity (MJ / hl)*	51	57.66	57.0	56.9	60.6
Electric energy intensity (kWh / hl)*	9.0	9.62	9.7	9.9	10.4
Waste produced (Tonnes)*	n/a	16,296	15,066	16,166	15,841
Waste diversion rate*	98%	96.15%	97%	96%	95%

* Our energy consumption and waste reporting data includes our three main production sites: Waitemata Brewery in Auckland, DB Draught Brewery in Timaru and Redwood Cidery in Nelson. The reporting scope includes: purchased thermal and electrical energy consumption in production and forklift LPG gas usage.

Looking ahead

We've been developing a new carbon reduction roadmap through to 2030. Our new programme encompasses emissions that occur across all of our sites and production units and aims to systematically reduce emissions across our business. We've set science based targets for our scope 1 and 2 emissions. Our initial focus will be on reducing emissions by 50% by 2030 (against a 2018 baseline). This will be achieved through investment in renewable energy technologies, transitioning our fleet to electric vehicles, swapping our LPG forklifts to electric forklifts, and reducing refrigerant losses to zero. We'll also be developing targets for our scope 3 emissions across packaging and distribution. It's a challenging plan with ambitious targets for 2030 that will require open collaboration and innovation.



Brewing a safe and healthy workforce

Our company values include enjoying life, respecting people and planet, and passion for quality. Our management of the health, safety and wellbeing of our staff and contractors is intrinsically linked to demonstrating those values every day.

Our approach

We have an established health, safety and wellbeing management system that focuses on eliminating the potential for harm and enabling wellbeing. In practice, this means developing safe processes to mitigate risk, following up on any incidents, ensuring effective medical attention is received quickly and delivering ongoing wellbeing initiatives. There are health and safety risks and wellbeing issues to be managed in all aspects of our business, including the mental health of the people who work for us and with us.

In 2018, we undertook a Hazard Operability Study (HAZOP) for carbon dioxide at our DB Draught and Waitemata breweries. We

set the highest standards for process safety by following the rigorous oil and gas industry model. This includes having a programme that studies our carbon dioxide, ammonia and boiler systems. Once these studies have been completed they are reviewed on a five-year rotation. From the studies we undertook in 2018, we generated corrective actions for each site to check that our control measures are sufficient, or added additional control measures to make the system more robust.

Our ongoing mental health awareness programme included celebrating [Pink Shirt Day](#), a global campaign to stop workplace bullying, across all of our sites. We also created and shared four powerful videos featuring our people telling their mental health stories during Mental Health Awareness Month in October. Our aim is to develop a work environment where people are comfortable talking about their mental health and can seek help and are supported to develop strategies to look after themselves. During the year, our wellbeing programme, Brew Well, Be Well, rolled out popular wellbeing initiatives like the Fit Bit challenge, yoga, boot camp and skin checks across all sites. We continued to develop our peoples' physical intelligence through the [First Move programme](#) and have extended the programme's reach by developing our own in-house trainers.



Our key targets and performance

The key measures we use to assess our health and safety performance are the number of accidents and the accident frequency rate. We have achieved a positive reduction in both these measures over the past year and are constantly working towards making sure everyone gets home safe everyday and our goal of zero harm. In 2018, we recorded one accident and an accident frequency rate

of 0.19 accidents per 100 FTE*. Our accident rate reductions have been achieved through understanding our critical risks and having adequate control measures in place that include developing the capability of our people and establishing good processes.

	2020 target	2018	2017	2016
Accidents	0	1	4	3
Accident frequency rate (accidents per 100 FTE)*	0	0.19	0.79	0.58
Warnings, fines or penalties for non-compliance	0	0	0	0

* FTE – Full time equivalent staff member

Looking ahead

We will continue to invest in managing our highest operational health and safety risks, and support the mental health and wellbeing of our employees through partnerships, employee training and support programmes.

Case study: DB Draught Brewery's journey towards building a safe and healthy workforce

In 2018, the DB Draught Brewery in Timaru achieved [WorkWell's Gold accreditation](#), a nationally-recognised programme for creating and certifying safe and healthy workplaces. Gold accreditation is awarded to sites that have demonstrated they have a sustained and embedded wellbeing programme in place for their staff. Since 2014, the site has progressively introduced wellness initiatives, including physical activity and healthy eating programmes, responsible drinking education, financial health checks, smoke free education materials, sun smart tools, and mental health support tools.

SHEQ Manager Beth Park says that feedback from staff, both anecdotally and through staff surveys, has been very positive. Comments from the brewery team have included: "It's a nudge in the right direction to get me making some smarter choices for my own good!" and "The activities make it easy to join in and become active".

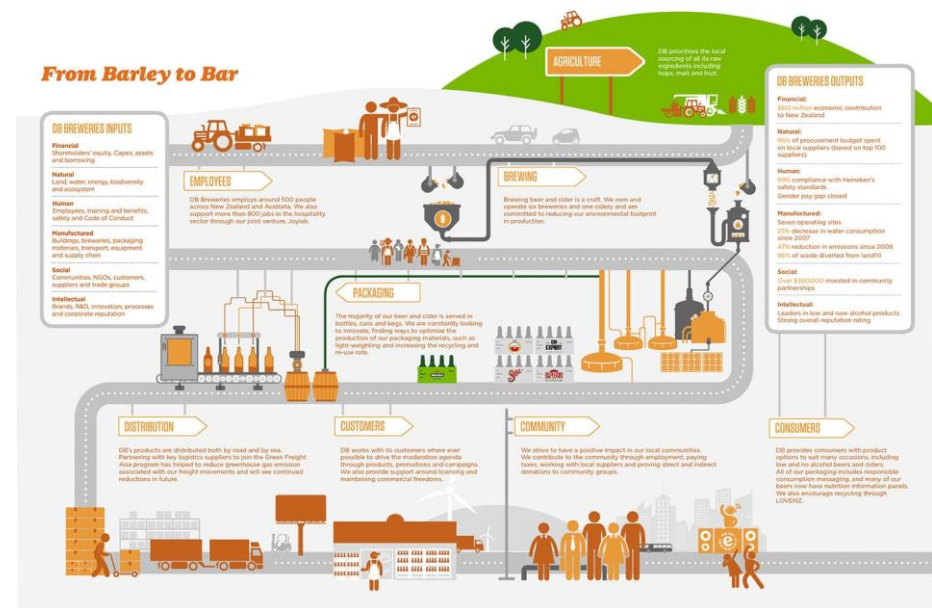
Our Waitemata site achieved WorkWell's Bronze accreditation in 2017 and is building on this foundation towards Silver accreditation.

Brewing a sustainable value chain

Our suppliers play a critical role in enabling us to create sustainable products and operate a sustainable business. Our goal is to create a value chain that we, and our customers and suppliers can be proud of. One that supports local communities, reduces our environmental footprint, and consistently delivers quality beers and ciders that Kiwis love.

Our approach

We collaborate closely with our suppliers over time to build long-term relationships based on mutual trust and agreed sustainability outcomes. Significant supplier impacts in our value chain include packaging materials, plastics and waste used in production, carbon emissions and labour practices.



Key targets and performance

The key measures we use to assess our progress towards creating a sustainable value chain are the percentages of local suppliers (by spend) in our supply chain and suppliers signed up to our [Supplier Code of Conduct](#). The Code of Conduct outlines our expectations around business conduct, human rights and care for the environment. We also use the internationally-recognised [EcoVadis](#) supply chain management system to identify potentially high-risk suppliers.

In 2018, we had 1,321 suppliers of which 99.4% have signed up to our Code of Conduct. We spent over \$403 million with suppliers in the year ending 31 December 2018, and 96% of this was spent locally. We have no high-risk suppliers based on the screening undertaken through EcoVadis.

	2020 target	2018	2017	2016
Number of suppliers	N/A	1321	1535	1327
% local (NZ) suppliers by spend (based on top 100 suppliers)	96%	96%	96%	90%
% suppliers signed up to Supplier Code	100%	99%	98%	100%
EcoVadis high-risk suppliers	0	0	5	3

Looking ahead

We're continuing to seek out the best end-to-end solutions with our suppliers, and explore new ways to build on our social impact and reduce our environmental footprint. This includes reviewing our packaging materials to reduce their carbon footprint and environmental impact, and assessing the risks to human rights across our value chain.

Case Study: Sustainable barley growing



Securing high quality raw materials, such as premium barley, is crucial to making our products. This is why we work with farmers to understand the long-term challenges of growing barley in New Zealand. One of those farmers is Tim Gorton, a third generation farmer from the Manawatu whose family has been supplying malting barley for the brewing industry for over 20 years. He and his family operate a mixed crop farm that produces a significant amount of barley during spring.

Tim's farming practice is centered on the idea of only using what you need and replacing what you have used, or as he says, "what we take out, we put back in." Mixed crop farming has significant benefits from this perspective, as grazing stock help fertilise the soil that is later used for barley crops. The farm also adopts direct drilling practices, where seeds are sown directly into the soil, instead of traditional cultivation methods and techniques. Traditional cultivation leads to greater soil disturbance, loss of moisture, and release of carbon dioxide. It also involves driving over paddocks 3-4 times more than you would with a direct drilling approach. Direct drilling helps protect soil structure, keeps worms alive, and emits less carbon dioxide.

The farm has a strong focus on minimising the amount of nitrogen in the soil. Through soil testing, Tim can determine the amount of nitrogen in the soil already, which means the farm only uses what's needed. The team has also undertaken riparian planting and fencing along its waterways to maintain good water quality.

Tim is also looking ahead as the Manawatu region has been experiencing warmer, drier weather in recent years. Drier summers may require investment in irrigation systems similar to those used in the Canterbury region.

Like many of our suppliers, by working with them over time we better understand our interdependencies and the emerging issues. Through this approach we are aiming to create a sustainable value chain.

Brewing prosperous communities

Our breweries and cidery are iconic to their local communities and play an important role in supporting growth through investments, buying locally, paying taxes and providing employment. We take a real sense of pride in our responsibility to create a sustainable future that we can share with Kiwis all over the country.

Our approach

In 2018, we invested over \$360,000 in 40 different community partnerships, sponsorships and charitable causes, and contributed our time, skills and knowledge to our local communities.

We also partnered with [SAP](#) and [Akina Foundation](#) for the first time to send three of our people on a high impact volunteering programme called 'social sabbatical', which pairs skilled professionals with social enterprises looking to develop. Read

the [case study](#) to learn more. We also brought together our Leading Lights alumni (scholarship recipients from the South Auckland community) and charity partner [Big Buddy](#) for a unique workshop focused on building leadership capabilities and helping Big Buddy grow its volunteer base. The workshop was immensely beneficial to both our alumni and the Big Buddy team, who came away with a fresh perspective on its volunteer recruitment strategy.

The DB Draught Brewery team continued to support initiatives to improve the manufacturing skills shortage in South Canterbury, through mentoring and local skills development programmes.

Case study: Unique volunteering opportunity brings benefits for social enterprises and staff alike

In 2018, three employees from DB joined the social enterprise sector as part of a unique volunteering programme called social sabbatical. Sharing their skills in strategic planning, marketing and organisational development, the volunteers helped two social enterprises solve strategic challenges and plan, develop and implement priority programmes.

The structured pro bono initiative is the brain child of software company SAP and Akina Foundation, an organisation that supports the development of social enterprises in New Zealand. It pairs employees with social enterprises or non-profits to dedicate their skills, expertise and know-how in a unique, short-term assignment. It's an opportunity to reward high-achieving employees and to support them in developing key skills and competencies relevant to their work.

SHEQ Manager Beth Park and Trade Activation Manager Tash Velkou spent time with [Lifewise](#) helping develop the Urban Hikoi, a walking tour run by people with an experience of homelessness. Beth describes her exposure to the realities of homelessness as an emotional journey and a special opportunity to see the world through their lens and from their perspective.

DB's legal counsel, James Maxwell, teamed up with [Fresh Desk](#), the only New Zealand cleaning company committed to paying its workers a living wage. The brief was to help Fresh Desk respond more effectively to RFPs by helping them determine and articulate their value proposition.

The programme was successful for both our people and the social enterprises involved. Our people found that it boosted their skills and confidence in their own work and gave them new ideas and ways of working to bring back to their roles at DB.

They have also maintained the close relationships that they built through the programme and continue to provide support where they can.

Since the social sabbatical, the team at Fresh Desk has gone on to successfully bid for large contracts, including Sanford's new Auckland fish market, which has meant they can build their team and has allowed some staff to transition off welfare benefits. One of the key challenges identified by the Lifewise team around their Urban Hikoi was that a welfare earnings limit was deterring homeless people from moving into long term sustainable employment. Since the sabbatical, the team explored the issue further and have developed a [campaign](#) to get this issue reviewed by the government.



Brewing a safe and social drinking culture

Our beers and ciders are enjoyed in moderation around New Zealand and internationally. But there are clear risks when alcohol is not consumed responsibly and, for some people and on some occasions, it's better not to drink at all. Our ambition is to make responsible drinking aspirational and to foster a safe and social drinking culture in New Zealand. For DB, this means drinking in moderation, at the right time, in the right place and for the right reasons.

Our approach

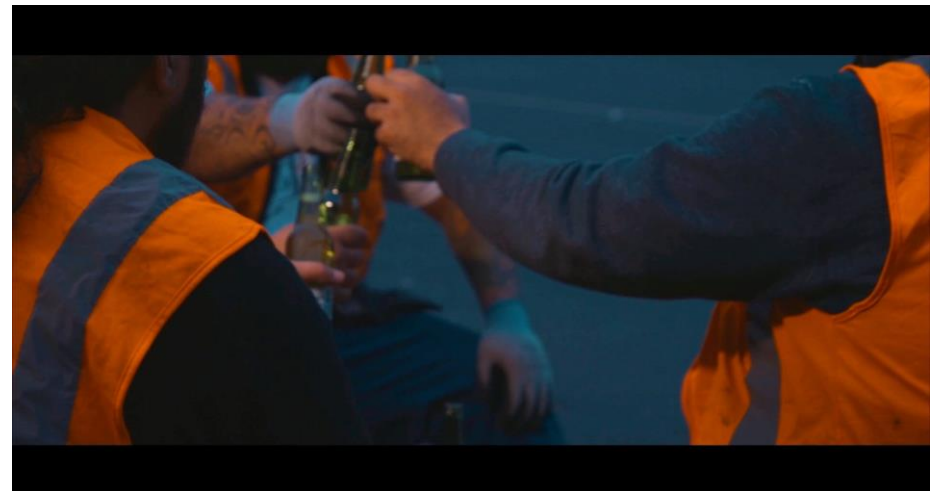
Our approach is implemented through four focus areas:

- Building partnerships
- Promoting a safe and social drinking culture through our brands
- Taking action at an industry level

- Innovating in low and no alcohol products

We also take the marketing of our products very seriously, from point of sale materials to event sponsorships, social media and much more. As such, we're committed to meeting and in some cases exceeding the expectations set out in applicable marketing communication laws, regulations and voluntary [codes](#).

Building partnerships



We believe that complex social issues like alcohol misuse and the associated harm are best addressed together with a wide range of stakeholders. This is why we have forged a number of partnerships over the years to help advocate for real change.

Over the past two years, we have focused our partnership work on reducing drink driving, which remains a prevalent issue in New Zealand. At DB, we believe that no level of alcohol is safe when you're behind the wheel.

In 2018, we teamed up with 37Hz, an award-winning producer based in South Auckland, to create Keys Down, Real Talk. Keys Down is a grassroots campaign featuring real life stories from our community about drink driving. Read our [case study](#) to learn more. We also partnered with hospitality customers in Auckland and Christchurch to trial a drink driving behavioural change programme in the bar environment. [Read more here](#). Both partnerships resulted in some interesting outcomes and learnings, which we will use to inform our long term drink driving reduction work.

Promoting a safe and social drinking culture through our brands

In 2018, we ran a TV and digital campaign featuring F1 driver Nico Rosberg, whose message, 'Just one beer is too many' when you're driving, complemented the partnership work that we delivered in this area. The campaign reached over 1.6 million people.

We continued to keep consumers informed through transparent product labelling, including voluntary nutritional information labelling on all of our main beer brands, and providing ingredient information for our top-selling beers and ciders.

Taking action at an industry level

We are an active member of industry-led initiative Cheers!, which supports Kiwis to make better choices about drinking. During 2018, Cheers!, in partnership with DB and other producers, ran a multi-media campaign about the risks of drinking while pregnant. Fetal alcohol spectrum disorder affects around 3,000 babies each year in New Zealand and the campaign sent a strong message to pregnant women that alcohol and pregnancy don't mix. The campaign's YouTube video was viewed by over 60,000 people and traffic to the Cheers! [Safer Pregnancy website](#) increased by 500% as a result of the campaign.

Innovating in low and no alcohol products

Consumer trends in health, wellbeing and moderation continue to grow and the development of low and no alcohol products is a key part of our business. In 2018, we offered 10 brewed

products and ciders* with less than 3.5% alcohol by volume, excluding soft drinks. The launch of Heineken 0.0 in August 2018 was an exciting development for the business and category as a whole. It has shown New Zealanders that non-alcoholic** beer can taste great and is helping to foster a safe and social drinking culture. A significant portion of the Heineken media budget was spent on a multi-channel launch and the consumer response has exceeded expectations. Low and no-alcohol beers continue to drive growth ahead of the overall category and we will keep innovating in this area.

** Amstel Light (2.5%); DB Export Citrus 0.0% (less than 0.05% ABV); DB Export Citrus (2% ABV); DB Export Citrus Grapefruit (2% ABV); DB Export Citrus Lime and Ginger (2% ABV); Heineken 0.0% (less than 0.05% ABV); Heineken Light (2.5% ABV); Monteith's Mid-Strength Beer (3.0% ABV); Monteith's Mid-Strength Apple Cider (2.8% ABV); Tuatara Iti APA (3.3% ABV)*

*** Less than 0.05% ABV from the natural brewing process*

Our key targets and performance

In 2018, we spent 10% of our Heineken media budget on TV commercials featuring our anti-drink driving messaging and ran

two partnerships focused on reducing drink driving. Our no-alcohol portfolio grew to include Heineken 0.0.

Key measures	2020 target	2018	2017	2016	2015
10% of Heineken® media budget invested in responsible consumption campaigns	10%	10%	11%	6.20%	n/a
Partnership addressing alcohol-related harm	Yes	Yes	Yes	Yes	Yes
At least one no-alcohol brewed product** in portfolio	Yes	Yes	Yes	Yes	Yes

*** Less than 0.05% ABV from the natural brewing process*

Responsible alcohol marketing

Despite our best efforts, four complaints were made to the Advertising Standards Authority (ASA) about marketing materials produced by or on behalf of DB in 2018. Of those initial complaints, two were dismissed and two were referred to the ASA's complaints board, where they were not upheld.

Key measures	2018	2017	2016	2015
Complaints made to the ASA	4	4	5	5
Referrals to ASA complaints board	2	1	1	4
Complaints upheld	0	0	0	0
Warnings, fines or penalties for non-compliance	0	0	0	0

Looking ahead

We will continue to champion a safe and social drinking culture through our people, our partnerships and portfolio, and educate consumers that when they're driving, they shouldn't be drinking. We will also work with our retail customers to boost the visibility of low and no alcohol products in-store and continue to grow the low and no category as a whole.

Case study: DB pilot study reveals insights into Kiwis' drink driving behaviours

In 2018, DB piloted a globally designed behavioural change programme with five hospitality partners across Auckland and

Christchurch. The experiment involved placing a series of interventions or 'nudges' in the bar environment with the aim of helping drivers to stay alcohol-free. These included digital and print signage, branded t-shirts, bar mats and key rings, specials for drivers that sign a pledge to stay alcohol-free, and high visibility alternative of drink options such as Heineken 0.0. Our goal was to understand if we could positively influence the decision-making process of drivers at the point of purchase.

Over the course of the study we saw a 7% decrease in the numbers of people driving home after drinking in Auckland. We also found that nine out of 10 people driving to bars and restaurants had already decided to drink alcohol and drive home before they had left the house, indicating that many people have their own rules around how much alcohol they think they can safely drink before driving.

The positive changes that we saw in a short timeframe suggest that a sustained programme of work could have a real impact on drink driving behaviour in New Zealand. The findings provide us with some credible insights that we will use to inform the next phase of the campaign in 2019.

DB Breweries' 2018 Sustainability Report GRI Index

General disclosures

Disclosure Title	GRI	Location or Reference
Name of the organisation	102 - 1	www.dbsustainability.co.nz/about
Activities, brands, products and services	102 - 2	www.dbsustainability.co.nz/about
Location of headquarters	102 - 3	DB Breweries Head Office, 1 Bairds Rd, Otahuhu, Auckland 2025
Location of operations	102 - 4	www.dbsustainability.co.nz/about
Ownership and legal form	102 - 5	www.dbsustainability.co.nz/about
Markets served	102 - 6	www.dbsustainability.co.nz/about
Scale of the organisation	102 - 7	www.dbsustainability.co.nz/about
Information on employees and other workers	102 - 8	www.dbsustainability.co.nz/our-people
Supply chain	102 - 9	www.dbsustainability.co.nz/valuechain
Significant changes to the organisation and its supply chain	102 - 10	None
Precautionary principle approach	102 - 11	DB applies the precautionary approach through the local application of HEINEKEN's global sustainability strategy.
External initiatives	102 - 12	Climate Leaders Coalition, UN Sustainable Development Goals, UN Global Compact
Membership of associations	102 - 13	Association of New Zealand Advertisers, Brewers Association of New Zealand, Brewers Guild of New Zealand, Business New Zealand, Cheers! / The Tomorrow Project, Hospitality New Zealand, New Zealand Food & Grocery Council, The Packaging Forum, Sustainable Business Council.
Statements from senior decision-maker	102 - 14	www.dbsustainability.co.nz/mdmessage
Values, principles, standards, and norms of behaviour	102 - 16	https://www.theheinekencompany.com/About-Us/HEINEKEN-Code-of-Business-Conduct
Governance and structure	102 - 18	www.dbsustainability.co.nz/about
List of stakeholder groups	102 - 40	www.dbsustainability.co.nz/approach
Collective bargaining agreements	102 - 41	95 employees are covered by a collective bargaining agreement

DB Breweries' 2018 Sustainability Report GRI Index

Disclosure Title	GRI	Location or Reference
Identifying and selecting stakeholders	102 - 42	www.dbsustainability.co.nz/approach
Approach to stakeholder engagement	102 - 43	www.dbsustainability.co.nz/approach
Key topics and concerns raised	102 - 44	www.dbsustainability.co.nz/approach
Entities included in the consolidated financial statements	102 - 45	www.dbsustainability.co.nz/about
Defining content and topic Boundaries	102 - 46	www.dbsustainability.co.nz/approach
List of material topics	102 - 47	www.dbsustainability.co.nz/approach
Restatements of information	102 - 48	None
Changes in reporting	102 - 49	None
Reporting period	102 - 50	January 1 – December 31, 2018
Date of most recent report	102 - 51	June 2018
Reporting cycle	102 - 52	Annual
Contact point for questions regarding the report	102 - 53	sustainability@db.co.nz
Claims of reporting in accordance with the GRI standards	102 - 54	www.dbsustainability.co.nz/approach
GRI content index	102 - 55	www.dbsustainability.co.nz/reports/GRIIndex2018.docx
External assurance	102 - 56	www.dbsustainability.co.nz/approach

Topic specific disclosures

Disclosure Title	GRI	Location
Procurement practices		
Disclosure on management approach	103	www.dbsustainability.co.nz/valuechain
Proportion of spending with local suppliers	204-1	www.dbsustainability.co.nz/valuechain

DB Breweries' 2018 Sustainability Report GRI Index

Disclosure Title	GRI	Location
Energy		
Disclosure on management approach	103	www.dbsustainability.co.nz/emissions
Energy consumption within the organisation	302-1	www.dbsustainability.co.nz/emissions
Water		
Disclosure on management approach	103	www.dbsustainability.co.nz/water
Water withdrawal by source	303-1	www.dbsustainability.co.nz/water
Emissions		
Disclosure on management approach	103	www.dbsustainability.co.nz/emissions
GHG emissions intensity	305-4	www.dbsustainability.co.nz/emissions
Waste		
Disclosure on management approach	103	www.dbsustainability.co.nz/emissions
Waste by type and disposal method	306-2	www.dbsustainability.co.nz/emissions
Supplier environmental and social assessments		
Disclosure on management approach	103	www.dbsustainability.co.nz/valuechain
New supplier environmental screening	308-1	www.dbsustainability.co.nz/valuechain
New supplier social screening	414-1	www.dbsustainability.co.nz/valuechain
Employment		
Disclosure on management approach	103	www.dbsustainability.co.nz/our-people
New employee hires and employee turnover	401-1	www.dbsustainability.co.nz/our-people
Occupational health & safety		
Disclosure on management approach	103	www.dbsustainability.co.nz/heath
Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	403-2	www.dbsustainability.co.nz/heath

DB Breweries' 2018 Sustainability Report GRI Index

<i>Disclosure Title</i>	<i>GRI</i>	<i>Location</i>
Diversity and equal opportunity		
Disclosure on management approach	103	www.dbsustainability.co.nz/our-people
Diversity of governance bodies and employees	405-1	www.dbsustainability.co.nz/our-people
Marketing and labelling		
Disclosure on management approach	103	www.dbsustainability.co.nz/consumption
Marketing communication compliance	417-3	www.dbsustainability.co.nz/consumption