



dbreweries

# *Brewing a Better NZ*

SUSTAINABILITY REPORT 2020

PART OF THE  HEINEKEN COMPANY



# Message from the Managing Director

Last year, I wrote that we found ourselves living in a changed and uncertain world due to the effects of COVID-19. As we launch this year's report whilst COVID-19 continues to loom



large over the world, I am proud to say that our values have never been stronger. Throughout the year, we supported our people, put safety first, and stepped up to help our community, customers, and suppliers in a rapidly changing environment. Despite some short-term setbacks in 2020, we remain on track to meet our ambitious targets in sustainability, aligned with our purpose to Brew a Better New Zealand.

Having read and submitted on the first draft of the Climate Change Commission's advice to Government, I

am encouraged that our approach is consistent, and our business is ahead of many of the CCC recommendations. However, there is some way to go as a country, and it is clear that if we are to achieve the ambitions of the CCC, it will take a joint effort of the Government, business and individuals to make the change as we all play a key part in making New Zealand sustainable in the long-term. In the context of the CCC report, we reviewed our ambition to be NZ's leading sustainable business and our roadmap. We want to be even more ambitious, particularly around energy and water. We set ourselves three new ambitious targets to achieve by 2030 that we believe put us on a leading charge amongst large manufacturing businesses in NZ. This is to:

- 1) Source 100% of energy from renewable sources;
- 2) Balance 100% of the consumed volume of water that we use;
- 3) Create zero waste to landfill in production.

As an example, we recently moved our DB Draught Brewery in Timaru from coal over to 60% carbon neutral biomass-based steam. While implementation of this was slightly delayed, this is a momentous

milestone and will have a massive impact on our carbon footprint and allows us to shift our focus to finding a similar solution for our other major brewery – Waitemata. We also achieved a world first, partnering with our glass supplier Visy to create a clear flint glass bottle from 90% recycled cullet, saving 800,000kg of CO2e when compared to bottles made from virgin materials.

In 2020 we also make strong progress on our social sustainability commitments. In this report, you will read about the strong stance we made encouraging people not to drink Heineken if they plan to drive. This When you Drink Never Drive campaign was our highest level of spend to date, where each year we spend at least 10% of Heineken’s media budget on such campaigns.

On a personal note, I am thrilled to be serving on the Sustainable Business Council’s Advisory Board, an organisation we have been part of for many years now. Through our membership, we have gained many insights and ideas that have helped further our sustainability program, and I hope we can now inspire and enable other organisations in turn.

As always, I hope you enjoy reading our report, and welcome your feedback on our performance.



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 approach*

Our business purpose is Brewing a Better NZ, through which we are committed to leading in sustainability, growing our people and enabling their success and enjoyment of life, and brewing products that delight our consumers.

During 2020 we reviewed our ambition to be NZ's leading sustainable business and our roadmap. What we found was that we want to be even more ambitious, particularly around energy and water. We set ourselves three new ambitious targets to achieve by 2030 that we believe put us on a leading charge amongst large manufacturing businesses in NZ. This is to: 1) Source 100% of energy from renewable sources; 2) Balance 100% of the consumed volume of water that we use; 3) Create zero waste to landfill in production.

Our sustainability programme is led by our Managing Director, with responsibility for our focus areas shared across our executive team. The programme is coordinated by the Corporate Affairs function, which works closely with teams across the business to develop and implement our plans.

<b>Focus area</b>	<b>Responsible Functional Director</b>
<b>Brewing a safe and social drinking culture</b>	Corporate Affairs Director, Sales Director, Marketing Director, General Counsel and HR Director
<b>Brewing lower carbon emissions</b>	Corporate Affairs Director, Supply Chain Director and Finance Director
<b>Brewing with less water</b>	Supply Chain Director
<b>Brewing a safe and healthy workforce</b>	HR Director
<b>Brewing a sustainable value chain</b>	Supply Chain Director and Finance Director
<b>Brewing prosperous communities</b>	Corporate Affairs Director

## About our reporting

Our sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core Option). This report covers our performance from 1 January to 31 December 2020. It covers the activity and impacts of DB Breweries' main operating sites and sales offices, 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.

## Reliability and accuracy of data

We have processes governing the collection, review and validation of our non-financial data. This includes applying standardised definitions from HEINEKEN and involving subject matter experts to validate and challenge our data and processes. Where possible, standard or automated calculations and validity checks are built into our systems to minimise errors. Where we have concerns, we highlight them in the report. HEINEKEN's internal audit function is involved in the annual review of the global non-financial reporting process, including reviewing the quality of control processes at various levels, data

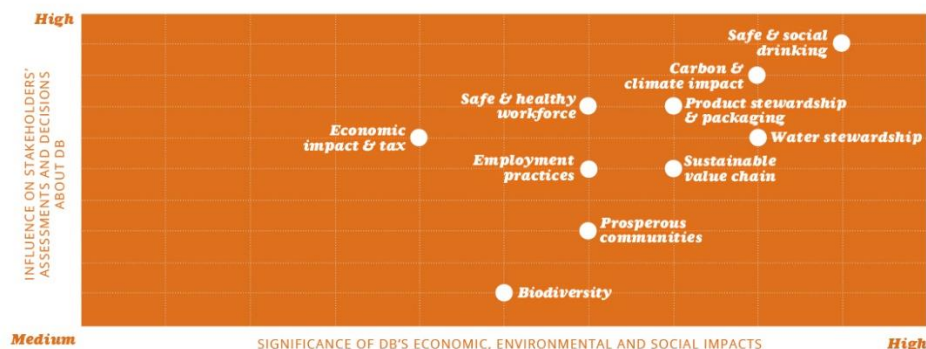
ownership and clarity of definitions. DB's 2020 carbon footprint is pending verification by Toitu Envirocare. External assurance was not sought for our other 2019 disclosures.

## Materiality

We regularly review our material topics to understand what matters most to our stakeholders. The method for assessing the materiality of each topic follows GRI's Materiality Principle, and in 2019, our materiality assessment was informed by:

- 15 stakeholder interviews with our people, customers, suppliers, industry groups, and government, media and community representatives
- internal and external data sources, such as our annual staff climate survey
- benchmarking against external sustainability frameworks
- review of the reporting of our industry peers
- independent expert opinion

We also engage with our stakeholders during the year through a variety of channels and forums, such as industry group meetings and the relationships our teams have with suppliers and customers as part of day-to-day business operations.



## Our material topics

In 2020 we chose not to reassess materiality, instead carrying our material topics forward from 2019. This decision was made due to the fact that we had assessed materiality at the end of 2019 and had completed other engagement exercises such as our climate change risk assessment in 2020.

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

## Safe and social drinking culture

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

## Carbon and climate impact

Managing our resources, including reducing energy consumption, greenhouse gas emissions and waste from our operations, and working with our suppliers and customers to do the same.

## Product stewardship and packaging

The end of life design and recyclability of our products and materials.

## Water stewardship

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

## Safe and healthy workforce

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

## Sustainable value chain

Working with suppliers that meet our environmental and ethical sustainability standards and buying locally.

## Employment practices

How we recruit, develop and retain our people.

## Prosperous communities

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

## Economic impact and tax

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

## Biodiversity

Ensuring that we encourage biodiversity through use of good practice such as regenerative agriculture.

**PASSION**  
FOR **QUALITY**

**RESPECT**  
FOR **PEOPLE** AND FOR THE  
**PLANET**

**ENJOYMENT**  
OF **LIFE**



# Brewing with less water



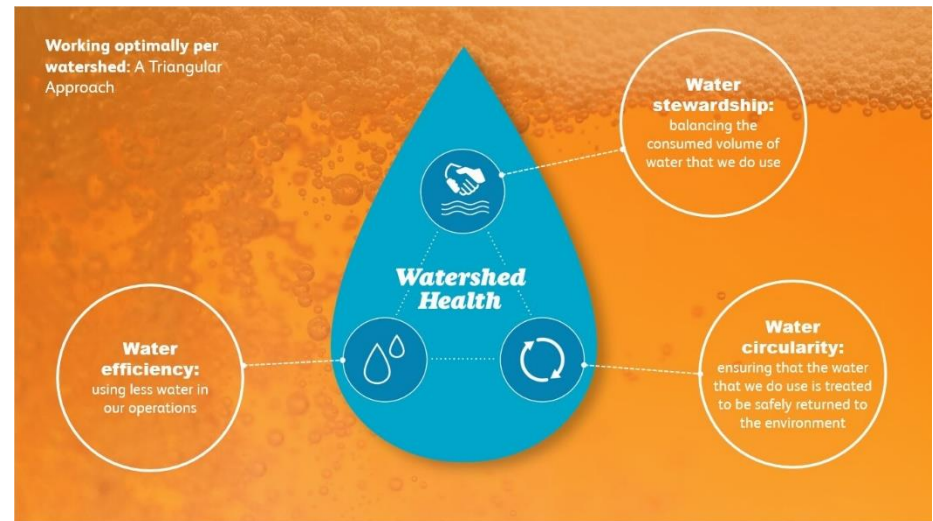
## Our approach

Our approach to water covers three factors:

- Water efficiency: using less water in our operations
- Water stewardship: balancing the consumed volume of water that we do use
- Water circularity: ensuring that the water that we do use is treated to be safely returned to the environment.

In 2020, we renewed our focus on water saving, investing time and money on ensuring our performance is world class. As part

of the HEINEKEN network of operating companies, we have implemented an extensive list of best practices. We receive a benchmark of our performance compared to the top-performing breweries in the business, ensuring our targets push us to achieve the best outcomes possible in sustainability.



## Our progress

Significant wins we made in 2020 include taking an objective look at our plant cleaning schedule and methods and aligning these with HEINEKEN and food safety standards. This resulted in shorter cleaning cycles across the brewery, and more intelligently scheduled cleaning cycles for other equipment. We

also increased the amount of hot water recovered and installed flowmeters to improve how we measure water use in different parts of our plants.

We also put a particular focus on maintenance to save water and energy during our winter plant maintenance shutdown, the results of which became apparent with some of our best results to date during the latter half of 2020 following improvements we rolled out during this period. Our DB Draught brewery achieved HEINEKEN benchmark performance, dropping water consumption to 2.8hl/hl. For the second year in a row, we partnered with Callaghan Innovation to sponsor a summer STEM student on a project at our Waitemata plant, adding a fresh set of eyes to our energy saving and efficiency measures to enhance performance.

Planning for our wastewater treatment plant in Timaru has continued, however due to the ongoing effects of COVID-19, we have unfortunately had to delay the commissioning of the plant until 2022. While we are currently compliant with the local regulations, we have had several small breaches of our wastewater consent due to excessive chemical oxygen demand (COD) and non-compliant pH, however we are actively working to address this. Due to the dilution of our wastewater with other sources, including domestic output at the Timaru District Council processing facilities, no wastewater is discharged into the

environment at elevated levels. The main factor contributing to our lower performance in this area is to do with capturing yeast after the brewing of newer craft beer styles, including hazy type brews which are not filtered to the same extent. To combat this, we have repurposed a centrifuge from our Tuatara Brewery, which should allow better capture of yeast and other contaminants before it reaches our wastewater.

When our new wastewater treatment plant is commissioned, we will be able to treat our wastewater on-site to the standards set by HEINEKEN, which requires wastewater to be treated to the World Bank standard of 250g/m<sup>3</sup>, well in excess of what is required by NZ law. Having our COD this low will also help to dilute the output of others in the area, having a significant benefit to the local environment.



2021 marks the start of our water balancing program at DB. By 2030, we aim to have 100% of the water used in our production processes returned to our watershed, ensuring we have no negative effects on our local water catchments. This means finding ways to help our source water catchments gain back the same volume of water that we put into our products. By the time of publication of this report we will have announced a major new partnership to help us achieve this goal.

The quality of the water we are discharging is measured, by the metric Chemical Oxygen Demand (COD). Our wastewater quality has dropped over the last 12 months, due to the more complex mix of beer styles we are producing. We hope to remedy this with the installation of the centrifuge at our DB Draught brewery in early 2021.

## Our key targets and performance

Our performance is measured based on the amount of water we consume per hectolitre (100 litres) of beer and cider produced. Our overall performance for 2020 was 3.28hl/hl, which was a significant drop in consumption compared to 2019. However, we were still short of our benchmark target of 3.0hl/hl.

Key measures	2021 target	2020	2019	2018	2017	2016	2015
Water consumption (hl / hl)	2.90	3.28	3.45	3.18	3.2	3.3	3.47
Water discharge (COD kg / hl to surface water)	5.000	5.890	4.870	5.516	5.194	5.236	7.028

\* Our water reporting data includes our three main production sites: Waitemata Brewery in Auckland, DB Draught Brewery in Timaru and Redwood Cidery in Nelson.

## Brewing lower carbon emissions



## Our approach

In 2020, we focused on implementing best practices developed around the HEINEKEN world. We also challenged our standards, breaking them down to ensure we are doing the right things at the right times, minimising excess operations to ensure all our energy usage is going into making quality products. We have commenced work on our new target of sourcing 100% of energy from renewable sources by 2030. We also continue to work on our decreasing our overall footprint in line with our target of halving our scope 1 and 2 emissions by 2030, against

our 2018 baseline. This science-based target is in keeping within a 1.5-degree pathway of warming.

## Our progress and performance

Our two largest breweries, Waitemata and Timaru, had mixed results in thermal consumption. At Waitemata, our consumption reduced by the resolution of two large steam leaks, returning the plant to basic condition which is the operating parameters and settings the plant is expected to be using, allowing us to work at optimum levels of efficiency. At Timaru, our performance was slightly hindered due to the discovery (and subsequent repair) of a large steam leak in the roof, however we were still able to implement large efficiency gains, resulting in a 12% drop in steam consumption compared to 2019. We hosted a Callaghan Innovation summer STEM internship student at our Waitemata site, helping to progress projects and boost the visibility of our water efficiency programme.

A big win for us in 2020 came from a HEINEKEN best practice which decreased the time and temperature at which the wort (a critical component in the brewing process) is boiled, minimising the amount of thermal energy needed whilst maintaining the quality of our products.

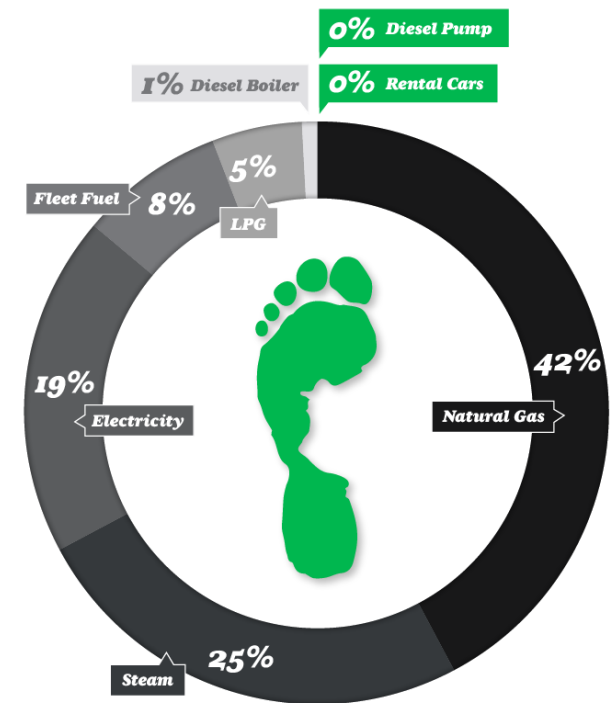


We also continued to reduce the emissions associated with distributing our products. We moved our export products onto pallets that could be accepted by the Australian market, eliminating the need for empty pallets to be shipped back to New Zealand. We have revised the routes that our products take to get from our breweries into the hands of customers. By working with our biggest customers in the Wellington region, we have been able to create a new route for products brewed at our Tuatara brewery in Kapiti to be directly shipped to them, removing the step of shipping them north to our Waitemata site and back down again. This initiative is projected to save 20,000 distribution kilometres per year and has the benefit of providing these customers with fresher products faster as well as saving us on distribution costs.

Reducing waste remains a focus area for us, and our DB Draught and Waitemata sites continue to achieve zero waste to landfill, diverting over 98% of waste products for use in food, animal feed, recycling and compost. During a regular waste investigation, we found that spent kieselguhr filter powder from our DB Draught brewery was ending up as landfill waste. In order to remedy this, we entered a cooperative agreement with the University of Canterbury to further investigate possible uses. A number of potential uses were identified, including the use as a compost additive, as a feed

supplement for dairy cows, and to be made into bio-hydrogen fuel. With the help of a student from the University, we conducted an experiment to understand the result of filter powder on grass growth. The conclusion was that compost containing

### Our Carbon Footprint



kieselguhr performed better, retaining more moisture resulting in better grass. We are now in talks with local companies about using this on commercial crops.

## 2020 scope 1 and 2 emissions

Our overall scope 1 and 2 emissions continue to drop, and we are well on track to achieving our science-based target of halving our 2018 emissions by 2030. We exceeded our 2020 target of 8410 tonnes, managing to dip below 8000 tonnes for the first time. After starting our 10-year plan to stop refrigerant losses in 2019, it was encouraging to see that no refrigerant leakage was reported during 2020.

	Progress	2030 target	2021 target	2020	2019	2018
Scope 1 CO2e (tonnes)	On track	62	4,212	4,479	4,463	5,046
Scope 2 CO2e (tonnes)	On track	2,434	3,092	3,489	3,687	4,800

Key measures	2021 target	2020	2019	2018	2017	2016	2015
Thermal energy use (GJ)	n/a	72,249	72,974	74,416	70,088	71,164	74,076
Energy use (GJ)	n/a	118,878	124,294	119,136	113,305	108,274	100,043
Energy intensity (MJ / hl)	83.93	88.8	94.4	91.2	91.7	92.7	97.9
Thermal energy intensity (MJ / hl)	51.02	53.97	58.65	57.66	56.70	56.91	60.60
Electric energy intensity (kWh / hl)	9.1	9.7	9.9	9.6	9.7	9.9	10.4
Waste produced (tonnes)	n/a	16,286	14,521	16,296	15,066	16,166	15,841
Waste diversion rate	98%	95%	96%	97%	97%	96%	95%

\* Our energy and waste reporting data includes our three main production sites: Waitemata Brewery in Auckland, DB Draught Brewery in Timaru and Redwood Cidery in Nelson.

# *Brewing a safe and healthy workforce*



## *Our approach*

Our staff are a diverse group of 465, covering the entire range of roles in our value chain, from Production to Legal, Marketing and Field Sales. Approximately 100 of these are covered by a collective employment agreement, represented by E Tū. In 2020, we launched a social sustainability committee sponsored

by our Human Resources and Corporate Affairs Directors. This committee has already started work to steer the direction of our social sustainability work across flexible working, health and safety, inclusion and diversity, and health and wellbeing.

## *Our progress*

### *Our people*

Like other businesses, the two lockdowns in 2020 helped us learn a lot about integrating technology into our business and new ways of working. While we have had a formal flexible working policy for several years now, we upped the ante after the first lockdown. We have now created a new flexible working policy, where staff in appropriate roles can choose to work from home one day per week, with fewer meetings scheduled on Mondays and Fridays to encourage this.

We introduced a new Supply Chain Technician Programme, designed to attract and develop talent to work in our breweries. Through this, we have recruited eight new graduates who have started in roles that will help them gain technical understanding of beer production, while bolstering our technical expertise and internal talent development. Across the business as a whole, we

hired 83 new people throughout the year, and had an overall turnover rate of 12.7%.

We continue to run an annual climate survey in order to capture feedback from our employees on topics including personal development, job satisfaction, management, innovation, reward and recognition, collaboration, and teamwork. In addition, we added a pulse check during the year to ensure that we were performing well throughout the lockdowns and that our people felt safe and equipped to do their jobs despite the ever-changing environment.

## Health and safety

COVID-19 was a major challenge for our business, with our priority throughout the year being keeping our people safe. Two taskforces were quickly set up, with a range of people from the business involved to ensure that our response to COVID-19 was agile, thorough, and well communicated.

DB was deemed an essential business during each of the lockdowns, and as a manufacturing business, not all of our staff were able to work from home. Further steps were needed to ensure the business could keep running and meet demand.

We used the shift separation model for our production staff to form discrete bubbles during the lockdowns, minimising the number of close contacts our production staff would have. All vulnerable staff were enabled to work from home or take leave, to minimise their exposure. We redeployed office staff into production areas to fill gaps and continued to support staff with full pay throughout. Whilst a challenging time for all, our systems proved robust, standing up to the testing circumstances. We have taken many learnings forward from 2020 that will help inform our processes and should ensure that we are well equipped for any future lockdowns or periods of working through heightened Alert Levels.

Key measures	2021 target	2020	2019	2018	2017	2016	2015
Accidents	0	1	3	1	4	3	10
Accident frequency rate (accidents per 100 FTE)*	0	0.15	0.34	0.19	0.79	0.58	1.75
Warnings, fines or penalties for non-compliance	0	0	0	0	0	0	0

\*Includes Joylab



Despite the extensive challenges everyone faced in 2020, we did not lose sight of our workplace safety journey, and we made many improvements over the course of the year. We maintained our focus on forklift driver safety, choosing new forklifts that have world class safety features such as data analysis on kinematics. We reviewed our targets and set our new health and safety strategy for 2021-2023. We have a renewed focus on learning from and reducing the number of high potential near misses.

We continue to champion our 'safety always' mindset, embedding a passion for health and safety into everything we do. We believe that everyone is a safety leader, and we are investing in people to ensure they feel empowered and enabled when it comes to health and safety.

A great example of progress during 2020 was at our DB Draught brewery, where we were using 25kg bags of malt. These bags were manually lifted as part of the brewing process, and given the scale of our operation, up to 1,000 bags were required some months. In tandem with our supplier, we were able to transition to use bulk bags that can be lifted by forklift, eliminating the need for manual handling.



## Wellbeing

As with many other businesses, a major focus of 2020 was mental health and wellbeing. We worked hard to ensure all staff had the support they required and felt psychologically safe, to minimise burnout and anxiety during this uncertain period. As a foundation partner of Mentemia, Sir John Kirwan's mental health organisation, we assisted with the launch of the app earlier than planned, during the first lockdown. We also helped to test and refine the further tools rolled out within the app such as Digital JK – the Sleep Coach.

Over the lockdown, we hosted weekly company-wide "Coutts Club" catchups, helping our staff to stay connected and wind

down from the week. Sir John joined us as a special guest for two of the sessions, alongside Dr Fiona Crichton, a health psychology expert from Mentemia, who talked about dealing with uncertainty and managing stress levels.

From an organisational level, we have taken a more holistic approach towards wellbeing, understanding the real needs of our employees, and hitting key priorities. We have taken the approach that less is more, to get the best from our efforts in this space. In April, we launched "Wellbeing Champions" which consisted of people across the business reminding their teams to take regular actions to ensure mental fitness and avoid physical, mental, and emotional fatigue.

We also created an ecosystem of support networks, getting leaders in the business to contact people from outside their own teams for an informal chat and check-in. Upon returning to the office, we created an app called 'Coffee Connect' to enable people to connect with others across the business for a quick chat over a coffee, enhancing cross-functional connections.



## Inclusion and diversity

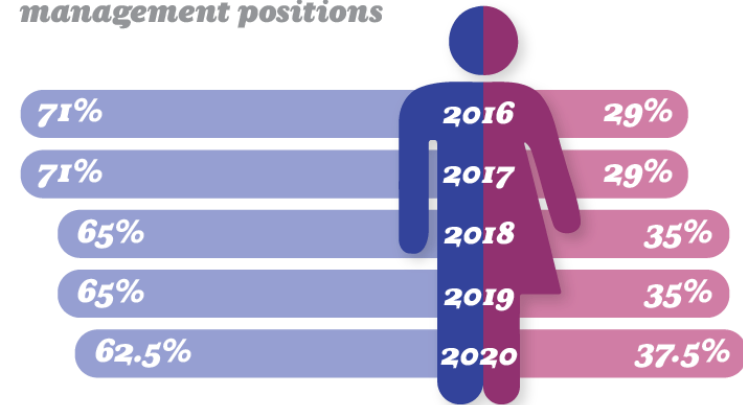
In February 2020 we ran an I&D survey for the first time through our partner Diversity Works. The survey provided data around understanding DB's inclusion and diversity guidelines, as well as the demographics of our staff. Despite only around half of the business responding to the survey, we obtained sound insights from the analysis that we have since used to frame further I&D initiatives. We reviewed the HEINEKEN Global I&D

strategy, using relevant parts to inform our own five-year roadmap.

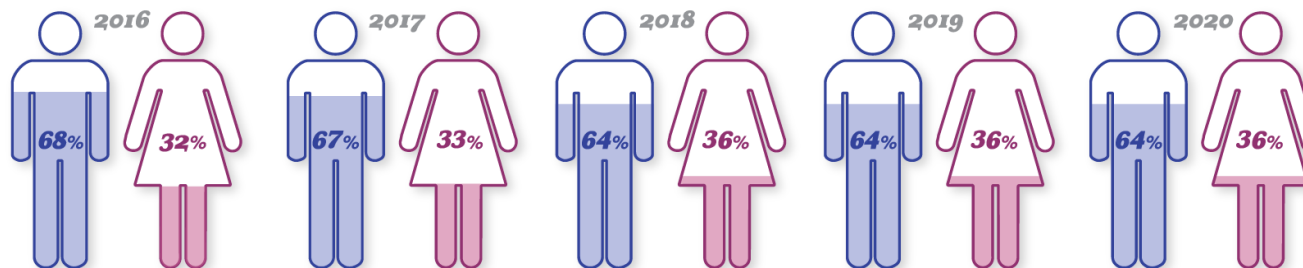
During the year we ran a webinar for staff, hosted by the head of Inclusion and Diversity for HEINEKEN. This session taught our staff how to practice inclusive behaviours and how they could tackle unconscious bias – one of a series of online webinars DB hosted through 2020 after adapting to more virtual ways of working.

We have assessed our gender pay gap according to the New Zealand Government's method and since 2018 we have maintained a 0% gap. By being part of the HEINEKEN company we go above and beyond the NZ Government methodology and look more closely at the weighted average for job grades which is a more accurate way of reporting. Based on HEINEKEN's method we have on average about a 2% gender pay gap which we have a clear action plan in place to close.

### *Males and females in senior management positions*



### *Percentage of male and female employees*



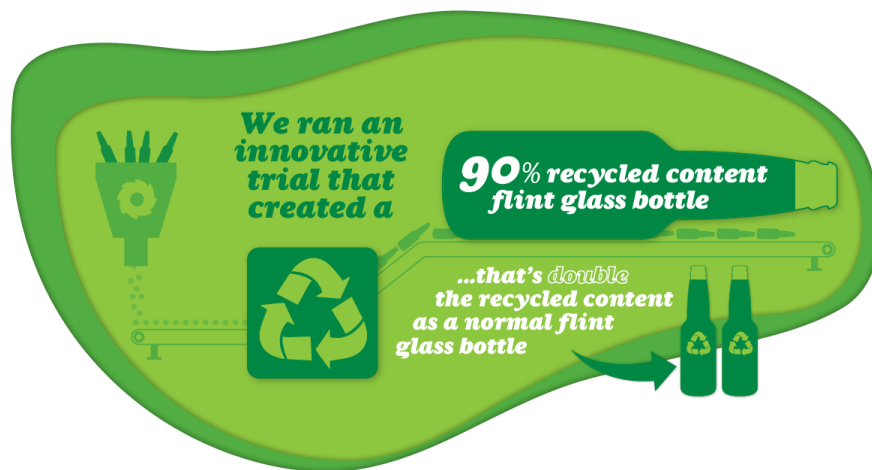
## Respecting human rights

We have three key priorities for human rights:

- Working conditions in the New Zealand liquor industry
- Potential harassment and bullying
- Mental health and wellbeing including work/life balance and stress levels

In 2020, we relaunched our confidential reporting tool SpeakUp, through which staff can anonymously report bullying, harassment, and other unsociable behaviours. We underwent reviews of several of our largest external suppliers to ensure good adherence to our HEINEKEN Supplier Code of Conduct around human rights. We also engaged a consultant to ensure we were performing as expected post-COVID-19. We once again celebrated Pink Shirt Day, and hosted Mary Haddock-Staniland from Diversity Works, an amazing advocate for anti-bullying, to talk about how we could be good allies to each other despite our differences.

## *Brewing a sustainable value chain*



## **Our approach**

Our procurement team continues to work hard on maintaining local sourcing of raw goods despite pressure from global suppliers. The shipping delays and insecurity across the supply chain of raw materials proved the need for this; and we were able to support vendors and customers throughout times of

rapidly increasing and decreasing demand. Our procurement team continues to lead the HEINEKEN world, with 100% of our suppliers signing up to the [HEINEKEN Supplier Code of Conduct](#). The Code ensures we are supporting suppliers with aligned values, and covers our expectations in three main areas:

- Integrity and business conduct (legal compliance, conflicts of interest, confidentiality)
- Human rights (safe work practices, fair treatment, equal opportunity, no child or forced labour, and values associated with the Universal Declaration of Human Rights and the Core Conventions of the International Labour Organisation)
- Environment (resource efficiency, reducing environmental impact and the use of environmentally friendly technologies)

In 2020, the code was updated to include a stance on Human Rights, in line with work we are doing globally around ensuring human rights are respected in our business, and our stance on worker exploitation.

# Our progress

## Action on plastics

In 2020, we set up a new cross-functional workstream with the specific intent of cutting plastics from our value chain. We set an ambitious target to halve our 2019 plastics footprint of 311 tonnes by the end of 2023. We also have a further target of ensuring all packaging and point of sale materials are reusable, recyclable, or compostable by end of 2025.

We started a project to attempt to remove the plastic shrouds on the pallets of empty glass bottles and cans coming into our Waitemata brewery from our local Auckland supplier. We ran a trial, however unfortunately the quantity of bottles and cans lost en route was prohibitively high for this to be implemented. Our compliance with MPI standards for primary packaging materials also meant that we couldn't further explore this initiative.

Old Mout cider is our only product to come in single-use plastic packaging. Investigation carried out throughout 2020 into alternative packaging such as glass or paper bottles did not find any viable solutions, due to constraints around cost and structural integrity. We are now working with our suppliers to create a plastic bottle made from recycled PET that is

manufactured in New Zealand. We've completed several trials, and we are determined to implement a solution that can withstand our required carbonation levels and meets visual standards.

We hosted two Callaghan Innovation students at our Waitemata brewery, with the aim of better understand plastics entering our sites from our suppliers and design innovative solutions to reduce plastic use and increase circularity. Part of this project included redesigning the caps we use for kegs. A new cap has now been designed which reduces material usage, is recyclable using council recycling programs, and contains recycled plastic content. We are working with a local supplier to finalise the design and expect to implement these in 2021.

Towards the end of 2020 we worked with our suppliers to reduce the thickness of plastic labels on our Heineken and DB Export family of beers by approximately 20%. This change avoided over 400kg of plastic and will save over 5300kg of plastic in 2021.

Our logistics team has worked hard to reduce the handling of our exported products. By mapping the distribution process from our production line into the customer's hands, we have been able to streamline and eliminate some steps, reducing the use of plastic stretch wrap whilst still allowing for products to be

shipped efficiently, safely, and with minimal wastage. We ran a successful trial of slipsheets to replace pallets for these products, meaning we can maximise load in a container without restacking and rewrapping product. This plastic-saving initiative will be rolled out towards the end of 2021 and is expected to save more than 2.9 tonnes of plastic annually.



As part of our internal program to enable staff to reduce their own carbon footprints, we ran a month dedicated to reducing waste. We shared a guide to plastic recycling and staff shared their own personal tips on how they reduce plastic use at home. We took a trip to the Hampton Downs EnviroWaste site where we toured their landfill and recycling facilities to better understand how we could improve our waste flow. We created bokashi compost bins from plastic buckets that some of our raw

materials come in, followed by a compost workshop to learn about how to use them and showcase other simple ways our staff could reduce their waste footprint.

We removed all single-use cutlery and cups from our Waitemata head office and brewery, replacing them with reusable alternatives. While these items were predominately commercially compostable through our waste vendors, eliminating them has reduced our waste and prevented bin contamination, a common issue with this style of cup and cutlery.



## Product stewardship and packaging

Our packaging team greatly reduced the carbon emissions from some of our product packaging by moving the labels from metalised to plain paper. This saved approximately 1430kg of CO2 on products made for Aldi alone, and we hope to roll it out to all products following the success of this initiative.

We continue to be a member of the Packaging Forum, Public Place Recycling Scheme and Glass Packaging Forum, the latter of which achieved a recovery rate of 73% in 2019, ensuring NZ has a sustainable and effective way of recycling glass.



## Key targets and performance

In 2019, 100% of our suppliers signed up to our Supplier Code of Conduct, making DB the first HEINEKEN operating company to meet this significant milestone.

Key measures	2021 target	2020	2019	2018	2017	2016	2015
Number of suppliers	n/a	752	1,148	1,321	1,535	1,327	1,663
% local (NZ) suppliers by spend	96%	97%	96%	96%	96%	90%	87%
% suppliers signed up to Supplier Code	100%	100%	100%	99%	98%	100%	100%



## Case Study: 90% recycled content flint bottle



In 2019, DB Breweries and O-I Glass produced a 90% recycled content flint beer bottle using high-quality recycled glass (cullet) collected during the previous summer. Flint bottles produced in New Zealand typically contain around 45% recycled content. This is in part due to the availability of high-quality cullet, but also in-specification colour requirements for premium, consumer-facing flint glass bottles.

10 million 90%-recycled flint bottles were produced over a two-week period in September/October 2019. These were delivered to DB Breweries for trial and testing during production, and then put into circulation through our DB Export brand over the 2019/20 summer period. The initiative was high risk/high reward because a trial could not be done in advance, so there was one

shot at producing this bottle and approving it within hours of the production starting.

This initiative was a true end-to-end collaboration between O-I and DB Breweries. It involved teams from each organisation, including Supply Chain, Sales, Corporate Affairs, Procurement and Brand Marketing, to ensure we produced a sustainable packaging solution that could be used in the beer production process, transported around the country, kept our beer fresh, and met consumers' expectations around packaging quality.

## Results

This initiative has the potential to significantly reduce glass waste and emissions from packaging, not just in New Zealand, but globally. It demonstrates that with good quality cullet in place, we can produce a bottle with reduced environmental impact while meeting container integrity and in-specification colour requirements. Quality was not compromised in any way, and the bottle could withstand production and product safety processes. Importantly, the initiative saved over 800,000 kg of CO<sub>2</sub>e when compared with imported virgin glass bottles and led to a 45% increase in recycled glass content for 10 million bottles.

## *Brewing prosperous communities*



## *Our progress*

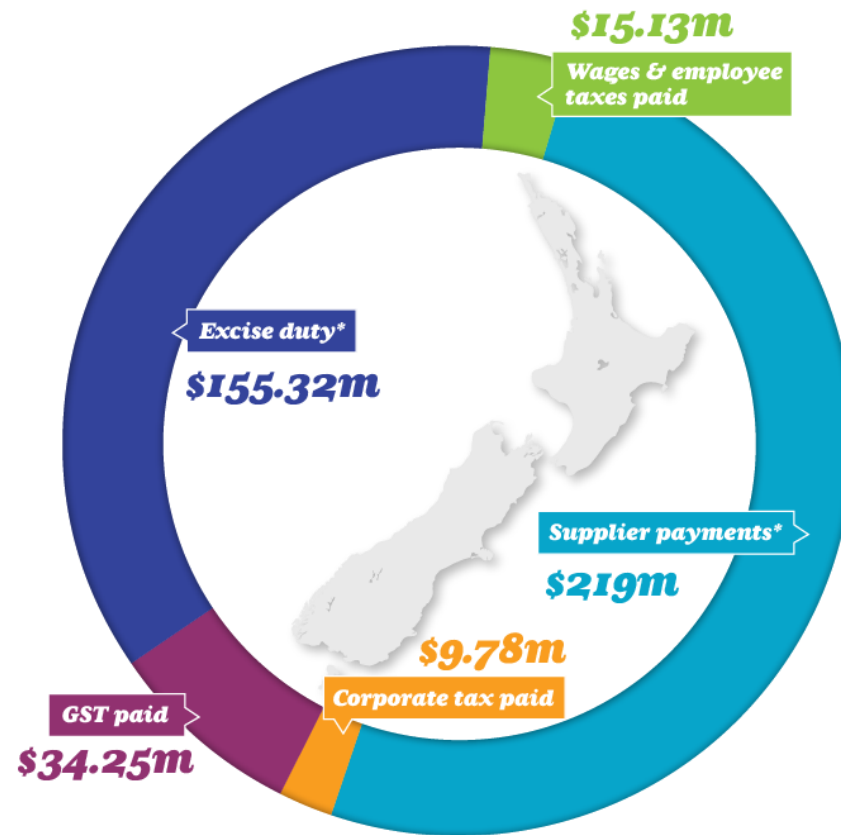
Throughout 2020, we supported 17 charitable causes – totalling \$378,464.7. This was 15% more than our contribution in 2019, recognising the heightened need to support our communities throughout the COVID-19 response.

In September, we made an additional \$15K donation to our local South Auckland community in response to the continued economic and social impacts of COVID-19. During the second outbreak of COVID-19, food insecurity was identified as an urgent need. We made donations to three foodbanks in the area, which went towards packed lunches, food stock, and operational costs to ensure they could keep running during this time of heightened need. We also provided bottles of hand sanitiser we produced at our Waitemata Brewery for them to use on-site and ensure their people could stay safe and healthy as they served the community.

We continued our partnership with Keep New Zealand Beautiful through our DB Export brand. This partnership has helped raise awareness around litter reduction in NZ through campaigns on social media and in the community.



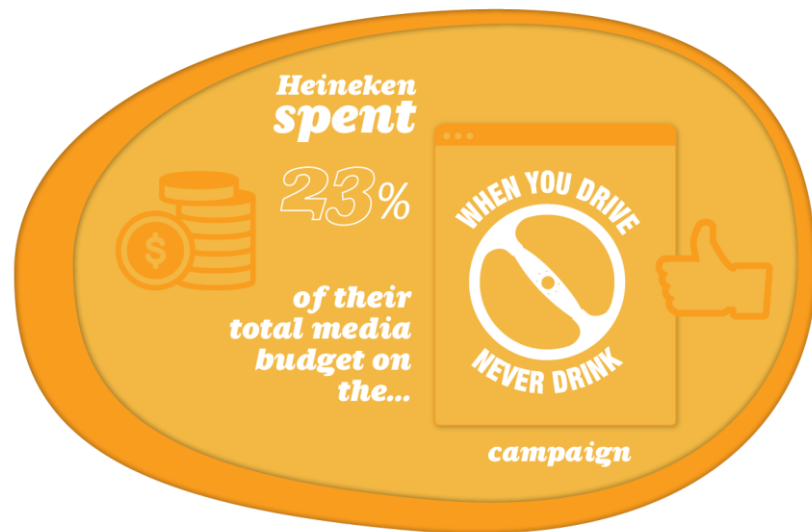
## DB's Economic Contribution 2020



Total contribution:  
**\$433.48 million**

(Values in NZD million)

# *Brewing a safe and social drinking culture*



## Our approach

Our goal is to foster a safe and socially responsible drinking culture in New Zealand, and we believe alcohol, when consumed in moderation, can be part of a well-balanced lifestyle. We recognise the risk that alcohol poses when not consumed

responsibly, and believe that for some people and occasions, it's better not to drink at all. Alcohol-related harm is still present across our entire society, and there is more work to do to reduce the negative impacts of alcohol and embed a culture of moderation in New Zealand.

Our approach to ensuring consumers drink responsibly is implemented through four key focus areas embedded in our business: our marketing, sponsorships, partnerships and behaviour change programmes. We have a robust responsible marketing code that provides clear standards for all of our commercial and marketing communications. We continue to lead the market in producing low-and-no alcohol beers and ciders, providing choice to consumers who choose not to drink alcohol but still enjoy the taste of an alcoholic drink.

## Our progress and performance

### Promoting a safe and social drinking culture through our brands

In 2020, Heineken set out to run fewer, but larger campaigns throughout the year. The most significant of these focused-on

Enjoy Heineken Responsibly. The Heineken Unsell was launched, encouraging people not to drink Heineken when driving.

The aim of this campaign was to provide a simple message to consumers about safe consumption while driving – that is, don't drink and drive. Drink driving laws in New Zealand can be confusing to consumers, so the safest stance is zero tolerance. Heineken's approach was to be blunt and clear – don't drink Heineken full stop if you're driving.

A large campaign launch in December involved a takeover of numerous billboards in prominent locations, as well as an external full-page wrap on the New Zealand Herald, and branding on popular websites Metservice and TradeMe. The message was furthered with activations in 200 Heineken bars around the country. Signage was placed in carparks, bathrooms, and at the point of sale in on-premise locations. Heineken 0.0 was also offered to sober drivers for free to support this message with a practical alternative.

This campaign was the latest stage of a wider Heineken strategy around reducing drinking and driving. In addition to the communication campaign, we have been working in conjunction with a team at Krukow Behavioural Design, working with DB to develop a 'nudge theory study' which began in December 2020 and is continuing into 2021. The research will follow the journey

of a New Zealand drink-driver and ascertain what sorts of nudges and interventions could stop similar people drinking and driving.

## Building partnerships

In 2020, DB launched the latest phase of its drink driving reduction partnership – [Keys Down, Real Talk](#) (KDRT). KDRT is an award-winning campaign that uses authentic storytelling and music to change people's behaviours and attitudes when it comes to drink driving. It was developed by DB in partnership with 37Hz, a local community creative producer, with the goal of tackling drink driving in DB's largest backyard, South Auckland. DB approached the issue of drink driving through a campaign that draws on the phrase 'real talk', a slang term for serious conversation. The campaign is now in its third year and has reached over 500,000 Kiwis with its impactful messages.

In 2020, we created three immersive short videos, splicing together real-life quotes about drink driving from influential members of the community, with stylized visuals and music to communicate the key message that 'alcohol and driving never mix'.

	2020	2019	2018	2017	2016	2015
Complaints made to the ASA	5	2	4	4	5	5
Referrals to ASA complaints board	4	2	2	1	1	4
Complaints upheld	0	0	0	0	0	0
Warnings, fines or penalties for non-compliance	0	0	0	0	0	0

## Taking action at an industry level

During 2020 DB became increasingly concerned and outspoken at worker exploitation in liquor stores. After going public with our stance that operators who exploit their workers should lose their liquor license, we were subsequently invited to speak at the Tango i Te Kaupae Muri conference at Parliament in 2021. We continue to advocate for stripping operators of their licenses for such breaches and will continue to work with our partners to remove this issue from the industry.

## Innovating in low-and-no-alcohol beverages

Consumers are signaling the move towards low and no alcohol beverages, with sales of no alcohol beers doubling in 2020.

DB continues to lead in 0.0% ABV beer, with our three offerings making up over three-quarters of the overall category value. February 2020 saw the launch of our new DB Export Gold 0.0 product, supporting our existing premium Heineken 0.0 option and DB Export Citrus 0%. After a successful trial in 2019, we rolled out Zero Zones across some Countdown supermarkets, helping to drive sales across the whole category by making it more convenient to find 0% beverages. Zero Zones stock a range of beers, wines, and spirits with less than 0.05% ABV, providing better visibility of the whole category.

## Responsible marketing and product labelling

DB is committed to complying with all applicable marketing communication laws, regulations and voluntary codes. We

continue to maintain our record of very low advertising complaints, with no complaints upheld against us in 2020.

We continue to publish nutritional and ingredient information for our products either on pack or on our corporate website.

We have also started the process of adding the newly required larger pregnancy warning labelling on our products. These will be rolled out over the next few years, in advance of the Government-mandated date. We maintained our record of very low advertising complaints with no complaints upheld against us in 2020.



## DB Breweries' 2020 Sustainability Report GRI Index

### General disclosures

<b>Disclosure Title</b>	<b>GRI</b>	<b>Location or Reference</b>
Name of the organisation	102 - 1	<a href="#">About section</a>
Activities, brands, products and services	102 - 2	<a href="#">About section</a>
Location of headquarters	102 - 3	DB Breweries Head Office, 1 Bairds Rd, Otahuhu, Auckland 2025
Location of operations	102 - 4	<a href="#">About section</a>
Ownership and legal form	102 - 5	<a href="#">About section</a>
Markets served	102 - 6	<a href="#">About section</a>
Scale of the organisation	102 - 7	<a href="#">About section</a>
Information on employees and other workers	102 - 8	<a href="#">Brewing a safe and healthy workforce</a>
Supply chain	102 - 9	<a href="#">Brewing a sustainable value chain</a>
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
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	<a href="#">MD message</a>
Values, principles, standards, and norms of behaviour	102 - 16	<a href="http://www.theheinekencompany.com/About-Us/HEINEKEN-Code-of-Business-Conduct">www.theheinekencompany.com/About-Us/HEINEKEN-Code-of-Business-Conduct</a>
Governance and structure	102 - 18	<a href="#">About</a> and <a href="#">Approach</a>
List of stakeholder groups	102 - 40	<a href="#">Approach section</a>
Collective bargaining agreements	102 - 41	100 employees are covered by a collective bargaining agreement



## DB Breweries' 2020 Sustainability Report GRI Index

<b>Disclosure Title</b>	<b>GRI</b>	<b>Location or Reference</b>
Identifying and selecting stakeholders	102 - 42	<a href="#">Approach section</a>
Approach to stakeholder engagement	102 - 43	<a href="#">Approach section</a>
Key topics and concerns raised	102 - 44	<a href="#">Approach section</a>
Entities included in the consolidated financial statements	102 - 45	<a href="#">Approach section</a>
Defining content and topic boundaries	102 - 46	<a href="#">Approach</a> - materiality
List of material topics	102 - 47	<a href="#">Approach section</a>
Restatements of information	102 - 48	None
Changes in reporting	102 - 49	None
Reporting period	102 - 50	January 1 – December 31, 2020
Date of most recent report	102 - 51	July 2020
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	<a href="#">Approach section</a>
GRI content index	102 - 55	<a href="http://www.dbsustainability.co.nz">www.dbsustainability.co.nz</a>
External assurance	102 - 56	<a href="#">Approach section</a>

### Topic specific disclosures

<b>Disclosure Title</b>	<b>GRI</b>	<b>Location</b>
<b>Procurement practices</b>		
Disclosure on management approach	103	<a href="#">Brewing a sustainable value chain</a>
Proportion of spending with local suppliers	204-1	Key targets and performance - <a href="#">Brewing a sustainable value chain</a>

## DB Breweries' 2020 Sustainability Report GRI Index

<b>Disclosure Title</b>	<b>GRI</b>	<b>Location</b>
<b>Energy</b>		
Disclosure on management approach	103	<a href="#">Brewing lower carbon emissions</a>
Energy consumption within the organisation	302-1	<a href="#">Brewing lower carbon emissions</a>
<b>Water</b>		
Disclosure on management approach	103	<a href="#">Brewing with less water</a>
Water withdrawal by source	303-3	<a href="#">Brewing with less water</a>
<b>Emissions</b>		
Disclosure on management approach	103	<a href="#">Brewing lower carbon emissions</a>
GHG emissions Scope 1	305-1	<a href="#">Brewing lower carbon emissions</a>
GHG emissions Scope 2	305-2	<a href="#">Brewing lower carbon emissions</a>
GHG emissions intensity	305-4	<a href="#">Brewing lower carbon emissions</a>
<b>Waste</b>		
Disclosure on management approach	103	<a href="#">Brewing lower carbon emissions</a>
Waste generated	306-2	<a href="#">Brewing lower carbon emissions</a>
Waste diverted from disposal	306-4	<a href="#">Brewing lower carbon emissions</a>
<b>Supplier environmental and social assessments</b>		
Disclosure on management approach	103	<a href="#">Brewing a sustainable value chain</a>
New supplier environmental screening	308-1	<a href="#">Brewing a sustainable value chain</a>
New supplier social screening	414-1	<a href="#">Brewing a sustainable value chain</a>
<b>Employment</b>		
Disclosure on management approach	103	<a href="#">Brewing a safe and healthy workforce</a>
New employee hires and employee turnover	401-1	<a href="#">Brewing a safe and healthy workforce</a>

# DB Breweries' 2020 Sustainability Report GRI Index

<b>Disclosure Title</b>	<b>GRI</b>	<b>Location</b>
<b>Occupational health &amp; safety</b>		
Disclosure on management approach	103	<a href="#">Brewing a safe and healthy workforce</a>
Work related injuries	403-9	<a href="#">Brewing a safe and healthy workforce</a>
<b>Diversity and equal opportunity</b>		
Disclosure on management approach	103	<a href="#">Brewing a safe and healthy workforce</a>
Diversity of governance bodies and employees	405-1	<a href="#">Brewing a safe and healthy workforce</a>
<b>Marketing and labelling</b>		
Disclosure on management approach	103	<a href="#">Brewing a safe and social drinking culture</a>
Marketing communication compliance	417-3	<a href="#">Brewing a safe and social drinking culture</a>