

# **Belu Mineral Water Impact Report**

# 2014



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# OUR BUSINESS IS AS TRANSPARENT AS OUR WATER

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Belu is an ethical business and a pioneering social enterprise. We champion the environmental benchmark in our industry, trading with the purpose of investing all our profits in ending water poverty.

We take full responsibility for our products — from generation of raw materials to end of life — focussing on minimising our impact in everything we do. We champion socially and environmentally considerate business practice and base every decision on ethics and overall planetary cost. We measure our business through a triple bottom line of people, planet and profit.

Welcome to our second annual Impact Report, which marks the end of our initial three year partnership with WaterAid and launches our new commitment to pledge £1m by 2020. Belu is a great British mineral water, served in all the best places. We're proud to share our stories and results with our customers and partners.

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# BELU MEASURES MORE THAN JUST PROFIT

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Success for Belu is based on reducing our overall environmental impact and increasing our total contribution to our exclusive charity partner, WaterAid.

Put simply, our aim is to generate profits through good business and to pass these on to WaterAid. We have three key measures.

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## 1. REVENUE

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Our turnover is growing and 100% of this is from sales.



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## 2. CARBON EMISSIONS

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We are reducing our impact per litre sold.

We remain the only water to be 100% Carbon neutral to PAS 2060 standard and have reduced our impact from 794g CO<sub>2</sub> per litre in 2010 to 564 in 2013. That's a reduction of 29%.

**-29%**

Carbon reduction

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## 3. SOCIAL IMPACT

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We've reached the end of our three year partnership with WaterAid, during which time we gave £530,662 and we've begun a new partnership to take us to 2020. The figure we have given to date is £583,341\*, transforming the lives of 38,889 people.

\*as of June 30, 2014.



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# OUR STORY STARTS WITH BEAUTIFUL BRITISH WATER

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Our great British water is selected for natural purity and its clean, crisp taste. We collaborate with each of our sources on different environmental initiatives, making the most of the strengths of each.



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Iceni Waters in Cambridgeshire is our partner closest to London and the entry point to our grocery supply chain. This helps us keep our water miles to a minimum. They continue to work with us on pushing the boundaries of the recycled content of our plastic bottles.



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Montgomeryshire Natural Spring Water in Powys produce our iconic clear glass bottled mineral water. With us they trialled and tested our new lightweight Ethical Glass initiative. It's the lightest on the market and we now get almost 1,000 more big bottles on a truck, increasing transport efficiencies.



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Wenlock Spring in Shropshire fill our green Bordeaux style bottles. We're the first and only water brand to use green glass for still and sparkling water. We love our green line because our bottles are made from 80% recycled glass and they are made right here in the UK.



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# WE ARE AN ENVIRONMENTAL BRAND FIRST

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We are so much more than just a charity water. We minimise our environmental footprint and drive progress in the environmental space. This means we make decisions based on ethics rather than price alone.

It's an approach that's growing sales and brand awareness at a phenomenal rate — and doing good at the same time.





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We developed the first British water bottle made from 50% recycled plastic. We continue to develop and promote green glass as well as increasing the recycled content within our bottles overall.



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We have developed the lightest clear glass bottles on the market through our Ethical Glass initiative and continue to explore opportunities to make our packaging even lighter.



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We will never knowingly export our products as this creates an unnecessary footprint. We also question why anyone would want to drink imported water.



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Through these initiatives our carbon footprint is being reduced to the absolute minimum. What we can't reduce we offset by investing responsibly in carbon reduction projects.



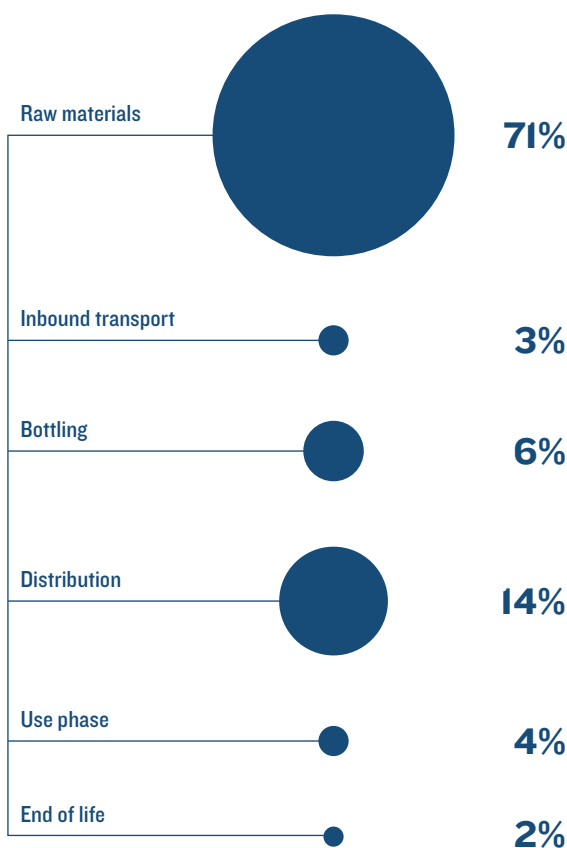
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Our company and all of our products are 100% carbon neutral. We are the first and only water brand certified to PAS 2060 standard, the standard for clear and transparent carbon communications.

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# WE TAKE FULL RESPONSIBILITY FOR ALL CARBON EMISSIONS FROM EVERY STAGE IN THE LIFE OF OUR PRODUCTS

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We measure the carbon emissions associated with all raw materials required in the manufacture of our products.



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We account for all carbon emissions from the energy and carbon dioxide used to fill our bottles, and any waste we create during the process.



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We measure carbon emissions by calculating the weight and distance travelled by both raw materials arriving at our plants and finished goods travelling to customers.



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Most mineral water is served chilled, so we also calculate the carbon emissions associated with refrigeration by our customers.



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All of our bottles are 100% recyclable. However, we use actual industry data to measure the emissions associated with the various recycling and waste streams where our bottles are most likely to end up.

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# AS OUR SALES GROW, WE REDUCE OUR FOOTPRINT

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We measure, reduce and transparently report our carbon footprint. This applies to the impact of all of our products, not just our office. We go over and above what's required to minimise our environmental impact.

We express our product footprint in grammes of CO<sub>2</sub>e per litre of product sold. Although our sales go up, the carbon footprint of our products goes down. In only three short years we reduced the carbon footprint by 29% per litre.

Since 2010 our sales (based on litres of product sold) have increased by 113%. In the same period, our overall footprint only increased by 38%. This year our sales were up 35% whilst our overall footprint increased by 11%, demonstrating that the carbon intensity of Belu products has gone down.

We're selling more bottles of our mineral water but we're decreasing their footprint. It's working.



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# BELU FOOTPRINT POST REDUCTION ACTIVITIES

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We work with world-class experts to measure our carbon footprint. Best Foot Forward are leading sustainability consultants and have calculated the Belu organisational and supply chain carbon footprint using quality assured best practice.

Total footprint (tCO <sub>2</sub> e)	2010	2012	2013
Raw materials	2,467	3,031	3,212
Inbound transport	103	105	134
Bottling	77	208	265
Distribution	468	505	638
Use phase	90	137	181
End of life	50	62	74
Full life cycle stage	3,255	4,048	4,504

It is a bi-annual obligation to commission a carbon footprint report. Belu did not commission a report in 2011 but since then has commissioned one annually.

We need to offset our residual emissions in order to achieve carbon neutrality. But we don't just offset any old how. We work in partnership with world-leading experts Carbon Clear to find the offsetting projects that will deliver environmental and social benefits.

# £51,148

Since 2010 we've done this by investing £51,148 in carbon reduction projects that make a real difference to communities.

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## OUR BIG INITIATIVES IN 2013

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# 850,

kg of glass saved annually



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# 1. WE INTRODUCED ETHICAL GLASS

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Clever ideas and independent partnerships help reduce our carbon footprint. In 2013 this meant a collaboration with Bristol's glass packaging specialists Rawlings.

We worked together on developing Ethical Glass, an initiative to create lighter bottles which replaced our old 750ml and 330ml flint bottles. This is now the lightest clear glass bottle available in the UK, saving 850,000kg of glass annually (equivalent to 2.1 million wine bottles).

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We've made the technology available on the open market through Rawlings and we hope more companies will take the opportunity to reduce their carbon footprint.

We're working with O-I, whose founder invented the automatic bottle-making machine back in 1903, to manufacture the bottles. They are made in the UK, in line with our commitment to support British industry.

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## 18% LIGHTER

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This is an 11% further reduction to Belu's carbon emissions. This is the same as saving the carbon associated with 7,000 nights in an average UK hotel.



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## 2. WE'VE INCREASED THE USE OF RECYCLED PET

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Increasing sales of plastic bottles have brought our footprint down, too.

Each of our different products has a different level of carbon emissions. Our flint bottles are highest, followed by green, then our rPET bottles. We have sold an increasing volume of water bottled in rPET, which is one of the main drivers for our overall footprint reduction.

In the past we have had to buy our preform (the nugget of plastic that is blown to become a bottle) from Belgium. This was because the UK wasn't making a preform with such high recycled content.

Through our growing demand we ensured this was developed in the UK which means our packaging is made with bottles consumed, recycled and turned into recycled plastic in the UK.

Sales of these have increased from 30% to 36% on the previous year. Higher sales help lower our footprint as emissions from plastic bottles are lower than those of glass bottles.







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### **3. WE LAUNCHED OUR NEW 18.9L COOLER FORMAT BOTTLE**

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You can now transform lives, one sip at a time, by taking Belu for your water cooler, thanks to our partnership with London-based wholesalers Zepbrook. Our water is now available in 18.9L bottles for all standard water cooler machines in the wider Greater London area. This generates additional profits for WaterAid and will help reduce our footprint further.



**BELU**

SPARKLING  
NATURAL MINERAL WATER

130ml 3 70mm 239g



**BELU**

STILL  
NATURAL MINERAL WATER

150mL 3 7-555-2396



Photograph © Carbon Clear



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## OUR CARBON PROJECTS: CAKIT RIVER, TURKEY

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We reached our carbon neutral status by investing in projects that reduce greenhouse emissions. We chose a 20 megawatt hydropower project that generates clean energy from the natural flow of the Cakit River, Turkey. Without the project, the same electricity would have been generated by fossil fuel powered plants. Greenhouse gas reductions are achieved by displacing this carbon-intensive energy with renewable energy.

The project supports the creation of thirteen jobs with health insurance for the employees' families. It has maintained a strong focus on improving schools and the lives of school children in the local village of Kapikaya, including initiatives such as donations of shoes and school clothing. The environmental benefits of the project include the planting of more than 13,000 trees in the surrounding area and an extensive slope protection programme has been implemented to prevent erosion and landsliding.

The Cakit River hydropower project has a strong sustainable development focus, recognised by its Social Carbon certification, the first Turkish project of any kind to receive this.

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**WE'VE GIVEN £583,341\*  
TO WATERAID AND  
SET A 2020 TARGET OF**

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**£1M**

\* as of June 30, 2014.





We give all our profits to WaterAid. Why? Because Belu shares WaterAid's view that everyone, everywhere should have clean water, sanitation and hygiene, and that this is achievable by 2030.

They're the best known, most effective charity on the ground who ensure the best return on our investment. Clean water, sanitation and hygiene are central to eradicating extreme poverty and we're very proud to be able to help them deliver this aim. We think our customers and partners are, too.

Our relationship with WaterAid began in 2011 when we pledged them all of our profits, including a contractual minimum of £300,000 over three years. We hit this target in just 18 months. We have given WaterAid £530,662 over the initial three year partnership term. That's 77% more money than required by our agreement, transforming the lives of 35,377 people. This is 15,000 more people than we expected to help.

Our revenues grew 29% in 2013 which meant we gave WaterAid an additional £60,000 on top of our minimum pledge. In total, we gave WaterAid £196,530 in 2013.

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# EVERY £15 TRANSFORMS A LIFE THROUGH ACCESS TO CLEAN WATER, SANITATION AND HYGIENE EDUCATION

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WaterAid know how a relatively small donation can change someone's life. Their figures show how our profits can be used:

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£80 can pay for a locally manufactured rainwater harvesting system for one family in Bangladesh

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£4,000 could protect a spring for 800 – 1,000 people in Ethiopia

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£2,453 can pay for an institutional sanitation block for 270 people in Madagascar

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£3,158 could cover the start-up costs of a soap-making business in Burkina Faso

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£75,500 could pay for a drilled borehole with five water points, one 50m<sup>3</sup> reservoir and a pipeline serving 2,500 people in Ethiopia

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£100,000 could pay for a medium gravity spring development serving 5,000 people in Ethiopia







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# CLEAN WATER IS JUST THE BEGINNING

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We're supporting WaterAid projects like the Bio-Gas Café in Ethiopia. Located near a market, this once-derelict bio-gas installation in Addis Ababa provides a valuable service and is a vital income-generating activity for the 25 women who run the project. They cook in the café which serves wonderful vegetarian food and also manage the toilet facilities and showers which customers pay to use.

Human waste from the installed toilets is supplemented by vegetable compost and animal dung. This goes into a dome-like chamber which takes three days to turn into gas, which is then used as fuel. The women cook using this gas.

Ayelech Hailu, who works in the café, had no education so found it impossible to support her family. Working in the café has given her a sense of great satisfaction and pride and she now has money to feed and clothe her family.

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# IMPROVING ACCESS TO WATER CREATES A POWERFUL SOCIAL RETURN ON INVESTMENT

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For every \$1 invested in water and sanitation, an average of \$4 is returned in increased productivity and healthcare costs.

Hutton, Global costs and benefits of drinking-water supply and sanitation interventions to reach the MDG target and universal coverage, WHO, Geneva, 2012.

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# TRACKING WHERE THE MONEY COMES FROM

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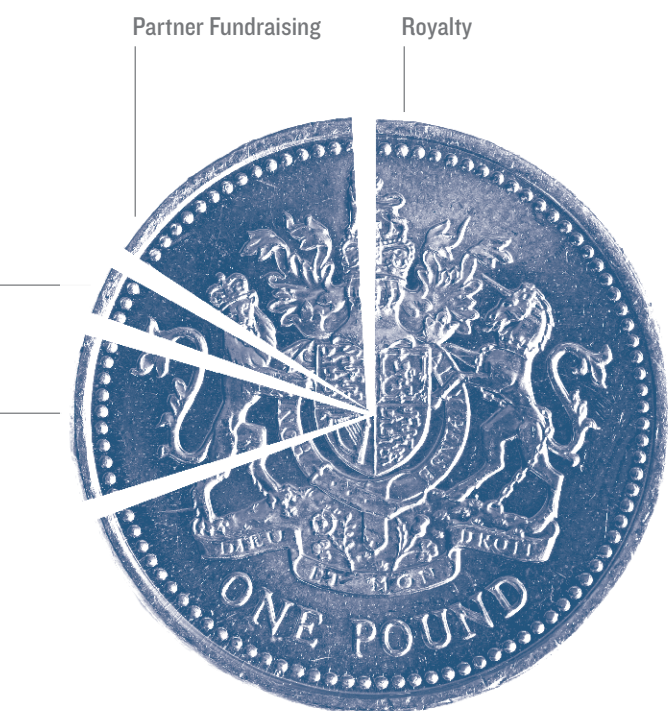
The funds we raise come primarily from the profits of Belu water sales, supported by some additional fundraising with our partners and customers.

Payments to WaterAid (£)	2011
Royalty	115,000
Additional Payments from Profits	—
Belu Fundraising	—
Partner Fundraising	34,100
Total	149,100

Belu Fundraising

Additional Payments  
from Profits

2012	2013	2014 (to date)	Total
125,000	100,000	75,000	415,000
—	60,000	—	60,000
6,667	6,317	—	12,984
30,000	30,213	1,044	95,357
161,667	196,530	76,044	583,341



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# WE WORK CLOSELY WITH OUR PARTNERS

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We work closely with Belu stockists on events and social media, ensuring a broad reach across leading restaurants, social enterprises, environmental organisations and the broader hospitality sector.

We work with our partners to identify how Belu can have a positive impact on their business through social media support, marketing support to raise awareness, or helping plan fundraising events linked to WaterAid.

We are proud to be served in thousands of hotels, restaurants, bars and cafes across the UK. Belu is available in outlets as diverse as Le Manoir aux Quat'Saisons, Lime Wood Hotel, Jamie's Italian, Leon, The Vineyard, Tragus Group, D&D London and Zizzi's. We work with the places that want to make the best ethical choice when it comes to their mineral water.

Another thing that sets us apart from other water brands is our drive to engage staff around environmental issues and to generate additional funds for WaterAid.

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## BE INSPIRED BY BELU

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In order to highlight the issues around World Water Week, we held our first Summer Sculpture with D&D London at their esteemed Coq d'Argent restaurant. Entrants had to use empty Belu bottles to illustrate water poverty. Winners Christina Ballard and Emerald Moseley had their intricate artwork displayed in the restaurant for a month.

Belu likes to collaborate and work in partnership. If you have an idea, don't hesitate to talk to us. Here's how some of our partners helped raise additional funds for WaterAid:

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Hard Rock Calling raised a huge £23,000 from VIP ticket sales

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Rick Stein's St Petroc's Bistro held a week of fundraising lunches and made £1,404

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New Year celebrations at Koh Thai Tapas raised £1,083

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D&D London's Coq d'Argent gave £1 from every bottle of Belu sold during World Water Week raising £955

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Belu's agency Paul Belford Ltd donated his £600 fee for design work

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£332 was raised by GAIL's Bakery annual Garden Party



We also raised £3,259 from Carry A Watermelon last year and we'd love you to get involved in 2014! We're asking partners, friends and family to get sponsored to carry a watermelon during World Water Week (31st August to 5th September). If you think that is heavy, just imagine carrying a 25 litre jerry can of water home every day.

Email [marketing@belu.org](mailto:marketing@belu.org) for more information.

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## 2013 WAS A VINTAGE YEAR FOR AWARDS

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Third Sector Business Charity Awards

Winner / Charity Partnership, Small Business

Lloyds TSB People and Environment Business Awards

PEAB Champion Winner

Lloyds TSB People and Environment Business Awards

Winner / Social Enterprise

Social Enterprise UK Awards

Finalist / Consumer Facing Social Enterprise

Social Enterprise UK Awards

Finalist / Environmental Social Enterprise

Great British Entrepreneurship Awards

Finalist / Eco Entrepreneur

Great British Entrepreneurship Awards

Finalist / Social Entrepreneur

Photograph © Nick Delaney

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# OUR STRUCTURE

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Belu trades as a limited company and our profit shares are owned by The Belu Foundation.

This is a registered charity in England and Wales (1136687) which owns the profit shares of Belu, entitling it to receive all of Belu's profits.

The trustees of the Belu Foundation agreed a partnership model with Belu Water and WaterAid whereby the profits of the Company go straight to WaterAid. Donation activities go through the Belu Foundation to ensure the funds generated are passed to WaterAid as quickly and efficiently as possible.

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# OUR TEAM

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In 2013 we added another full-time role to our head office. Belu HQ is staffed by a small team of eight, including five women. Three of us work part time, including Power Part Time Top 50 member and CEO Karen Lynch.

In addition, Belu is supported by a wider team supporting the manufacture of product, distribution, sales and marketing.

At Belu we're actively encouraged to support other causes. Karen uses her spare time to mentor other social enterprises including Rubies in the Rubble, From Babies With Love and Auntie Daisy and speaks regularly at conferences.

Area	Jobs*
Belu Head Office	7
Production and Distribution	13
Marketing and Sales	6
WaterAid and Other	2
Total	28

Financial and jobs data based on January – December year.

FTE jobs are those directly supported by Belu. Estimates are calculated using data on suppliers that collectively account for 90% of Belu's expenditure.

In the absence of supplier information, numbers are estimated by multiplying supplier head-counts by proportions of supplier revenue coming from Belu.

If year on year information is not available, it is assumed that head-counts and revenue remain constant.

\*Full time equivalent (FTE) jobs supported in 2013.



# BELU. PROUD TO BE PART OF A BIGGER PICTURE

- Proud supporters of Frieze London and Frieze Masters, Decanter and the Soho Food Feast
- An Approved Supplier to the Sustainable Restaurant Association
- A CoolBrand 2013/14
- A Deloitte Pioneer
- Supported by arc: building better business
- WRAP's Courtauld 3 signatory
- Signatory for The Soft Drinks Sustainability Roadmap
- Condé Nast Johansens's bottled water Hospitality Partner 2013/14
- A member of Social Enterprise UK

 <p>thesra.org SUSTAINABLE RESTAURANT ASSOCIATION APPROVED SUPPLIER 2014</p>	 <p>CONDÉ NAST johansens Luxury Hotels · Spas · Venues HOSPITALITY PARTNER</p>
 <p>BUY SOCIAL™</p>	 <p>DELOITTE SOCIAL Deloitte® INNOVATION PIONEERS</p>
 <p>WE'RE A <b>SOCIAL ENTERPRISE</b> BUSINESS WHERE SOCIETY PROFITS <small>Certified Member of Social Enterprise UK</small></p>	 <p>Supported by <b>arc</b> BUSINESS IN THE COMMUNITY</p>

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# WE'D LOVE TO HEAR FROM YOU

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David Balhuizen, Head of Operations  
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Sophie McCready, Head of Marketing  
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# THANK YOU

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Thank you to all of our existing partners, extended team members, supporters and customers.

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Printed on 100% de-inked post consumer waste without the addition of any optical brightening agents. Certified ISO 14001, EMAS, EU Flower, Blue Angel, NAPM and PAS 2020:2000 Level I.

WaterAid registered charity numbers 288701 England and Wales, SC039479 Scotland.

Photography (unless otherwise credited) by David Balhuizen.

Design by Paul Belford Ltd.



**‘At Social Enterprise UK, we encourage social enterprises to be ‘transparent in the way they operate, and in the way they report their impact’. This impact report demonstrates that Belu are doing exactly that —and providing a beacon of good practice for the industry.’**

**Nick Temple,  
Social Enterprise UK  
Business Director**