



## BELU. WATER WITH ETHICS.

Belu is an ethical business and a pioneering social enterprise. We champion the environmental benchmark in our sector, and trade with the purpose of investing 100% of our profits into ending water poverty through our exclusive partner, WaterAid.

Success at Belu is measured by the reduction of our overall environmental impact, successful and sustainable trading, and the number of lives transformed in poor countries through access to clean water.

This year's impact report marks the sixth year of our partnership with WaterAid, and despite being a year of surprise and challenge for us all, it has been another year of significant progress on many fronts. So, an enormous thank you to all of our customers, partners and supporters who have been part of our journey so far.

Karen Lynch  
CEO, Belu

## A YEAR OF SIGNIFICANT PROGRESS

2016 will be the year we remember for seeing real momentum build on our journey from bottled water company to 'water service partner'. Our business plan is firmly focused on serving the breadth of needs from the UK's Hotel, Restaurant and Catering sector. As industry needs have evolved, so has our offering. We are now able to support the end to end water service proposition from mineral water in bottles to filtration and refillable carafes.

This year's report details how we delivered this year's headlines of:

- £695,140 passed to WaterAid in 2016.
- A total of £2,200,076 passed to WaterAid since 2011\*.
- 46,342 lives transformed with access to safe water, decent toilets and good hygiene, with 146,671 lives transformed since our partnership with WaterAid began in 2011.
- Carbon emissions reduced by 8% per litre versus the previous year, and reduced by 45% since 2010.

\*As of 22nd March 2017.



reduction in carbon emissions per litre than the previous year.

## HOW WE GOT THERE

As a small hard working central team of eleven that’s grown from three in 2011, we ensure that we work with carefully selected partners who share in our vision, working smartly alongside us to form our supply chain and operational team. Continuous incremental improvement and always striving to do the right thing drive every decision we take.

We trade as a limited company and our profit shares are owned by The Belu Foundation\*, which entitles it to receive all of Belu’s profits.

The Trustees of The Belu Foundation agreed to enter into a partnership model with Belu Water Limited and WaterAid whereby all profits of Belu Water Limited are passed directly to WaterAid. In addition, the trustees also agreed to grant any monies The Belu Foundation receives by way of donations directly to WaterAid.

Belu supports 34 Full Time Equivalent roles	Jobs**
Belu Head Office	11
Production and Distribution	16
Marketing and Sales	5
WaterAid and Other	2
Total	34

\*Registered charity in England and Wales, 1136687.

Financial and jobs data based on January — December year.

FTE jobs are those directly supported by Belu. Figures are calculated and checked with suppliers that collectively account for 96% of BELU’s expenditure.

\*\*Full time equivalent (FTE) jobs supported in 2016.

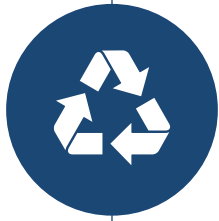


## WE ARE AN ENVIRONMENTAL BRAND FIRST

We take full responsibility for our products from generation of raw materials to end of life, focusing on minimising our environmental impact in every aspect of our business. By championing socially and environmentally considerate business practices and basing every decision on ethics and overall planetary cost, we measure our business through a triple bottom line of people, planet and profit.



Belu is a Great British mineral water, sourced on the Shropshire/Montgomeryshire borders in Powys.



All our products are 100% recyclable and we've driven innovation to increase the use of recycled materials in our packaging, and to reduce the amount of raw materials used. We use a minimum of 50% recycled material in our PET bottles and up to 80% recycled material in our glass bottles\*.



We minimise our distribution footprint.



We operate to the British Standard Institute's PAS 2060 carbon neutrality standard.



We don't believe in exporting our water. Our bottled water is made only for sale in the best places in the UK.

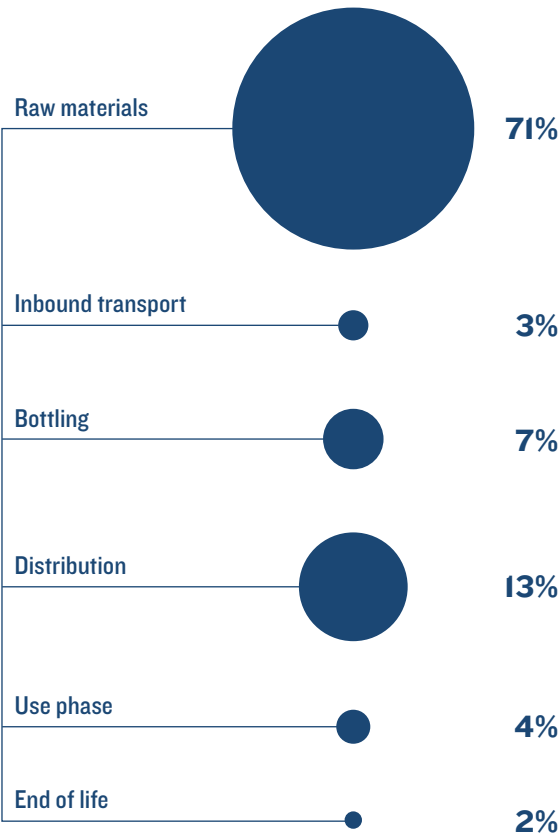
\*80% in green glass, 42% in clear glass.

# BELU IS THE ONLY WATER BRAND CERTIFIED CARBON NEUTRAL TO PAS 2060 STANDARD

We were the UK's first bottled mineral water to be 100% carbon neutral having been independently certified to PAS 2060, and we continue to be firmly committed to reducing our overall footprint per litre.

We measure and report our carbon footprint in a transparent way to achieve PAS 2060 standard by working with industry experts Anthesis. This applies to the impact of all of our products, not just our head office. From 2010 to 2016 we reduced our carbon footprint by 45% per litre to 433g CO<sub>2</sub>e/litre.

Every stage in the life of our products has a different carbon impact, the majority are associated with the raw materials we use.



# 2016 CARBON INITIATIVES:



## 1. MORE EFFICIENT MANUFACTURING

In 2016 we had a full year's impact of producing all single use bottles at one, more efficient site. Over 5% of all energy needs are now generated on site through the use of solar panels. This, combined with investment in a second high speed production line means the energy consumption to deliver our single use bottle range has reduced to 32g CO<sub>2</sub>e/litre — a reduction of 8% on 2015.



## 2. AN EVEN LIGHTER RECYCLED BOTTLE

In 2016, all of our Still 500ml RPET bottles were made with a preform that was 2.5g lighter, using 15% less raw materials than our previous bottle, it's now 13.5g and beautifully crushable.

Like all our plastic bottles it still contains at least 50% recycled plastic and as it weighs less overall, we can now get 78 cases onto each pallet for transport, so more efficient distribution too.

This initiative was the major contributor towards us achieving 6% or 18g CO<sub>2</sub>e/litre saving in our raw materials footprint compared to 2015.



### 3.OUR DISTRIBUTION FOOTPRINT IMPROVED FURTHER

We reduced emissions by 4g CO<sub>2</sub>e/litre versus 2015 through three initiatives:

Increasing to 78 cases per pallet on our 500ml RPET Still product means every pallet carries six extra cases.

Streamlining stock movement through consolidating our production to one geographical location and as a result, reduced the total number of shipments made in 2016 by 25%.

The introduction of backhaul collections which allows us to reduce the number of delivery touchpoints in the supply chain as goods physically travel fewer miles on a more direct route.

### WHAT WE CAN'T REDUCE WE OFFSET

Working with our carbon partners Carbon Clear and South Pole Group we offset our remaining emissions.

Families living in rural areas of Kenya's Western Province benefit from a project where 877,505 water purification units have been distributed delivering safer water to 4.5 million people. This initiative reduces the need to boil contaminated water with wood fires; therefore, protecting more forests, improving community health, and creating 4,000 jobs for local people.

The Song Ong Hydropower plant in Ninh Son District,Vietnam contributes towards balancing the supply and demand gap for energy. The project improves the infrastructure systems of the Quang Son commune where minority groups are living, providing both socio-economic and ecological impact benefits for these communities. The use of locally produced renewable energy allows for sustainable development without emissions harmful to people and planet.

## ALL OUR PROFITS GO TO WATERAID

Like WaterAid we believe that everyone, everywhere should have safe water, decent toilets and good hygiene. In 2016, Belu committed to working with WaterAid to 2030, aligning our business with supporting the achievement of Global Goal 6 'Water and Sanitation for all' of the UN Sustainable Development Goals.

For the financial year of 2016 we have passed a total of £695,140 to WaterAid, bringing the total since our partnership began in 2011 to £2,200,076 (as of 22nd March 2017). 100% of Belu's revenues are from trading. We don't receive any money from grants or subsidies.

Just £15 can help provide one person with access to safe water\*. This means that 146,671 lives have been transformed through the Belu partnership since 2011. 2016 also saw the launch of our first refillable bottle, made in Great Britain, to support WaterAid's Just Water fundraising challenge.

'Since our exclusive partnership began in 2011, Belu has paved the way as a leading UK social enterprise — donating 100% of their profits to WaterAid's work. This unique partnership is a great example of how organisations can work together to create social change and transform lives across the world, while also running a successful business.'

Barbara Frost  
CEO, WaterAid

\*WASH Cost and WaterAid, 2014

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lives transformed worldwide with safe water, sanitation & hygiene.



# HOW OUR PROFIT MAKES AN IMPACT

We support our partner WaterAid’s work across 38 countries, including Timor-Leste, where nearly a third of the population has no choice but to collect dirty water from unsafe sources.

Timor-Leste’s infrastructure was badly damaged during the war for independence. Basic services have been improved considerably, but thousands have been left without such essentials as safe water or toilets. People had to walk for hours just to collect water.

WaterAid and its local partner have been working with the people of Grotu, a village in the Manufahi district of Timor-Leste, to build a gravity flow system that brings water directly into the village. The community now has clean water to drink for the first time, which is something to celebrate.

(Left to right) Natalia, 10 and Serzia, 12, at one of the new tap stands in the village of Grotu in Manufahi district, Timor-Leste, 2015. Credit: WaterAid / Tom Greenwood





# HOW THE MONEY FLOWS

Payments to WaterAid (£)	2011	2012	2013	2014	2015	2016	2017 (to date)	Total
Royalty	115,000	125,000	100,000	125,000	100,000	100,000	25,000	690,000
Additional Royalty	—	—	60,000	333,000	373,000	544,762	—	1,310,762
Royalties Raised with Cobra	—	—	—	—	17,000	19,238	—	36,238
Belu Fundraising	—	6,667	6,318	11,158	353	—	—	24,496
Partner Fundraising	34,100	30,000	28,552	2,737	12,051	31,140	—	138,580
Total	149,100	161,667	194,870	471,895	502,404	695,140	25,000	2,200,076

‘Belu continues to grow in this challenging market yet never compromises to remain the most ethical water brand. I am immensely proud to be a part of this and to see first-hand the difference Belu makes.’

Matt King  
Finance Director, Belu Water Ltd

# FORWARD OUTLOOK

This year has reminded us all to expect the unexpected. Here at Belu we like to remain positive and seize opportunity as it arises. For 2017 and beyond we are firmly committed to:

**Growth** — We have a clear plan that identifies how we will achieve our ambition of generating £1M net profit per annum, purely from the sale of goods and services. Making the point firmly that this is business, not charity.

**Progress in water service footprint reduction** — We will continue our work as partners of the Sustainable Restaurant Association to work with the UK Hotel, Restaurant and Catering sector to identify, assess and reward positive progress in water service. To support this we will continue to develop our proposition to support filtration and refillable requirements in addition to bottled products.

**Ending water poverty by 2030** — We’re excited to announce that our partnership with WaterAid has been extended until 2030, aligning our business in supporting the achievement of Global Goal 6 of the UN Sustainable Development Goals to ensure water and sanitation for all.

# THE BELU FILTRATION SCHEME

One of our most exciting new offerings in 2016 was launching a range of filtered water systems available across a range of models, including one which entitles qualifying outlets to receive a machine completely free of charge. We now offer a full filtration service for your needs, so if you’re exploring filtration we can work with you to deliver it.

Our filtered water proposition was developed in response to changes in restaurant water service that had slowly been gathering more popularity, namely that of choosing to bottle water on site in reusable carafes. With Belu being an environmental brand first, we could not ignore this development, even though traditionally filtered water and bottled mineral water have been considered competitors in the market.

We now have an environmentally best full water service solution from bottled to filtered water. During 2017 we expect the Belu Filtration Scheme to play a key part in our mission to reduce environmental impact and transform lives with safe water and sanitation.



# BELU IS ALSO:

- Gold Winner of the BBI Best Tasting Award 2016 (Natural Mineral Water Still)
- Official strategic water partner of The Sustainable Restaurant Association
- The official water partner of AA Hotel Services
- A Sustainable Restaurant Association Approved supplier
- A member of Social Enterprise UK
- Water partner of the Decanter World Wine Awards
- Water partner of Frieze London and Frieze Masters

We'd love to hear from you.

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