BELU, MADE WITH MINERAL WATER AND ETHICS

In 2011 we changed the Belu business model, re-launched the Belu brand and entered into a formal partnership with WaterAid. This new model has been transformational; our revenue has grown by 40% between 2010 and 2012, and we have become a successful and profitable business.

We fund 29 full time jobs across the UK.

Through sales and fundraising, we have given WaterAid £365,158 transforming 24,344 lives (to date — July 2013).

Belu is the UK’s most ethical water brand — 100% carbon neutral, not for profit and the only British mineral water that it’s officially ‘cool’ to drink (CoolBrands 2012/13).

There are so many great stories to tell behind these headlines that we wanted to produce our first Social Impact Report to share just some of these with you. Our aim is to document and explain our impact beyond the traditional financial P&L and to quantify the positive impact of this triple bottom line business.

How do we do it?

We’re an ethical business and a pioneering social enterprise that champions the environmental benchmark in our sector, and is ultimately ‘not for profit’.

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. Demonstrating we have a sustainable business model by generating profits is important. So, we measure our success by how we are reducing our overall environmental impact AND increasing our total contribution to our charity partner WaterAid.

AT BELU WE’VE ALWAYS SET OUT TO DO BUSINESS DIFFERENTLY

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IN EVERY ASPECT OF OUR BUSINESS WE MEASURE, REDUCE AND OFFSET OUR IMPACT

We were the UK’s first bottled mineral water to be 100% carbon neutral and we are firmly committed to reducing our overall footprint.

We measure and report our carbon footprint in an open and transparent way to achieve PAS 2060 standard by working with industry experts Best Foot Forward. This applies to the impact of all of our products, not just our head office.

Between 2010 and 2012 we reduced our carbon footprint by 22% per litre by changing our manufacturing and distribution processes to be more efficient, selling even more recycled plastic (RPET) product and reducing the weight of our glass bottles. This same time period saw our product sales increase by 58%*, yet our overall footprint only increased by 25%, a fantastic achievement.

What we can’t reduce, we offset. Our total product footprint is 4,046 tonnes of CO₂ equivalent emissions (CO₂e) — and we work with market leaders Carbon Clear to help find us the most suitable offsetting projects that deliver the best environmental and social benefits.

All of our products are, of course, 100% recyclable and their level of recycled content is market leading. Our flint bottles contained over 40% recycled content, against an industry average of 29%, and we are launching a new, even lighter weight bottle design that will reduce its footprint by an impressive 14%. Our green glass bottles are made from more than 70% recycled material.

Our recycled plastic (RPET) still water bottles contain 50% recycled material, which reduces their carbon footprint by 46% and sets the standard in the UK water market.

*58% relates to the volume of product sold in litres.

EVERY DROP OF OUR BEAUTIFUL WATER IS BRITISH

Our water sources are selected for their natural purity and clean and crisp taste. We have also chosen to work with partners who share our environmental vision and where we believe we can form long term partnerships. We apply rigorous selection criteria but as a priority we will seek to support businesses in rural areas. Our business growth enabled us to add an additional spring to our portfolio from the end of 2012; we now work with three in total and support 10 full time jobs in mineral water production.

Wenlock Spring Water (Shropshire) — Our first ever bottle was filled here, and this is where we also produce our green glass bottles. They recently invested in a bio-mass heat recovery system, supplying heating and hot water to the entire factory.

Iceni Waters (Cambridgeshire) — Together we have implemented the transition to the first UK bottle made from 50% post consumer recycled plastic. The bottle enabled us to reduce the footprint of our plastic bottle by 46% compared to a similar bottle made from 100% virgin PET.

Montgomeryshire Natural Spring Water (Powys) — Since our partnership began in December 2012, we have worked together to develop Belu’s new lightweight glass bottle, which will be instrumental in continuing to reduce our carbon footprint.
**WE WILL NEVER EXPORT OUR PRODUCTS**

As a proudly British brand, we are firm in our stance that we will never knowingly export our products — we also question why anyone would want to drink imported water when British water is so beautiful.

When it comes to distribution, we are often asked why we don’t have our own fleet of vehicles to deliver. Just imagine if you owned a restaurant and every item you ordered came through on a separate delivery. It would clearly make no sense in terms of resource — environment or people.

For us, the most efficient route to market is to work with our partners like family run Direct Deliveries who deliver our small to medium size orders through the pallet network Pallex, and Maiden’s of Telford who deliver our full trunker orders to wholesalers and to large customers.

We also support the wholesale network within which our products are distributed because it makes environmental sense and is more efficient for the customer. Some of the many wholesalers that we work with nationally are Hills Prospect, 3663 and Matthew Clark, and regionally Nectar, Bablake and Zepbrook.

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**BELU IS AVAILABLE IN ALL THE BEST PLACES ACROSS THE UK**

In outlets that have made a positive choice to show that ethics are high on their priority list, you’ll find Belu.

From Le Manoir aux Quat’Saisons, The Seafood Restaurant and many other Sustainable Restaurant Association members to the English National Opera, Jamie’s Italian and Café Rouge and in thousands of independent hotels, bars and cafes — Belu is rapidly growing in distribution throughout the UK. We are passionate about working with all our customers to innovate, minimise carbon footprint, engage and raise awareness with staff and generate additional funds for WaterAid. Here are just a few examples.

We launched in Sainsbury’s in early 2012 as their only charitable water. This was an amazing opportunity to raise the profile of Belu amongst a new audience and opened up a new way to raise even more money for WaterAid. We have four product lines in-store and in 2013 worked with former Strictly Come Dancing star and WaterAid ambassador Rachel Stevens to raise awareness of our products.

Hard Rock Cafe took the decision to invest in Belu in 2011, as they strongly identified with our ethics. Their support for us and WaterAid has been amazing — in 2011 and 2012, in addition to buying our water, they donated £64,100 in total through VIP ticket sales at their London based festival, Hard Rock Calling. This partnership rocks!

Italian restaurant chain Zizzi’s made the switch from their imported Italian water to our new green glass range, designed in collaboration with them. Switching to our green glass bottles has reduced the carbon footprint of Zizzi’s bottled water category by a huge 36%. To date they have saved over 144 tonnes of CO₂ equivalent emissions (CO₂e) the same as flying between London and Edinburgh 670 times. Every year Zizzi’s can now save 88 tonnes of CO₂e, equal to taking 28 average cars off the road.
ALL OF OUR PROFITS GO TO WATERAID

We have been working exclusively with our charity partner WaterAid since 2011. Their organisational ethics match ours, and their global reach and ambition means we can make a real difference with the funds we give being invested in the most sustainable way. WaterAid manage the money we give them through an unrestricted fund, ensuring it is spent where the need is greatest.

We pledged to give them all of our profits — including a contractual minimum of £300,000 over three years, no matter what. This minimum commitment was exceeded in just over 18 months and we have recently extended our partnership with WaterAid and pledged to raise £1m by 2020*.

‘Belu’s environmental credentials along with their proven commitment to supporting clean water projects, made them a natural partner for WaterAid and we were delighted that they chose us to be their exclusive charity partner. So far, an amazing £365,158 has been raised for WaterAid’s work, through a mixture of water sales and leveraged fundraising by stockists of Belu, such as Hard Rock Cafe. This is enough to transform the lives of over 24,344 people with access to clean water, improved sanitation and hygiene. Our partnership continues to go from strength to strength and we’re thrilled to be extending it to 2020.’

— Barbara Frost, WaterAid CEO

For further details and data sources please see reverse. If you have any queries or would like to get in touch please contact one of us:

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*Donation split: Royalty payments to date: £290,000 being £225,000 since signing partnership and £65,000 accrued previously. Leveraged fundraising: Hard Rock Calling 2011—£34,100 & 2012: £30,000. Other donations (World Water Week sponsorships and other team donations £9,726 and customer fundraising £1,332). WaterAid registered charity numbers 288701 (England and Wales) and SC039479 (Scotland).
We are 100% carbon neutral

We take full responsibility for all carbon emissions from every stage in the life of our products.
We measure the carbon emissions associated with all raw materials required in the manufacture of our products.

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.

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.

Because most mineral water is served chilled we also calculate the carbon emissions associated with refrigeration by our customers.

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.

Our total carbon footprint associated with all our products is measured in tonnes of CO₂e emissions.

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂e Emissions (tCO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4,046</td>
</tr>
<tr>
<td>2010</td>
<td>3,245</td>
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</table>

Every stage in the life of our products has a different carbon impact, the majority are associated with the raw materials we use.
Our Carbon Impact has Reduced by 22%

We express our footprint in grammes of CO₂e per litre of product sold. We have calculated this reduction by comparing our footprint per litre in 2012 with 2010.

2010: 791 gCO₂e/litre

2012: 616 gCO₂e/litre

Key drivers of this reduction:
1. Developing a 50% RPET bottle that delivers a 46% carbon reduction
2. Using clear glass bottles made with 40% recycled content (11% higher than the UK average)
3. Developing green glass bottles made with over 70% recycled glass
4. Reducing the weight of our 750ml glass bottle by 4%

£48,145

Our Financial Story

Belu is a growing brand and a successful business, wholly dependent on rapidly growing trading revenues.

2011: £2.5m

2012: £2.8m

2013: £3.3m (forecast)

We are continually focussed on investing in our environmental ambitions and in the business overall, to ensure we also deliver the best possible impact on our social objectives through WaterAid.

Our current partnership with WaterAid runs for 10 years from 2011 to 2020, with an overall pledge of at least £1million (£100K per annum).

Since 2009 Belu has invested £48,145 in projects to offset 10,764 Tonnes CO₂e. These projects not only deliver carbon reductions but also have a positive social impact in the local community.
OUR SOCIAL IMPACTOVERSEAS

<table>
<thead>
<tr>
<th>Payments to WaterAid (£)</th>
<th>2011</th>
<th>2012</th>
<th>2013 (to date)</th>
<th>Total</th>
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<tbody>
<tr>
<td>Royalty</td>
<td>£115,000</td>
<td>£25,000</td>
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<td>£290,000</td>
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<tr>
<td>Belu Fundraising</td>
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<td>£6,667</td>
<td>£3,059</td>
<td>£9,726</td>
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<tr>
<td>Fundraising with partners</td>
<td>£34,100</td>
<td>£30,000</td>
<td>£1,332</td>
<td>£65,432</td>
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<tr>
<td>Total</td>
<td>£149,100</td>
<td>£161,667</td>
<td>£54,391</td>
<td>£365,158</td>
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</table>

OUR SOCIAL IMPACT IN THE UK

In total Belu supports 29 Full Time Equivalent roles.

<table>
<thead>
<tr>
<th>Area</th>
<th>Jobs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belu Head Office</td>
<td>7</td>
</tr>
<tr>
<td>Production and Distribution</td>
<td>12</td>
</tr>
<tr>
<td>Marketing and Sales</td>
<td>6</td>
</tr>
<tr>
<td>WaterAid and Other</td>
<td>4</td>
</tr>
</tbody>
</table>

In total Belu supports 29 Full Time Equivalent roles.

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

AWARDS

Third Sector Business Charity Awards 2013
Winner / Charity Partnership — Small Business

Lloyds TSB People & Environment Business Awards 2013
Winner / PEAB Champion Winner

Lloyds TSB People & Environment Business Awards 2013
Winner / Social Enterprise

People & Environment Achievement Awards 2012
Winner / Business Person Of The Year

National Business Awards 2012
Finalist / The Transformational Change Of The Year

Drinks Business Green Awards 2012
Runner Up / Best Green Launch

Social Enterprise Awards 2012
Highly Commended / Social Enterprise Leader

Power Part Time Top 50 (with Ernst & Young) 2012
Chosen as one of Top 50

Smarta 100 Awards 2012
Winner / Biggest Social Impact

WE ARE ALSO PROUD TO BE

— a member of Social Enterprise UK
— a CoolBrand 2012/13 & 2013/14
— an approved supplier to the Sustainable Restaurant Association
— supported by arc: building better business
We are committed to reporting our triple bottom line to encourage transparency and foster good reporting practices in our industry. This is our first Social Impact Report, and we intend to build upon this data in the future.

‘This report has been developed with support from CAN Invest, a leading social impact consultancy. CAN Invest was funded by arc: building better business, a Business in the Community initiative, to advise BELU on appropriate methods to identify their social impact and gather data. CAN Invest believes that BELU has provided a reasonable estimate of the number of jobs they support within their upstream supply chain for the purposes of their first triple-bottom line impact report.’

— Rohan Martyres, CAN Invest.

Best Foot Forward, an industry-leading sustainability consultancy have calculated the Belu organisational and supply chain carbon footprint using industry recognised best practice and quality assurance methods.

Figures used are derived from Belu’s annual accounts audited by BDO LLP.

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