

BELU

SPARKLING
NATURAL MINERAL WATER

BELU ACHIEVES £1M MILESTONE 5 YRS EARLY

Welcome to the third Belu annual Impact Report, which this year begins with a celebration of reaching our £1M target for WaterAid — five years earlier than expected.

In 2011, the Belu story as the official bottled water partner of WaterAid began. Our ambition was to prove that a bottled water company could uphold the highest environmental standards, be a leading social enterprise and trade successfully. For us, that meant profitably. As well as ensuring we could pay back our loans and investing to grow the business for the long term, we set an ambitious target of generating £100,000 a year for WaterAid — with the ultimate aim to donate £1M by 2020. Considering that up until 2011 we hadn't yet made any meaningful profits, our ambition of generating £1M by 2020 seemed like an enormous mountain to climb.

I can't thank WaterAid enough for having faith in the idea and being brave enough to form our exclusive partnership. Whilst the model of social enterprise has now been firmly established, back then it was a pioneering move to make.

Looking forward, Belu will continue to be an environmental brand first and foremost and our motivations to continue to do this profitably and at an increased scale will be spurred on by the need for us to further support WaterAid's work.

The funds we have raised so far have already contributed to some incredibly worthwhile projects — and you can read some examples of WaterAid's amazing work in the case study section overleaf. However, there is so much more to do and we can't ignore that there are still an astonishing 748 million people living without access to safe water, 2.5 billion without a safe place to go to the toilet and a heart wrenching 1,400 children dying every day from the resulting diseases.

Thank you so much for your support so far, we really couldn't have got here without you. Don't hesitate to get in touch if you have any questions or comments. We'd love to hear from you.

Karen Lynch
CEO, Belu
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MADE WITH MINERAL WATER AND ETHICS

Belu is an ethical business and a pioneering social enterprise that promotes the highest environmental benchmark for our industry. We trade with the purpose of investing all our profits to help end water poverty.

We take full responsibility for the carbon footprint of our products, from the generation of raw materials to the end of their life. Minimising our impact in everything we do is crucial. We are passionate advocates of socially and environmentally considerate business practices and we base every decision we make on ethics and overall planetary cost.

Success for Belu is based on us reducing our overall environmental impact, trading successfully and therefore increasing our total contribution to our exclusive charity partner, WaterAid. Profit is extremely important and Belu has a true triple bottom line business model.

This year our headlines are:

- Increased trading revenue +31% from £3.6m in 2013 to £4.7m in 2014
- Reduced carbon emissions by -35% per litre of product sold since 2010
- Donated £1,003,808 (to date 22nd March 2015) to WaterAid, (£420,467 in 2014/15 WaterAid financial year alone)
- Helped provide 66,920 people with access to clean water
- Funding 32 jobs in the UK



+31%

Increased trading revenue

-35%

Reduced carbon emissions



HOW DID WE GET THERE?

As a small hard working central team of eight 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 (this is a registered charity in England and Wales, 1136687), 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. This agreement runs to 31st December 2020. In addition, the trustees also agreed to grant any monies the Belu Foundation receives by way of donations directly to WaterAid.

Belu supports 32 Full Time Equivalent roles	Jobs*
Belu Head Office	8
Production and Distribution	17
Marketing and Sales	5
WaterAid and Other	2
Total	32

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 95% 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 2014.

OUR STORY

It starts with our great tasting British mineral water. In 2014 we worked with three springs: Montgomeryshire Natural Spring Water in Powys, Wenlock Spring in Shropshire and Icen Waters in Cambridgeshire.

The combination of these means that we continue to have:

- Great British water
- Smart locations to integrate into the supply chain
- Multi sites to drive new technologies and best practice

BELU IS THE ONLY WATER BRAND CERTIFIED CARBON NEUTRAL TO PAS2060 STANDARD

Belu is 100% carbon neutral — and by that we mean all of our products and our company. We are the first (and still the only) water company to attain PAS2060 carbon neutral status. This huge accolade recognises that we are fully transparent in the way we talk about our carbon footprint, we take full accountability for the carbon impact of our entire supply chain and that we set clear, measurable targets for reducing our impact going forward. We have a long term commitment to remain carbon neutral and as we can't rely on carbon offsetting alone, we are constantly developing new ways to reduce our overall impact. For us, 'taking full accountability' means:

Never knowingly export — this creates an unnecessary footprint. We also question why anyone would want to drink imported water.

Using innovative design — we have developed and successfully rolled out the lightest weight clear bottles on the market (Ethical Glass).

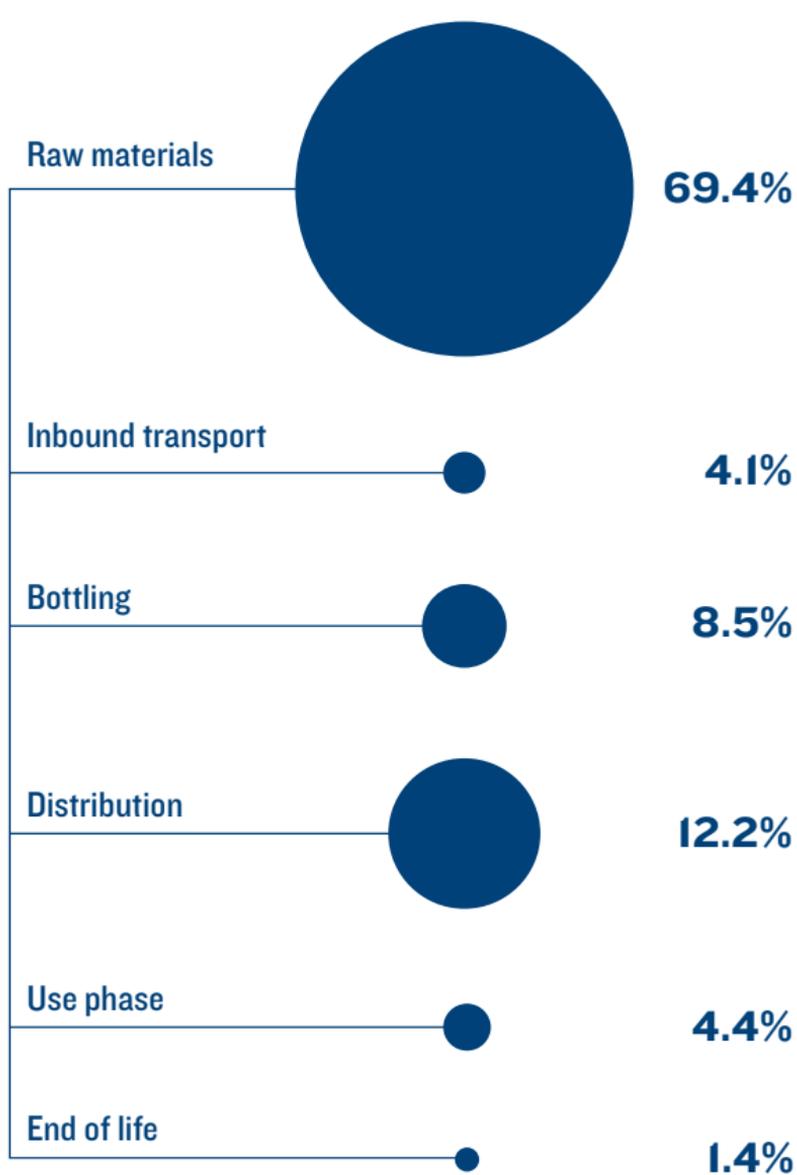
Using recycled materials — we have developed the first British water bottle made from 50% recycled plastic.

Being 100% recyclable — all our bottles are 100% recyclable and we encourage everyone to recycle even more.

UK manufacturing — we have chosen to work with partners who share our environmental vision.

Closed loop recycling — the plastic bottles recycled here in the UK could return in Belu bottles also made in the UK.

OUR CARBON IMPACT IS GENERATED BY:



OUR FALLING CARBON IMPACT

2010:

794

gCO₂e/litre

2012:

616

gCO₂e/litre

2013:

564

gCO₂e/litre

2014:

515

gCO₂e/litre

OUR REDUCTION INNOVATIONS IN 2014



Ethical Glass — in 2013 we worked in partnership with our supply chain to develop the lightest weight glass bottle on the market for both still and sparkling water. In 2014, this initiative was rolled out across all Belu flint glass lines. This generated a saving of 490 tonnes of glass, with a further 426 tonnes enabled by the bottle being made available on the wider market.



Our new lighter 50% recycled PET bottle for sparkling water — it sounds easy, but getting the right combination of recycled material, bottle manufacturer and spring to work together on a product can be very challenging.

In 2014 we overcame all of these obstacles to produce a new 500ml bottle for sparkling water. We reduced the bottle's carbon footprint by -9%, reduced its weight and changed the bottle from green to clear in order to optimise recyclability. No other mineral water company supplies still and sparkling mineral water in bottles made from 50% recycled plastic.



Closed loop recycling — this new 50% recycled bottle proudly boasts being part of a closed loop. This means that plastic bottles that are recycled here in the UK could come back in new Belu bottles, which are also made here in the UK.

WHAT WE CAN'T REDUCE WE OFFSET

What we can't reduce we offset, in the most considered, sustainable and impactful way we can. Since 2010 we have invested £71,167 in carbon reduction projects that make a real difference to communities.

In 2014 we chose to invest in the Akkihebbal Run-of-River Hydro Project. It generates 13 Gigawatt hours annually for supply into the Southern Indian grid in Karnataka.

It is a small hydropower scheme with no dam — ensuring there is no detrimental impact on the area's environment. It also protects communities by diverting river flow at critical times during monsoon floods. Furthermore the scheme has strong community benefits — the project owner sponsors three associations as part of their community support programme, including placing physically disabled children in special schools.

PAS2060 2015 FORWARD COMMITMENTS

To keep our PAS2060 accreditation we are committed to reducing our carbon footprint per litre year on year.

In 2015 we aim to:

- Reduce the weight of our clear glass bottles even further. Because still water doesn't need as much glass as sparkling water, we know that we can do this safely.
- Significantly increase the recycled content of our recycled plastic bottles to what we hope will be a UK first!
- Innovate in the filtration market, where we see a huge opportunity to reduce the amount of packaging required.

‘Belu’s growth and impact are hugely impressive. In the past year alone, their sales have soared and they have smashed their fundraising target, raising more than £1M for charity partner WaterAid. At the same time as helping people in developing countries, they are transforming the bottled water industry for the better and inspiring similar business models around the world that put people and planet first. We’re delighted they have been awarded SEUK’s Consumer Brand of the Year for 2014. Belu have once again proven themselves a leading light in the social enterprise movement.’

Peter Holbrook
CEO, Social Enterprise UK



A MESSAGE FROM WATERAID

'When we partnered with Belu Water in 2011, who knew what would be achieved? Together we set a hugely ambitious target of £1,000,000 towards WaterAid's vital work by 2020 and we are delighted that this target has already been surpassed! Belu Water are truly driven by a desire to help transform lives around the world. They could not have done this without you, their amazing customers, so thank you for coming along on the journey with us. We are so very proud of this partnership with a truly social enterprise and are looking forward to a long future with Belu, working together to support our shared vision of a world where everyone, everywhere has access to clean, safe water and sanitation by 2030.'

Barbara Frost
Chief Executive, WaterAid

BELU IS AVAILABLE ACROSS THE UK IN ALL THE BEST PLACES

We are proud to be served in thousands of hotels, restaurants, bars and cafés across the UK, each of whom have made a conscious decision to make the most positive choice they can when it comes to their preferred bottled water. You will find us 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. We work with all as partners to increase staff and customer understanding around the environmental and social impacts of working with Belu.

Here's just a few of the things that we announced in 2014:

We announced a new partnership with IHG (InterContinental Hotels Group) to provide bottled water for IHG's UK and Republic of Ireland managed hotels and domestic corporate offices.

We became the water partner of Pride of Britain Hotels

We formed a partnership with the Cobra Foundation to launch a special edition line available exclusively in the many Bangladeshi, Indian, Nepalese and Pakistani restaurants across the UK, raising funds specifically for South Asia.

These together with strong underlying growth have supported Belu trading revenues to grow to £4.7M in 2014.



£1,003,808

ALL OUR PROFITS GO TO WATERAID

Like WaterAid, we believe that access to safe water is a human right and we support the goal to eradicate water poverty by 2030. Belu is contractually committed to raise at least £100,000 per annum for WaterAid, and we committed to raise £1M by 2020.

100% of Belu's revenues are from trading. We don't receive any money from grants or subsidies. After having paid to supply our water to our customers, and offsetting its carbon footprint in full, we then implement an incredibly stringent cost-control process to ensure that we deliver the maximum amount available to WaterAid.

This means that to date* we have paid £1,003,808 to WaterAid.

We reached our £1M target five years ahead of our original plan, and are now working towards a goal of £1M per year.

Every £15 Belu has raised can help transform a life through access to clean water. This means that 66,920 lives have been transformed directly as a result of your support to Belu.

For every £1 invested in water and sanitation, an average of at least £4 is returned in increased productivity.

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

*As at 22nd March 2015

CASE STUDIES

Absa Mohammed, 7, was one of the lucky children who started their school life last year with ample water to drink and wash with. WaterAid installed a water point with 14 taps at her school in Wolkitie, Ethiopia, serving 2,500 students.

This clean water, together with hygiene education classes, helps stem the spread of trachoma which has plagued students in the school and allows them to concentrate on their studies.

Photo: WaterAid / Behailu Shiferaw





WaterAid's 'To Be A Girl' campaign helped rewrite the story for girls across the world whose days were once defined by their daily walk to collect dirty water. Through the campaign, more than 250,000 girls, like Solo and Ze in Madagascar, gained access to clean water close to home for the very first time — creating the chance of a brighter future for their entire community.

Pooja Bharti, 24, lives in Juhi Bamburahiya, an urban slum near Kanpur in India. The waterpoints in her community were contaminated with faecal matter and most families practised open defecation.

Now, community toilets have been restored and are managed by a committee, people are trained to maintain the water sources, and Pooja has become a change maker, teaching the community about hygiene and sanitation and campaigning for sewers in her community.

Photo: WaterAid / Poulomi Basu



WHERE DOES THIS MONEY COME FROM?

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

BELU IS ALSO:

- A Sustainable Restaurant Association Approved Supplier
- A CoolBrand 2012 — 2015
- A member of Social Enterprise UK
- The official water partner of Pride of Britain Hotels
- Conde Nast Johansens bottled water Hospitality Partner
- A supporter of Frieze London and Frieze Masters, Decanter and the Soho Food Feast
- A WRAP Courtauld 3 signatory
- A signatory for the Soft Drinks Sustainability Roadmap
- A Deloitte Social Innovation Pioneer
- Supported by arc: building better business
- A member of British Bottled Water Producers

WE DON'T MIND THE ODD CELEBRATION

We are delighted to have won awards in 2014 from:

- UK Social Enterprise Awards / Consumer Facing Social Enterprise of the year 2014
- Smarta Breakthrough 50 / Winner 2014
- Finance for the Future / Winner Social Enterprise 2014

As well as our many commended, finalist or shortlisted awards from National Business Awards, 2degrees Champions Awards, SE100 Index Awards, Charity Times Awards, UK Social Enterprise Awards, Investec Food and Drink Entrepreneur of the Year, Coolbrands and PEA Awards.

2012	2013	2014	2015 (to date)	Total
125,000	100,000	125,000	25,000	490,000
—	60,000	333,000	—	393,000
6,667	6,318	11,158	549	24,692
30,000	28,552	2,737	727	96,116
161,667	194,870	471,895	26,276	1,003,808

WE'D LOVE TO HEAR FROM YOU

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BELU

STILL
NATURAL MINERAL WATER