

Pals

**OUR COMMITMENT TO
PALS, PEOPLE AND THE PLANET.**



GOALS UNTIL MARCH 2023

A MESSAGE FROM MAT AND NICK

We have always believed there is more to business than just offering a product or service. We wanted to create a brand which goes the extra mile for our pals, the planet and the community. Whether that's really taking care of our team, reducing our impact on the planet or working to give back to the community.

We've teamed up with experts in this field to review our impacts and identify changes to make in the next two years. We want to head towards Pals becoming a more sustainable business, meaning reducing landfill and pollution and moving towards renewable energy wherever possible. This plan is the first step and is focused around the three core pillars -

Planet, Pals and Community.

We want to be a part of the solution to the social, economic and environmental challenges currently facing us all. By doing so, we hope to become a business that all our pals are proud of. We promise to always be transparent with our challenges and to share our journey along the way. It's definitely not going to be easy and we might not get it right every time, but we believe it's the right thing to do.

Please get in touch if you have any questions, ideas or feedback.

Many thanks,

Mat and Nick.

Mat Nick



THE BIG ACHIEVEMENTS SO FAR...

The first edition of this strategy was developed and published by Pals on 06/09/21. One year into the plan, we have challenged ourselves with new additional goals for 2022-2023 across our key impacts - **GHG, Energy, Water, Materials Management, Diversity & Inclusion & Community.**

You can find these new goals highlighted with an asterisk.
This revised strategy was re-launched & published on 31/05/2022.

We will ensure all stakeholders are informed and updated on our progress through this strategy, including an annual update to show our progress.

We are not experts on all these topics and are on our own learning journey but we promise to be transparent and avoid greenwashing at all costs.

This strategy can be found at www.drinkpals.co.nz/sustainability



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, SDGS

The United Nations Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

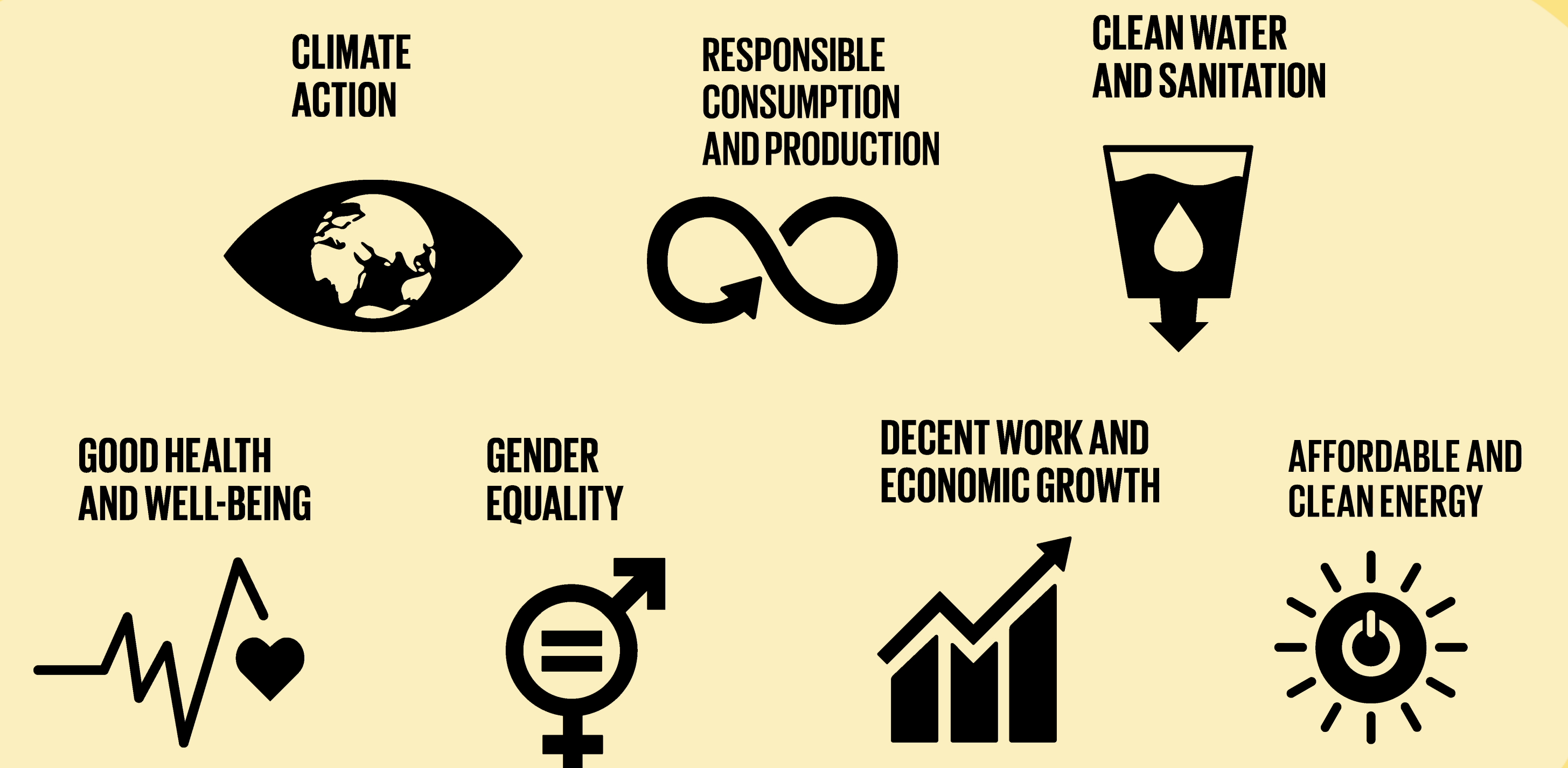
Pals has reviewed and recognised the SDG's as a benchmark for sustainable business practices across the globe, and we are aligning our strategy to these goals.

We have selected six goals we feel we can have the biggest impacts on, while also ensuring we are not negatively contributing to any others.

We have included the relevant SDG's beside our goals in this strategy.

OUR SDG'S

SUSTAINABLE DEVELOPMENT GOALS





PLANET



Pals

Pals

VODKA, HAWKE'S BAY
LIME AND SODA

330 mL
5% ALC/VOL

GREENHOUSE GASSES (GHG)

OUR GOAL:

To minimise our emissions and be a carbon negative business.

WHY THIS IS IMPORTANT TO US:

Our pals and planet are being affected by climate change and we believe every business should be doing their part to help.

BY MARCH 2022:

- Map our carbon footprint and establish regular record keeping of emissions.
- Develop a carbon reduction plan.
- Establish carbon intensity per can.
- Develop a supplier code of conduct and a procurement policy that includes expectations relating to emissions.
- Develop a policy on staff travel.
- Establish an annual Pals staff planting day.
- Begin planning communications strategy that includes climate messaging.

OUR CHALLENGES:

- We don't own the manufacturing site ourselves which means we have less control over the choices made at that site.
- Evolving manufacturing processes and machinery is complex and industry is slow to change. Green technology is still in its infancy with limited viable options.
- We rely on distributors and freight partners to get our products to market.
- New Zealand is a small country located a long way from international suppliers and far larger markets.

BY MARCH 2023:

- Implement the carbon reduction plan.
- Offset our unavoidable emissions by more than 100%.
- Investigate opportunities to support staff reducing their commuting emissions.
- Investigate mapping emissions to a product level.
- Establish a regular meeting with all suppliers to check-in on their progress on carbon reduction and share our learnings.
- Invest with an expert supply chain consultant to review and optimise our supply chain to reduce emissions.*
- Engage with logistics and freight partners to influence emissions reductions.*
- Share informative sustainability communications once a quarter with our followers including climate messaging.*
- Report quarterly on our organisational carbon footprint at internal monthly meetings.*
- Continue to measure carbon intensity per can.*
- Engage with contract manufacturer to develop an environmental plan which includes targets relating to emissions.*

*New 2022-2023 target added: May 2022.



SDG ALIGNMENT

CLIMATE
ACTION



Note: We have decided to remove the 2022-2023 goal of "Investigate the opportunity that all Pals events to be carbon negative / positive." Our events are a small part of Pals overall carbon impact and investing to make 1-2 events carbon negative requires investment that we'd want to invest in making a material reduction difference to our emissions.

MATERIALS MANAGEMENT

OUR GOAL:

Be a business that is designed for a circular economy.

WHY THIS IS IMPORTANT TO US:

We believe an empty can or carton isn't rubbish or waste - they're resources that need to be valued and put back into the circular system. So let's think of our resources like pals and never leave them behind.

BY MARCH 2022:

- Conduct an office bin audit and begin recording our waste in line with a material reduction plan.
- Continue our investigations into onshore recycling for our cans.
- Investigate increasing the amount of recycled content in our cans.
- Review communications for disposal of packaging.
- Incorporate material management into our supplier code of conduct.
- Develop a policy on disposing of e-waste.
- Trial the use of kegs for wholesale customers.
- Investigate the alternatives to pallet wrap in our supply chain.
- Investigate the opportunity to work with waste management companies e.g. give back scheme.

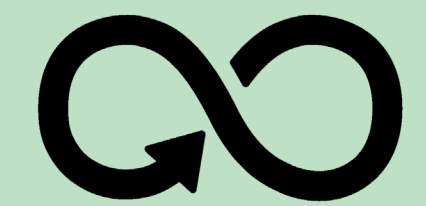
OUR CHALLENGES:

- We are reliant on material management infrastructure that is controlled by others, e.g. councils and waste management companies.
- We have little control over how our customers dispose of our packaging.
- Our customers expect Pals to make it to their fridge in one piece with no damage along the way.



SDG ALIGNMENT

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



BY MARCH 2023:

- Share our material management journey with our suppliers.
- Establish a regular meeting with all suppliers to check-in on their progress and share our learnings.
- Ensure 100% of our suppliers have signed up to our supplier code of conduct and undertake an audit to ensure they are meeting the required standards.*
- 100% of fibre packaging to be FSC certified.
- Run an internal trial of reusable pallet wraps to test viability in the supply chain.*
- Investigate redesigning Pals cardboard boxes to reduce the weight of cardboard used per box.*
- Investigate the most sustainable solution (carbon & environmental impact) for 4 pack clips on Pals Australian products.*
- Investigate launching a product designed for the circular economy.*
- Launch kegs & reusable cups at Pals' lead activations.*
- Investigate opportunities to work within our category to influence the % of recycled content in our cans.*
- Engage with contract manufacturer to develop an environmental plan which includes targets on materials management.*

*New 2022-2023 target added: May 2022.

WATER

OUR GOAL:

To ensure we maximise efficiency of water usage and minimise wastage, avoiding any negative impacts.

WHY THIS IS IMPORTANT TO US:

Water is a precious resource and one that we heavily rely on. It is important that there's enough to go around for future generations.

BY MARCH 2022:

- Engage with our supplier to measure our water use and establish per product efficiency.
- Develop a supplier code of conduct that includes water management.
- Establish an annual Pals staff planting day with a focus on waterway restoration.

OUR CHALLENGES:

- We don't own the manufacturing site ourselves which means we have less control over the choices made at that site.
- Water is a significant ingredient in our product and the manufacturing process requires water to ensure high product standards.

BY MARCH 2023:

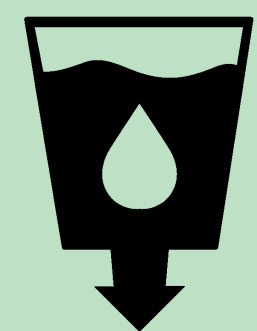
- Ensure 100% of our suppliers have signed up to our supplier code of conduct and undertake an audit to ensure they are meeting the required standards.*
- Engage with contract manufacturer to develop an environmental plan which includes targets on water management.*
- Investigate supporting a waterway project in a formal capacity.*
- Work with contract manufacturer to measure their process water and establish a full per product efficiency for Pals (currently only water in can).*

*New 2022-2023 target added: May 2022.



SDG ALIGNMENT

CLEAN WATER
AND SANITATION



ENERGY

OUR GOAL:

To work with our suppliers to transition to renewable energy.

WHY THIS IS IMPORTANT TO US:

To ensure a healthy future, we have to embrace energy sources which are renewable and infinite.

BY MARCH 2022:

- Map our energy footprint for the office and with our manufacturer.
- Establish monthly monitoring of energy usage for the office.
- Continue to engage with our manufacturers to increase the percentage of renewable energy used.
- Investigate increasing the amount of recycled content in our cans (recycled aluminum uses significantly less energy than virgin).

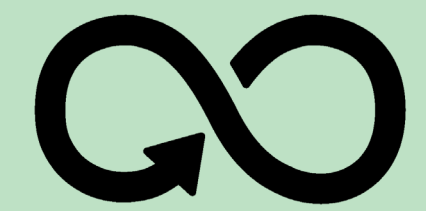
OUR CHALLENGES:

- We don't own the manufacturing site ourselves which means we have less control over the choices made at that site.
- We have little control over how they power their operations.
- There is machinery within our supply chain that isn't currently using renewable energy.



SDG ALIGNMENT

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



BY MARCH 2023:

- Map our energy footprint with our manufacturer and establish an energy efficiency per product.
- Investigate opportunities to work within our category to influence the % of recycled content in our cans.*
- Engage with contract manufacturer to develop an environmental plan which includes the movement to renewable energy.*
- Propose energy audit options to contract manufacturer to improve efficiencies at the manufacturing site.*

*New 2022-2023 target added: May 2022.



PALS



DIVERSITY & INCLUSION

OUR GOAL:

To be a business and brand recognised for being diverse and inclusive.

WHY THIS IS IMPORTANT TO US:

We're committed to ensuring that we create a diverse and inclusive workplace and community that all voices are heard and appreciated.

BY MARCH 2022:

- Develop an employee handbook which includes code of ethics and diversity and inclusion principles.
- Ensure we are taking all reasonable steps to avoid unconscious bias within our recruitment process and providing equal opportunity for all.
- Develop a supplier code of conduct that includes a diversity and inclusion policy.
- Ensure Pals has diversity in our brand communications and works with partners to promote diversity both internally and externally.

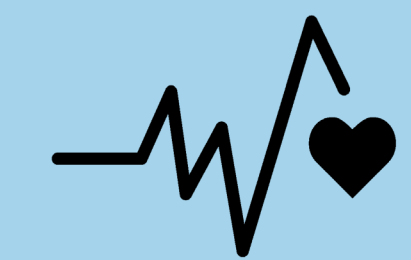
OUR CHALLENGES:

- We are a small team who work with a variety of suppliers and stakeholders which we have little control over their decisions surrounding diversity and inclusion.



SDG ALIGNMENT

GOOD HEALTH AND WELL-BEING



GENDER EQUALITY



DECENT WORK AND ECONOMIC GROWTH



BY MARCH 2023:

- Ensure 100% of our suppliers have signed up to our supplier code of conduct and undertake an audit to ensure they are meeting the required standards.*
- Establish an internal recruitment process to reduce unconscious bias.*
- All managers undergo diversity & inclusion training.*
- Continue to run yearly engagement surveys to measure team satisfaction and guide initiatives to improve workplace culture.*
- Establish 1 x additional day holiday for team members who celebrate non western holidays e.g ramadan.*
- All photoshoots for Pals going forward include a broad representation of models and ensure talent casting is open to anyone regardless of gender, ethnicity, size, disability and sexual orientation.*
- Ensure on-going social media content is accessible to those with visual disabilities.*
- Review of gifting, ambassador & party invite lists to ensure a broad representation of attendees.*
- Continue to support LGBTTQIA+ events throughout the year.*

*New 2022-2023 target added: May 2022.



COMMUNITY



Pals



COMMUNITY

OUR GOAL:

To engage positively with our wider community.

WHY THIS IS IMPORTANT TO US:

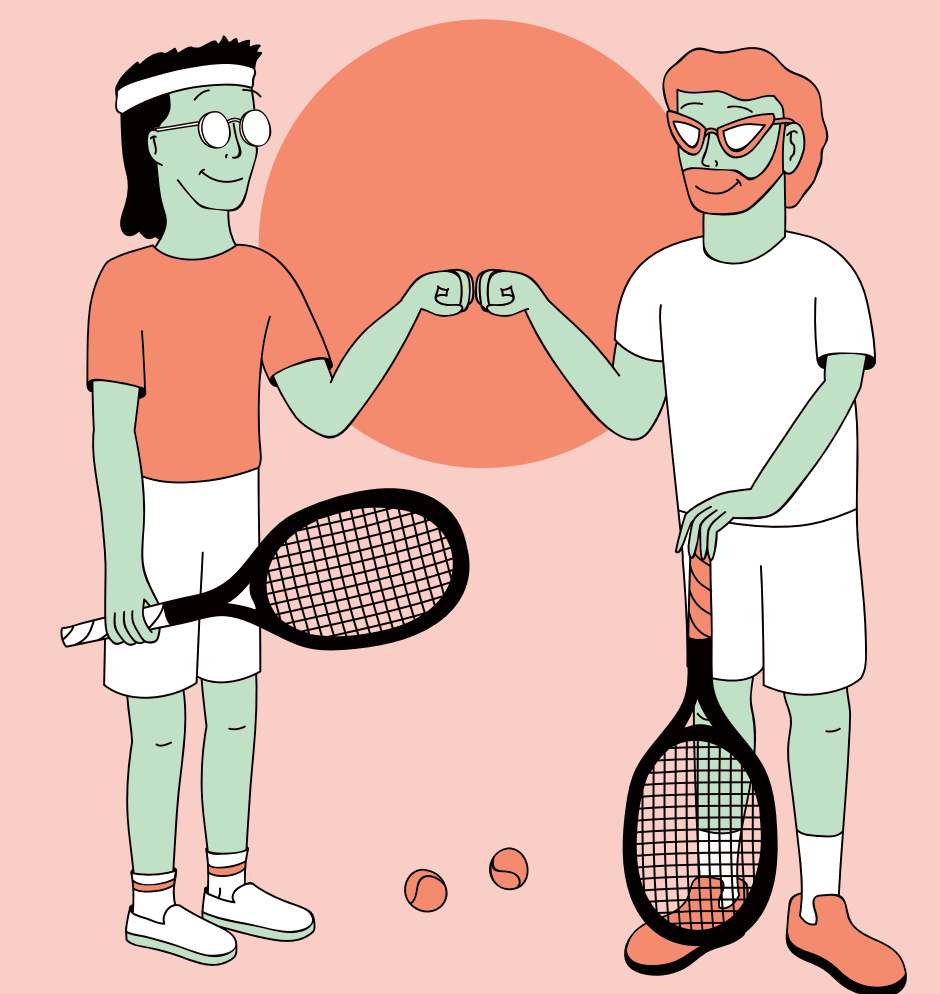
Everyone needs pals. We're all in this community together so let's look after each other.

BY MARCH 2022:

- Commit to doing 2 x full days per person a year for volunteering in our local community.
- Investigate Pals giveback plan.
- Ensure we promote responsible drinking through our communications.
- Be transparent in our communication of the sustainability journey.
- Develop a stakeholder engagement plan.
- Continue to support individuals, clubs and businesses in our local community.

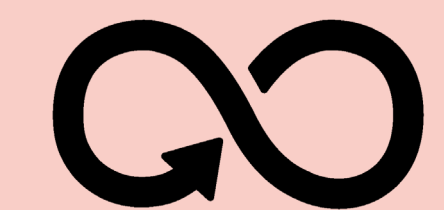
OUR CHALLENGES:

- We want our giveback plan to have longevity so it's important for us to get it right.
- We're a small team with limited resources and time.
- We are highly aware of the damage alcohol can cause through irresponsible drinking in communities.



SDG ALIGNMENT

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



BY MARCH 2023:

- Establish Pals giveback plan / Re-run Unsung Pals charity initiative.*
- Investigate additional charity giveback opportunities.*
- Investigate delivering a communications campaign that promotes responsible drinking.
- Feature 0% products every quarter in our social media posts.*
- Communicate to consumers & stakeholders twice a year on Pals progress with sustainability plan.*
- Investigate including broader stakeholders into our stakeholder engagement plan e.g sustainability focused businesses, charities we work closely with.*
- Continue to host quarterly half day volunteering for the team.*

*New 2022-2023 target added: May 2022.

GOT ANY FEEDBACK?

**Drop us a line at
info@drinkpals.co.nz**

Thanks, pal.

