

# Adnams: a values-driven business

**Jonathan Adnams, Adnams, shows how corporate responsibility is a core element in this regional brewer's marketing strategy**

**O**VER THE PAST 20 years, where other businesses have followed, we at Adnams have led the way in adopting a socially and environmentally conscious approach to business. We are a values-driven business and measure all that we do against a stated set of values, believing this leads to a better-motivated workforce, better relationships with customers, suppliers and our local community, as well as creating a brand that has greater resonance with our consumers.

We stand out from other businesses because, from the outset, responsible corporate management has been genuinely embedded throughout our organisation. Many companies have jumped on the environmental and corporate social responsibility (GSR) band wagon in recent months, especially in light of the current global warming crisis, but we were investing in sustainable and local community policies years before it became fashionable. Our socially and environmentally-conscious approach is the key to our success, as we believe it produces better business results.

## Innovative CSR-based strategy

GSR is therefore firmly embedded in our marketing strategy and not just a contrived policy supplied by our marketing department. We like to think we know our customers, and we understand that in the last decade all consumers have become increasingly discerning, knowledgeable and demanding of quality.

From research already undertaken, it is clear that the vast majority of customers would sooner deal with businesses that employ great CSR policies, as opposed to those that do not. Our customers differentiate us from our competitors not only by the quality of our products, but also the investments made in CSR that are illustrated through our marketing campaigns.

## Adnams' distribution centre

We pride ourselves on being a highly environmentally innovative business. Our motto is 'doing things right', and we extend this to all areas of our business. For example, when we took the decision to move out of our old distribution centre



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and build a brand-new facility on the outskirts of Southwold, Suffolk, we challenged our architect to design a highly eco-efficient version.

Our new distribution centre, built to the highest environmental specification, is breaking new ground - the building techniques employed have never before been used on a commercial structure.

The walls of the centre are created from hemcrete, a biocomposite made of chopped hemp and a lime-based binder, which has a very low embodied energy. Hemcrete is very eco-friendly, as it takes just 14 weeks for one hectare of land to produce enough hemp to build a house. In addition, it is carbon-negative, because the walls of the distribution centre lock in 80 tonnes of carbon. If the centre had been built out of brick and block, it would have produced 450 tonnes. Further benefits of hemcrete are that it provides outstanding thermal performance, and passively regulates the humidity and temperature. This, combined with other green features, means that no artificial forms of refrigeration are needed in the distribution centre. Compared to typical beer and food pro-

duction warehouses, this is a huge environmental step.

The 'greenest' and most obviously environmental feature on the exterior of our distribution centre, is its 'living\* roof. We chose locally-grown sedum to enhance the setting and promote biodiversity. Like the lime-hemp walls, it sequesters up to 80 tonnes of carbon per annum and helps to regulate the internal temperature. The roof is also designed to absorb water, which is recycled and used for various purposes across the site, including toilet flushing and vehicle washing.

Other environmental features include glulam wood beams, specifically chosen because they facilitate column-free storage space and contain less embodied energy than steel; solar panels; solar sails, which provide shading to further regulate the internal temperature; and movement sensors for lighting, so that no light energy is wasted.

Although this 'alternative' version came in with a 15% cost premium, the energy savings resulting from this approach were significant. For example, ►

TABLE 1

## Adnams' corporate social responsibility awards

Date	Name of Award	Category
Oct 04	Eastern Daily Press Business Awards	Business of the Year
June 05	Business in the Community Awards for Excellence: The Big Ticks	Impact on Society for Small Companies
Nov 06	East Anglian Daily Times	Environmental Business
Nov 06	East Anglian Daily Times	Business of the Year
Nov 06	International Wine Challenge	Wine List of the Year
Dec 06	Building Sustainability Awards	Sustainable Client of the Year
April 07	LABC East Anglian Region Built in Quality Awards	Best Structural Innovation
April 07	LABC East Anglian Region Built in Quality Awards	Best Sustainable Innovation (highly commended)
April 07	Carbon Trust/Daily Telegraph Innovation Awards	Innovation in the Application of Energy Efficiency
April 07	Carbon Trust/Daily Telegraph Innovation Awards	Overall Winner - The Carbon Trust Innovator of the Year
May 07	Starpack Awards	Gold in Best Innovation to Reduce Waste
May 07	Starpack Awards	Gold in Best Innovation in Glass Packaging
June 07	Good Corporation	Ethical Business Award
Nov 07	National Business Awards	Adnams won the Corporate Social Responsibility category

based on 2006 fuel prices (when the building was completed), the savings were estimated to be £49,000 per annum. This innovative approach highlighted that making the right decision for the environment can also result in business savings. Therefore, we took the same approach when refitting our ancient brewing plant, which we replaced with the most modern energy-efficient production machinery on the market, specifically designed to meet energy-saving requirements. Both of the new structures are attracting much attention within the industry from brewers and also journalists. We hope that our example will encourage others to follow suit.

### The lightweight bottle

For every business decision made, the environmental impact is taken into consideration, and we strive as far as possible to employ environmentally efficient techniques in each and every area, including our packaging. At the beginning of this year, we designed a very marketable lightweight bottle, which has been recognised as a leading step forward in beer packaging. The original design weighed 455g per bottle, and this has been reduced 34% to 299g, making it the lightest bottle in the 500ml category by far. The result of this is a reduction of 415 tonnes of CO<sub>2</sub> per year - the equivalent of 138 cars off the road, which more or less offsets employee car use at Adnams. In May 2007, our new bottle won the top award for 'Best Innovation to Reduce Household Waste' and the Gold award for 'Glass Innovation' at the prestigious Starpack Awards.

Our 'green' bottle has become one of the key messages in our most recent marketing campaign and has been displayed on taxi tip-up seats throughout London and in much of our 'Beer from the Coast' marketing material.

As a memento of our innovative CSR achievements, in October 2007 we created

a limited-edition beer, aptly named 'Innovation'. The packaging of this beer was very significant, as we designed it to explicitly reflect our values. The bottle itself was of course lightweight, and it was presented in a special gift box, to enhance its status as a limited edition. The colour of the box was sand, to reflect our attitude to sustainability: 'At Adnams we prefer to leave our footprint in the sand, not on the environment.'

Because we are not only creating great beer, but doing our part for the environment, many other companies and brands have taken an interest in our products. In August 2007, *FHM* and Adnams joined forces for a campaign on our bitter Spindrift. *FHM* named Spindrift one of the 50 coolest things to sample in summer 2007, and Adnams added the *FHM* logo to the neck tag on Spindrift bottles, which are currently on sale in Sainsbury's supermarkets nationwide. This association has enhanced our beer's marketability to 18-25-year-old male consumers.

### Beach clean

Adnams and the coast are inextricably linked. Our elementary marketing campaign over the past few years has been 'Beer from the Coast'; the creative for which is centred around our unique provenance on the beautiful Suffolk heritage coast. The coast is an essential part of the Adnams brand - relaxation, refreshment, exuberance and quality of life are all wrapped up in the emotional essence of spending time there.

Consequently, we made it our duty to protect our local Southwold beach. We 'adopted' the beach in 2003 and, in association with the Marine Conservation Society's annual BeachWatch, we organise regular beach cleans. For these, we involve employees from across the company, along with their families, who come together to 'do good' with a genuine purpose.

Beach cleans are also open to members of the public and, on weekends when the cleans are conducted, we offer a 10% discount at our hotel The Crown to anyone who wishes to get involved. To show our appreciation for volunteers' commitment to the environment, we present, on completion, the reward of a celebratory pint of Adnams for those over 18 and, for all involved, a feast of locally caught fish and chips.

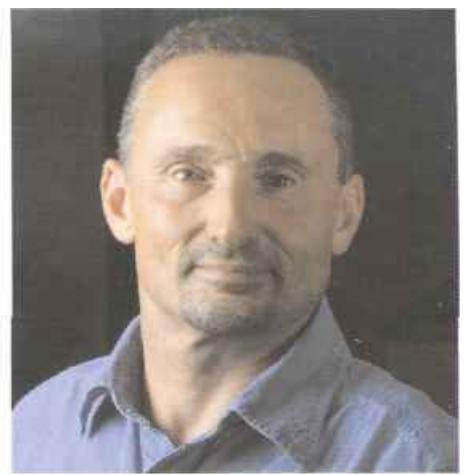
### Work within the community

The beach cleans are not the only work we do in the local community. A major part of our CSR campaign relates to the local area. At Adnams we like to be recognised as being considerate about our local surroundings and community because, at the end of the day, the majority of our staff live here and locals are some of our biggest customers. Our marketing reflects this; the brochures designed in the 2007 phase of 'Beer from the Coast' explicitly detail our commitment to our community.

We founded the Adnams charity in 1990 to celebrate our centenary as a public company. Through this, we give at least 1% of our annual profits to numerous grass-roots organisations within a 25-mile radius of Southwold. The donations we give are targeted to achieve a specific result and the range of accomplishments has been extraordinarily diverse; from counselling in schools, equipment in playgroups, support for the arts, assistance for the disabled, repairs to village halls, to a host of other local initiatives.

Along with financial assistance, we also support and assist local businesses where we can. In our restaurants, we endeavour to use produce from local farmers who respect the environment in their farming methods, and sustainable fisheries.

**Jonathan Adnams** is executive chairman of Adnams. He joined the company in 1973 as a brewery engineer and, throughout the years, has had an input in all aspects of the company. He became a board member in 1988, running pubs and property, before assuming the role of managing director in 1997. He was appointed to his current role in August 2006.  
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### Responsible drinking campaign

One of the biggest issues to face the drinks industry today is the responsible promotion and consumption of alcohol. In the last decade 'binge drinking' has become a nationwide pandemic. At Adnams, we want to make it clear that we do not endorse the irresponsible consumption of alcohol. Although we are confident that great beers and distinctive wines enhance quality of life, we are determined to promote their sale in a responsible way. Our aim is to encourage more people to drink Adnams, not necessarily to drink more Adnams, and all our marketing is consistent with this approach. Therefore, developing an effective strategy on sensible drinking is a key aspect of our corporate policy on social impact.

Over the last few years, a central part of our marketing campaign has been to educate our customers, as well as young people, on the dangers of drinking too much. Our campaign is reflected in the slogan 'Remember, you can have too much of a good thing.' However, it was important for us to delve deeper into the issues of social drinking, rather than simply adopt a slogan for our packaging. We realised that education is the key, and that although much work had been done on drugs awareness and education, very little had been done on alcohol.

We received funding from Arts & Business to produce a short educational film exploring the issues around alcohol awareness. The film was a joint initiative between ourselves, Red Rose Chain and CYDS (Centre for Youth Drug Studies). The film was shown in secondary schools across the country. By targeting this age group, the aim was to put alcohol awareness on the curriculum. The film, together with its accompanying education pack, enabled us to reach a national audience, through a distribution network already established by Red Rose Chain.

In addition to this, we have been working with NORCAS (a regional drug and alcohol advisory service) on a number of projects, including policy advice, joint presentations at conferences and straight-talking alco-cards aimed at young people.

### Good CSR makes business sense

As recognition of our exceptional corporate social responsibility, we have been awarded and nominated for a plethora of awards (see Table I).

Our CSR policies have also benefited us in financial terms. I strongly believe that being socially and environmentally conscious has amplified our resonance with customers and therefore increased our sales. In terms of energy savings, since the implementation of the distribution centre

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and brewstream, we have already made significant annual savings and are anticipating further savings in the future.

In addition to the financial benefits that a good CSR plan brings, we also feel our policies benefit our staff. It is my belief that society starts in the workplace, and we aim to create a workforce that is better-trained, empowered and highly-motivated. We conduct regular employee surveys to assess our staff's contentment, which is important to us. The latest resulted in 90% of respondents saying they were motivated or extremely motivated to work for Adnams. In addition, 98% of our employees stated they were proud to work for us. The upside to this is that our staff turnover is low, with many members having worked at Adnams in excess of a decade, emphasising what a great company it is to work for.

As a small company, we take pride in setting the standards that lead our industry. Good social and environmental policies have been with us from the start and will continue to live at the heart of our business, encompassing all that we do. I am convinced that our success is down to our honourable principles; in essence we build business value through values-driven business and 'doing things right'. ■



Beach clean: Adnams helps out at the Marine Conservation Society's annual BeachWatch on Southwold beach



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