



SUSTAINABILITY EDITION

WELCOME



Welcome to the second edition of **HEINEKEN's Pub of The Future** – our future-gazing report in which we look at the trends shaping the hospitality industry, and how they're influencing the Great British pub.

As we look beyond the coronavirus pandemic and through to economic recovery, one topic is firmly on the agenda – sustainability.

Customers are becoming increasingly environmentally conscious, and businesses are increasingly adapting to these changing expectations. This has created exciting innovation within the UK on-trade, resulting in an opportunity for the industry to be proactive and look ahead to what the future has in store.

Sustainability means different things to different people. Whether its recycling, food waste, CO2 emissions or ocean pollutants, there are so many initiatives you can implement to reduce your impact and improve your business. So as a starting point it's important to be focused, look at the things you're already doing well and the simple changes you can already make.

The following pages will explore how the industry can adapt now, in the coming years and into the future.

Here at HEINEKEN, we are tackling our own carbon footprint, with our new ambition to be carbon neutral throughout our entire value chain by 2040. I hope you find this report insightful and ultimately inspiring, encouraging you to adopt some of these innovations in your own business and beyond.

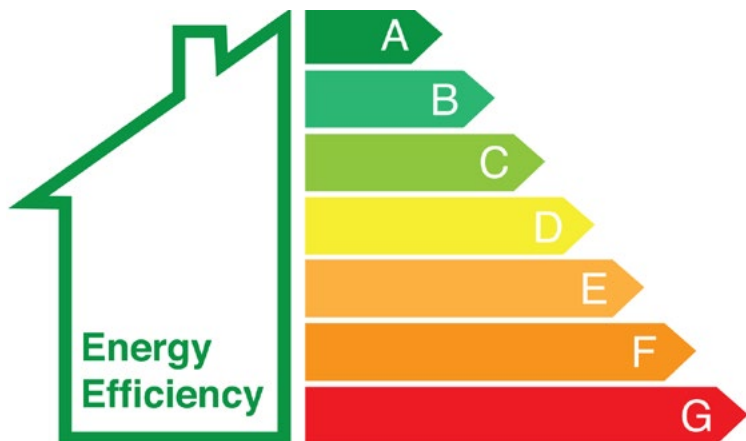
Chelsey Wroe,
Head of Sustainability - HEINEKEN UK



ELENA CORCHERO

Elena Corchero has joined us again for this second edition. Elena is a multi-award winning designer in the area of meaningful innovation, sustainability and women in tech. With over 15 years of experience in hands-on Futurism and interdisciplinary technology research & development. Elena is currently the Director of Event Emerging Technology & Innovation at Dow Jones and previously worked as an independent Innovation Strategy consultant and product designer for renowned Fortune 500 companies.

INTRODUCTION: SUSTAINABILITY IN HOSPITALITY



Sustainability is no longer a fringe issue. It's no longer acceptable to simply remove plastic straws, recycle your waste and use energy saving lighting. Businesses must now be focused on reducing waste at source and creating greener processes from back-to front-of-house.

Not only are consumers actively seeking out brands and businesses that align with their sustainability values, the government has laid out requirements too. Operators are required to get properties up to an EPC C standard by 2027 and then have a further three years to get them to B standard.

With this deadline on the horizon, there is no better time to start evaluating your businesses' impact on the planet. This might seem a daunting task at first, so look at your business and start small. This could be switching to green energy providers, or adding draft excluders to your doors. Execute these really well and they will soon grow into bigger, greener initiatives.

Together, the hospitality industry is on a journey. There is no one-size-fits-all approach so not all of these changes will work for every business set-up. Consider what matters most to you and your customers. What do you want your business to stand for?

For long-term impact, businesses can empower their customers to make

informed decisions in their venue, by offering them accessible choices that are better for them, for the planet and for generations to come.

Over the course of this report, we have identified three trends within sustainability, set to impact how the pub will evolve in the future. These are::

- **Innovation in Infrastructure** (pages 4 & 5)
- **Environmentally Friendly Experiences** (pages 6 & 7)
- **Serving up a Sustainable Offering** (pages 8 & 9).

In each section, we'll break down what each trend means and why it's important to the pub trade, while sharing examples of these innovations in practice.

INNOVATION IN INFRASTRUCTURE: EXPLAINED



Great British pubs come in all different shapes and sizes and part of their charm is that no two pubs are the same. Therefore, when it comes to making the physical structure of your pub more sustainable, you need to find what's suitable for your outlet. Crucially there are some key areas in all outlets that can benefit from modernisation, improving energy efficiency and going greener.

Over the past decade businesses have been looking to an increasing number of solutions created for decreasing the environmental impact of their physical spaces. From simple insulation, lighting, and heating modifications to SmartDispense™ technology installation, there are simple changes for every budget to help improve an outlet's footprint.

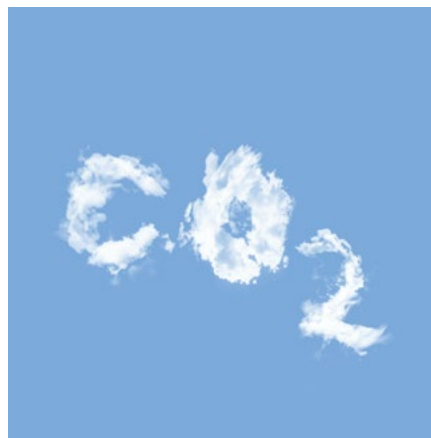
Green initiatives like recycled energy, solar power installations, and waste diversion are growing in popularity. But what's right for one business may not be right — or achievable — for others. Therefore it is important to assess your outlet and consider initially the simple changes you can make that will have a significant impact.

Net Zero Now, who exist to educate and remove the barriers to climate action, recently conducted research that **estimated the cost of offsetting residual and lifetime emissions will only be around 1-7p per cover. By contrast, operators had expected the price range to range 50p up to £5.**

We've broken down a range of green infrastructure solutions to help get your venue on track to meet the EPC C standard by 2027.

“Business owners will be turning to onsite renewables, power purchase agreements and data monitoring to decarbonise and monetise energy efficiency. Research from Chargemaster found that hospitality facilities with EV charging points made drivers of electric vehicles 95% more likely to visit, so sustainability is also improving the customer experience.”

Luke Nicholls, Content Director - [edie](#)



edie
empowering
sustainable business.

INNOVATION IN INFRASTRUCTURE: IN PRACTICE



TURN DOWN THE TAP



WASTE LESS AND WIN MORE



BETTER FOR YOU & THE PLANET



GROW YOUR OWN FURNITURE

NOW

- Minimise water use by installing tap flow regulators and flush control systems
- Reduce CO2 wastage by installing draft excluders, energy saving controls like SmartDispense Cellar Manager and switching to LED lighting
- Replace your old dispense system with SmartDispense, removing the need for a weekly line clean and saving you time, money and waste

1-2 YEARS

- Unlock a 10% reduction in CO2 emissions by switching to a renewable energy supplier
- Maximise your outdoor space not just for seating, but for plants and trees to help offset emissions. Do this by installing hydroponics or a vertical garden, while growing ingredients for your menu
- Send your pulp from all juices to a company like [Food Made Good](#), that turns it into renewable energy

2-5 YEARS

- Install solar panels and electric charging ports for both commercial and customer vehicles
- Post Covid-19 quality of air flow will be scrutinised by customers. Install air purifiers in seating areas to show you take their wellbeing seriously
- [HEINEKEN Russia](#) recently trialled smartglasses in diagnosing equipment malfunctions remotely. Expect this to reduce down time and unnecessary travel

5-10 YEARS

- [Precious Plastic](#) create building materials from reused and recycled waste, without creating new materials
- With the rollout of 5G, businesses will have a digital copy of their outlet online, enabling you to run simulations before making any structural changes
- [Ecovative Design](#) specialises in lab-grown sustainable and biodegradable materials. Soon you could grow vegetable leather and mushroom-based furniture!



“Many pubs in the UK are older buildings filled with character, but this often means they are not optimised for energy efficiency. Whether it’s due to single glazed windows or a lack of insulation, this can create plenty of challenges to bring these buildings up to standard. Our Just Add Talent sites provide the perfect testing ground for sustainable initiatives. We are then able to quantify cost versus benefit and uncover the most

impactful and efficient changes to roll out across all our sites. The opportunity here is that with every reduction in CO2 emissions, there is a cost saving and payback in the short to long term. Simple changes for us involved switching to LED lighting, full catering equipment switch-offs and creating more efficient heating schedules. Start small and soon you’ll see big results.”

Chris Sladen, Head of Property - Star Pubs & Bars



Recent sky-high energy prices have hit hospitality businesses hard. Coming hot on the heels of multiple lockdowns, they provide a stark warning on the impact of our reliance upon fossil fuels. As long as we depend upon natural gas to run our kitchens, heat our rooms and generate our electricity, we’ll continue to be exposed to price shocks. Creating new renewable energy generation is cheaper than any comparable fossil fuel power plant and

is hugely popular with customers. In a recent survey, almost two thirds of consumers said businesses should act immediately on climate change. The good news? Green electricity tariffs are highly competitive, allowing you to keep costs down, take action on climate, please your customers and help shape a future of lower, more stable energy costs. What’s not to love?

Jon Fletcher, Founder & CEO Big Clean Switch

ENVIRONMENTALLY FRIENDLY EXPERIENCES: EXPLAINED



We are in a moment of severe environmental and climate crisis, now is the time for all of us to act. The pub experience presents numerous opportunities to be made more sustainable. From the experience you offer in outlet, to the virtual representation of your pub online, there are scalable solutions that can be implemented to the betterment of the planet.

The rise in ‘consumer choice’, particularly within hospitality over the past decade, has resulted in businesses resorting to new and innovative ways to attract customers. From extravagantly sourced menus, technology fuelled entertainment and the growth of online bookings and delivery, these recent developments come with an increasing impact on the industry’s carbon footprint. The growing shift towards consumers wanting to make more ‘conscious choices’ is extending to the experiences they participate in. Experiences which can have a positive impact on the environment are on the rise. It’s no longer solely what consumers can get from an experience, but rather what impact the experience can have on the environment.

“Consumers are looking to industries to lead the charge and clean up their act to be more environmentally conscious, as a result of increased public awareness.”

Barnaby Shaw,
Project Coordinator - [Bee Urban](#)



One area we expect to see a drastic change in is travel and the demand for local community outlets. We expect pubs will begin encouraging greener transport alternatives such as by bicycle or public transport. Equally many of us have developed a greater connection with our local area, its businesses and suppliers. This represents a great opportunity to offer tailored menus with local ingredients to encourage those customers closer to your outlet to visit.



ENVIRONMENTALLY FRIENDLY EXPERIENCES: IN PRACTICE



PEDAL FOR YOUR PINT



ONE OF THE LOCALS



REDUCING YOUR FOOTPRINT



SURVIVAL OF THE GREENEST

NOW

- Encourage environmentally friendly travel options for customers and staff such as cycling, by offering bespoke rewards
- Incentivise carpool for employees and subsidise employee's public transport use
- Pubs are once again vital hubs in local communities. Focus on your social impact, and how data and social media tools can be used to understand your local area's needs

1-2 YEARS

- Where possible, work with local suppliers to reduce the carbon footprint and mileage of your menu items
- Order and pay apps will move into an 'order in advance' scheme which can help cut down on food waste
- Implementing dark-mode for your digital devices, playing songs as local downloads and using satellite over streaming for TV, all can help reduce energy usage

2-5 YEARS

- Experiences will continue to become more interactive and digitised. Every email, song streamed or payment made requires energy and results in emissions. Challenge your digital providers to prioritise minimising your digital footprint
- How you reduce your impact not only affects your bottom line but can also be a great marketing tool. Restaurant **Re** in Sydney is known as a 'regenerative drinking experience' where everything from the glasses and tableware to fixtures and fittings use reclaimed materials

5-10 YEARS

- **TRED** is an app that helps consumers see the carbon footprint of the purchasing decisions they make. Expect to see this integrated into menus and on packaging labels
- In the future we predict every business will be part of waste management programs seamlessly run through 5G networks.. 'Smart City' is a term used to define these areas, with enhanced performance, optimised resources that reduce consumption, waste and costs



"The past 18 months has shown us that consumers can have fun and create enjoyable experiences at home, thanks to the wealth of digital solutions available. Therefore, delivering a multi-dimensional experience will be a key pull for customers to come out to the pub, instead of drinking

at home. Thankfully, this acceptance of new technology represents a wealth of opportunities for pubs too. Whether it's the usage of digital to book a table, or order & pay, digital can also look to support customer's making more carbon-friendly purchasing decisions. We firmly believe the role of in venue digital offerings will grow to complement the role of staff, and not eliminate it.

The service revolution means both staff and customers alike can be reached and engaged with in new ways, and this can only be of benefit. So, whether its mobile staff training (Hello Beer) or mobile quizzes (Kwizzbit), virtual experiences are here to stay."

Sam Tarratt - Senior Sustainability & Community Impact Manager - HUK

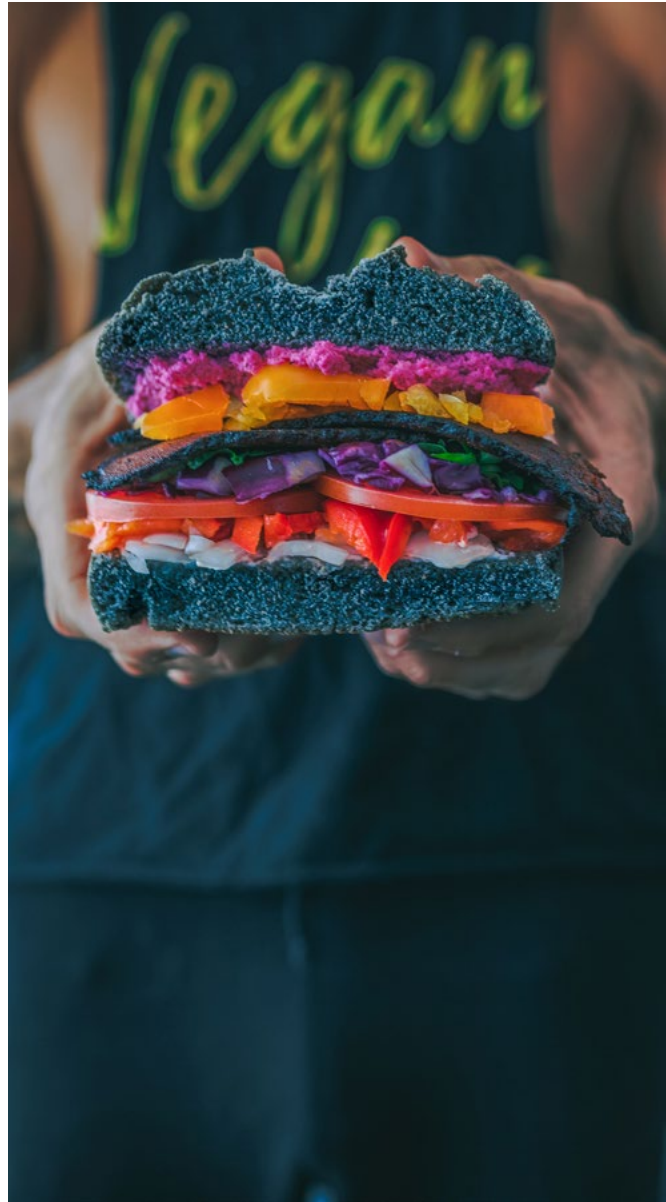


"In the coming years, we predict that climate responsibility will move from a niche concern to a default social obligation. Tred was created to anticipate this change in perceived responsibility amongst individuals, and to empower them with the information they need to make more sustainable purchasing decisions. Just as nutritional information is

standard on food labels, so carbon emissions data and other environmental metrics will gain prominence. Weaving sustainability into the customer experience – from additional menu information to in-venue signage and information online – will be key to convincing consumers of your venue's credentials."

Eleanor Metcalf, Brand & Marketing Lead - TRED

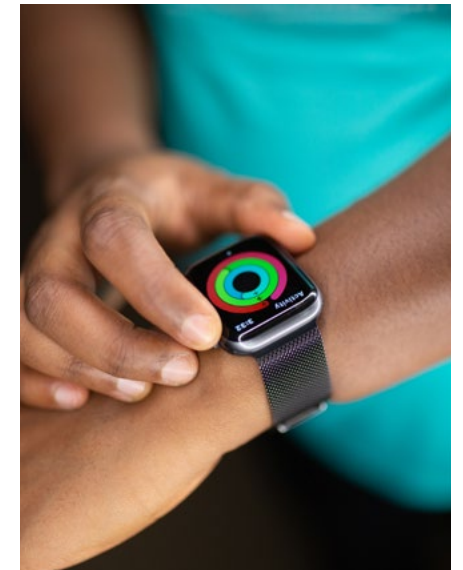
SERVING UP A SUSTAINABLE OFFERING: EXPLAINED



There is continued growth of consumers looking for more sustainable product choices, in fact two thirds (64%) are more likely to buy from businesses with a social goal¹. The world has changed so much in the past 20 years and all occasions need to appeal across demographics, whether that's adapting to dietary-requirements, changing drinking repertoires or lifestyles.

We expect the number of sustainably engaged consumers to increase over time, the more informed they become. Hospitality outlets have a role to play in educating and inspiring consumers to try new, more sustainable alternatives. Recent popular product changes such as dairy-free or alcohol-free beverages have become mainstream. The developments in 3D printing, particularly in food production, should open up a host of opportunities to cater to the growing demand for more sustainable, meat-free alternatives.

Consumers are becoming more self-aware and in control of their health and nutritional requirements through the rise of wearable devices and biometrics data. Traceability remains key but, in this case, to reduce transport or to be aware of the social or environmental causes your suppliers support.



“Now is the time to be proactive and take advantage of the opportunity to establish leadership in sustainability within your sector.”

Eleanor Metcalf,
Brand & Marketing Lead - [TRED](#)

SERVING UP A SUSTAINABLE OFFERING: IN PRACTICE



SUSTAINABLE SWITCHES

NOW

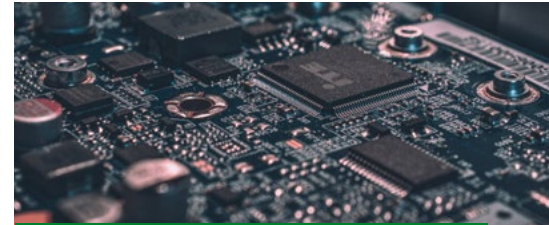
- Offer seasonal serves and menus that introduce both a multidimensional offering and reduce your carbon footprint
- Changing just half of dairy to non-dairy alternatives could collectively save up to 700 tonnes of carbon¹
- Switch to charitable suppliers like [Belu](#), a climate-neutral bottled water producer that donates all profits to WaterAid



REDUCING TRAVEL TIME

1-2 YEARS

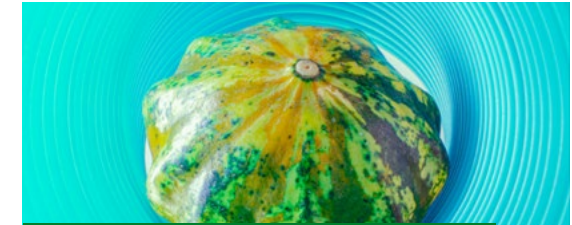
- Sustainable food is local food. Look for suppliers that are under 100 miles from your outlet to reduce the footprint of your menu
- Seasonal serves and menus are not only popular with consumers, they serve a greater environmental purpose
- UK start-up [Soap2o](#), has developed a line of powdered soap sachets. Simply drop the sachet into a hand dispenser and add water. This makes significant transport savings and eliminates plastic entirely for large-scale commercial businesses.



NEW PUB TECH

2-5 YEARS

- Automation and data sharing will soon make haulage footprints more efficient. Resulting in greener deliveries, that should reduce cost and time in transit
- The growth of Crypto continues, we expect more hospitality businesses to accept the currency, with the benefit of faster payment transfers.
- [ReFood](#) collects unavoidable food waste and recycles it into a biogas that's captured and used to generate heat, electricity and gas



THE FUTURE OF FOOD

5-10 YEARS

- We expect individual outlets to be able to produce their own biogas on premise, to generate renewable energy without the need of shipping waste
- The growth of 3D printed food directly in the kitchen, customised for individual needs (e.g. allergies, intolerances, vitamins or mineral needs)
- Smart devices will give more accurate health data to help manage nutritional requirements - if users agree to share, staff could know exactly what a person is allergic to to the minute they enter the outlet



“Over the next three to five years, we should expect a big shift towards the electrification of pub and restaurant kitchens.

We are already working with a number of pub groups to assess the costs and benefits and establish pilots. Interestingly, perhaps the biggest challenge is changing staff habits. For example, chefs typically prefer cooking on gas. So we need to focus on behavioural change

programmes. These start with sustainability training and are underpinned by the development of environmental management systems. With this approach the sector can embed more efficient processes, which will help bring local pubs even closer to their communities.”

Lee Lofthouse, Business Development & Partnerships Lead - Carbon Architecture



“Making small changes has never been so important, consumers are actively calling for venues to be more sustainable and environmentally conscious. **There are positive changes you can make now that are simple, low-cost or free, and won't have a negative impact on your business.**

In the very near future, we expect outlets to be swapping their lightbulbs to energy saving options and

switching to a green energy provider if they haven't done already. Local produce will be increasingly sourced and outlets will find innovative ways to inform their customers of the sustainability of their decisions. The pub experience will become one where customers are part of the sustainable journey. “

Lizzie McManus, Environmental Manager - The Green House Hotel



Thank you to our contributors

Elena Corchero – Director of Emerging Technology

Luke Nicholls, Content Director - edie

Barnaby Shaw, Project Coordinator - Bee Urban

Jon Fletcher, Founder & CEO - Big Clean Switch

Eleanor Metcalf, Brand & Marketing Lead - TRED

Lizzie McManus, Environmental Manager - The Green House Hotel

Chris Sladen, Head of Property - Star Pubs & Bars

Sam Tarratt, Senior Sustainability & Community Impact Manager – HEINEKEN UK

Rachel Holms, Marketing Director Cider – HEINEKEN UK

To find out how you can bring your pub into the future with SmartDispense™, get in touch with our dedicated sales team below and they'd be delighted to chat:

E: SDenquiries@heineken.co.uk **T:** 0344 556 0109