

the first ever
innocent
annual report



contents

- hello
- why are we here?
- our drinks
- our approach to business
- sustainability
- the innocent foundation
- our people
- our drinkers
- a review of 2007
- our performance
- appendix
- thank you

hello

Hello and welcome to our first annual report. We've been around for nine years now so thought it was about time we properly summed up our views on business and how we approach it as well as giving you a quick review of what we've been up to these last 12 months – the stuff that we're proud of, the stuff we found challenging and the stuff that we've learnt.

We've done it to coincide with our first AGM – a day when we open the doors of Fruit Towers, ask our drinkers to come and hear what we've been up to and let them tell us face to face what we could be doing better. So this is the book of the film of the meeting of the company.

Sort of.

It's difficult to sum up all of our thoughts in one book. We're a group of over 250 people all thinking differently, working on different projects and changing all the time, like people do. But we hope that what follows is an accurate, fair and transparent account of what we've been doing at innocent. So maybe think of this book more like the start of a conversation. Have a read and come back and tell us what you think. We're all ears.

why are we here?

Before we get to the specifics, we should probably just state who we are and why we do this. We're innocent and we make natural tasty drinks.



The company was founded by these three friends in 1999, and has grown to 268 people, working in eight offices across Europe. L-R: Founders, Richard, Adam and Jon

our purpose

This has and always will be to **make food good**. We promise that everything innocent ever make will always be natural, delicious, healthy and sustainable. **Make food good** is just a lot simpler to remember.

our vision

Along with a clear purpose, everyone needs a vision, something to aim for, aspire to and remind you why you're doing what you're doing.

Our vision is:

To be the Earth's favourite little food company.

While that might sound a little far fetched to some people, a wise chap once said 'We are limited not by our abilities but by our vision.' Which is why we've made ours so big.



our values

Things have changed in the last nine years, but the way we do business hasn't. At the beginning we had a set of unspoken values regarding how we should behave as people and a company. It was a natural thing – friends usually have the same values. That's why they're friends.

Then lots more people started working at innocent. And we realised that although they were smart and intelligent, they couldn't read minds. So we wrote down the unspoken stuff, and ended up with a set of values. It was fairly straightforward – they'd been there all along. They just needed to be put on a bit of paper, or perhaps hung on the wall.

We don't think they need explaining. But you should know that they underpin everything that we do, and will probably pop up in some shape or form on most of the pages that follow.



our drinks

Like we said before, we're innocent and we make smoothies. We focus mainly on squashing fruit and putting it into bottles, but we make other sorts of drinks too. Here's some more about them all.



smoothies

Smoothies are still our bread and butter. We started off with three recipes in 1999, and have come up with almost thirty more over the years. The idea of a smoothie is simple – get lots of fruit and squash it into a bottle.



thickies

Thickies are a bit thicker than a smoothie, hence the name. They're made with yoghurt. We've just started making them in big bottles too.



kids smoothies

We started making kids smoothies after receiving lots of emails and calls saying "why don't you make kids smoothies?" Eager to please, we went into the kitchen and made some recipes that were more kid-friendly (no bits). They come with straws.



our approach to business

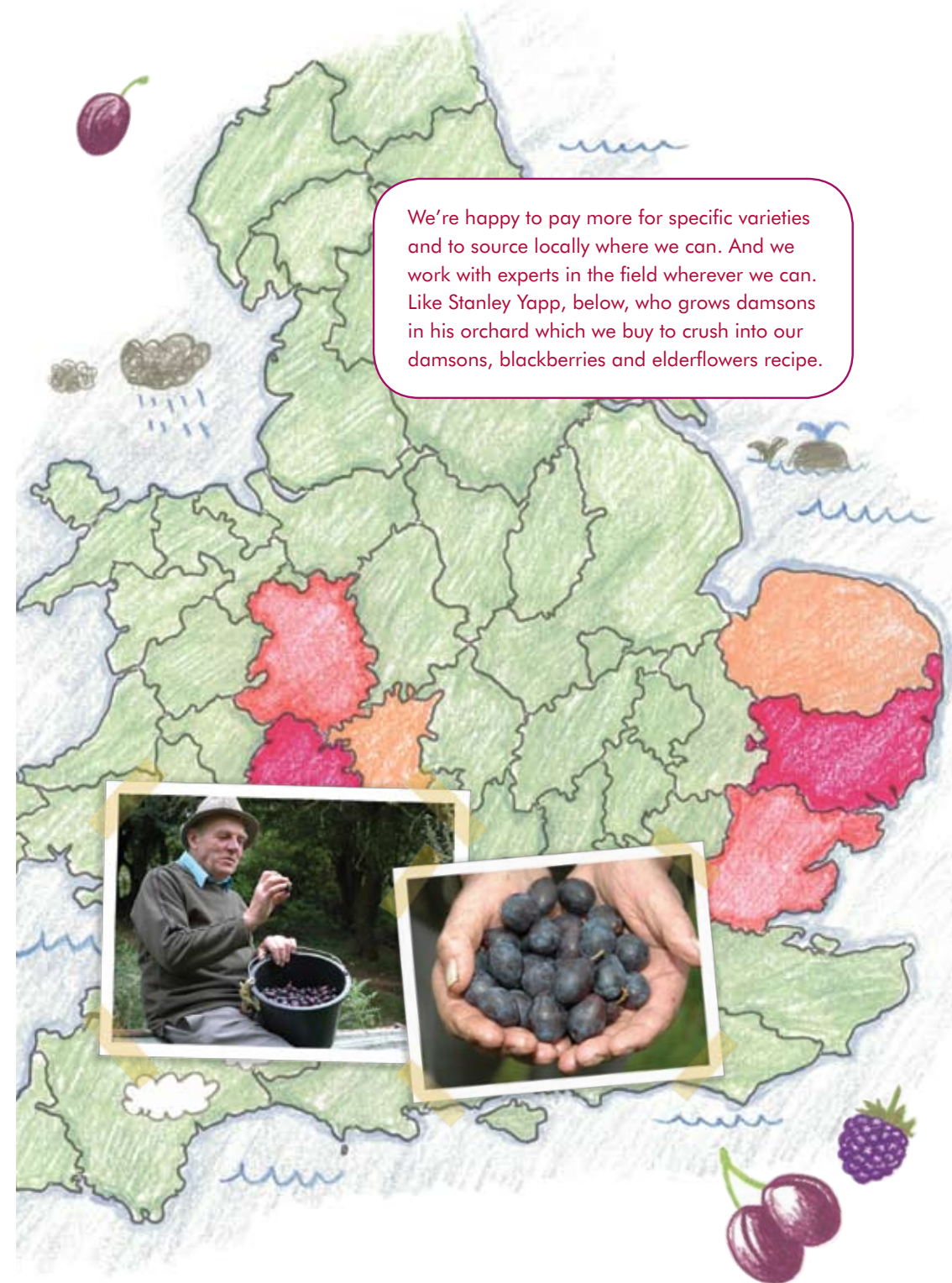
Fruit is very important. Without it we'd be in a bit of a pickle. So we strive to learn more and more about this venerable stuff, and to work out how we can best source it without messing up the planet. We have a policy here of trying to get closer to the fruit (GCTTF). It's not the catchiest acronym ever, but it's one of our most important (along with ILLY and CIHAB*).

What this actually means is that we have a team of people whose job it is to go and find the best fruit, whilst making sure that it's grown in a way that doesn't negatively impact the environment or the people growing it. In order to do this, we've made sure that all of our fruit suppliers are signed up to the International Labour Organisation standards. We see this as a minimum requirement and it covers basic workers' rights issues like no child labour and no bonded labour (see www.ilo.org for more details).

Gradually we are meeting more of our growers, to make sure that every piece of fruit comes from a source that befits a company called innocent. As our fruit comes from all over the world, it's a huge task, but one which we are passionately committed to. For example, in Latin and South America we work with the Rainforest Alliance (www.rainforest-alliance.org) to get a steady supply of ethically sourced bananas and now only buy bananas from Rainforest Alliance approved plantations.

The Rainforest Alliance look after farm workers' rights and wellbeing and protect eco systems on the farms to encourage biodiversity. We believe this sustainable approach is the best one. A well-run farm with motivated workers means better quality fruit and better productivity, meaning we get nicer fruit and the farms are more profitable. We believe you can taste the care that goes into finding the very best.

*'Is It Lunchtime Yet' and 'Can I Have A Biscuit?'



We're happy to pay more for specific varieties and to source locally where we can. And we work with experts in the field wherever we can. Like Stanley Yapp, below, who grows damsons in his orchard which we buy to crush into our damsons, blackberries and elderflowers recipe.



sustainability

It might make us sound like a Miss World contestant, but we want to leave things a little bit better than we find them. This means taking responsibility for the impact of our business on society and the environment and moving these impacts from negative to neutral, or better still, positive. We don't think that this makes us special. It just seems like a sensible thing to do. If we mess up the planet too much, there will be limited opportunities for conducting business. We want innocent to still be around in a hundred years, and it would be nice to still be based on a habitable planet. So these are the things that we've been working on in order to be a more responsible, sustainable outfit:



Without nature, we are nothing. So our first and most important step in creating a sustainable business is to only use 100% natural, healthy, renewable ingredients for our drinks – quite simply, we will put nothing into an innocent smoothie bottle unless it is made by nature. Of equal importance is that we will only ever make food that is genuinely good for people; each of our products has to have a positive health benefit, and be free of manufacturing shortcuts such as concentrates or flavourings. This focus on keeping things pure, natural and healthy is why we called ourselves innocent. In 2007 we kept things natural. In 2008 we are still keeping things natural. This won't change.



In 2007 we started measuring our carbon footprint from farm to fridge to the recycling bin, and by the end of the year we had reduced the carbon footprint of our smoothies by 15%. The other area that we focused on was asking our suppliers to go green. As a relatively small company, we realise that we can have a bigger positive impact if we encourage others to join us, rather than being too inward-looking. One excellent result followed work done with one of our carton co-packers. They began a carbon reducing project last year and in the space of 8 months reduced their footprint by an amazing 60%.



The main piece of news from 2007 (at least in packaging) was that we achieved a world first. Our 100% recycled plastic bottle hit the shelves in September 2007. It was the culmination of many years of badgering on our part and groundbreaking work by our bottle suppliers. The fact that we cracked this means that we're now moving our attention towards other areas, such as our cartons and caps. Watch this space.



We give 10% of all profits away each year to charitable causes. Most of that money goes to the innocent foundation, a separate registered charity that we set up in 2004. See over the page for more.



the innocent foundation

Each year we give at least 10% of our profits to charity, the majority of which go to the innocent foundation. Set up in 2004, it aims to build sustainable futures for the world's poorest people. The foundation is currently working with 18 partner organisations, primarily in countries where we source our fruit, on projects that have an agricultural focus. We believe it is essential for communities to get the most out of the natural resources they have to enable a sustainable future. Here's a bit more about just a few of the projects the foundation are supporting:



Care: The Fortuna Project

The Fortuna project is working with 38 Afro-Choteno communities in Ecuador to cultivate the prickly pear fruit (*Opuntia Ficus*) to overcome the severe economic conditions there. It hopes to generate a culture of quality in production and consumption, by linking local prickly pear producers with international import companies.

Womankind

Our partnership with WOMANKIND Worldwide supports Irula tribal women living in coastal Tamil Nadu, India. They were first hit by the tsunami in 2004, then again by significant flooding. We have so far helped support over 430 families by setting up a brick production unit providing income and bricks needed to rebuild homes.



Send A Cow

We started working with Send a Cow in 2004 to help build the organic farming skills of the 31 families living in Ha Maphathe village in Lesotho, Africa. Farmers are already growing a greater variety of vegetables to supplement their diet. This has been so successful, they are now producing more than they need and are able to sell surplus for extra income. They are now preparing to receive livestock by planting sufficient fodder trees and by constructing light and airy sheds.

The Microloan Foundation

The Microloan Foundation provides small loans, basic business training and continuing guidance to vulnerable groups of women in Sub-Saharan Africa. In 2007 our support helped to set up 12 new self-sustaining business cooperatives in Malawi. This May Andrew D is going out to help the Chigwirizano Juice Group set up their business plans.





our people

None of the stuff in this book would be possible without these people. There are over 250 of us working in eight offices across Europe, and we've worked really hard to find excellent people to join us, especially in the last couple of years when we've grown more than ever.

A company without people is like chicken without chips, seawater without salt. It just doesn't work. So we're happy that we now have offices brimming with smoothie experts, which is a far cry from the early days when things got made up as we went along.

We think everyone should get rewarded for their brilliant work. So to show our appreciation we shower our star performers with share options to give them the chance to invest in the future of the business, extra holidays and a new hat every now and then.

And we'd like to say thank you to everyone who works and has worked at innocent. They could have chosen to be astronauts or ballerinas, but they didn't. We're glad you chose us.

our drinkers

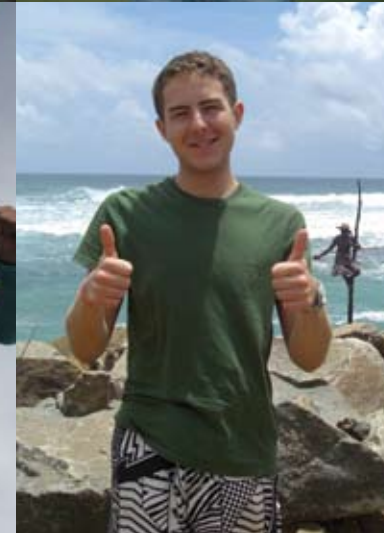
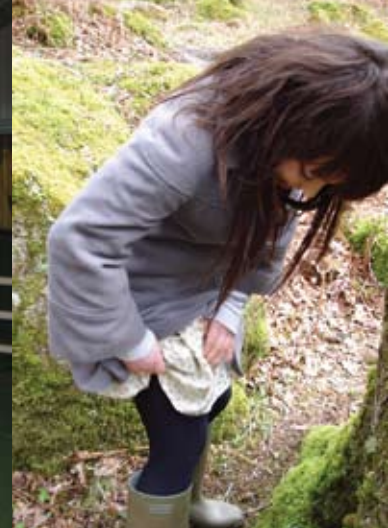
Of course, the other group of people who we are rather fond of is the one that buys our drinks. Sometimes we sit down and try to figure out who all these people are, but we usually come to the conclusion that they are young and old, male and female, they work, play, eat, sleep, wake up and do it all again. So quite like us really.

We like meeting all of these people as much as we can. It helps us learn what we're doing well and what we could do better. Rule number one is that the door to Fruit Towers is always open. If you're passing, feel free to pop in (like the people on the right did when we invited them to our AGM).

Pretty much every day we'll be out somewhere meeting people, usually in the form of giving our drinks away, in a shop, on a street or in a park. Our logic is that if more people taste the drinks, then more people might buy them. It's a crazy idea but it just might work.

And we like to have a bit of a do too. In 2007 we had our very first innocent village fete, a big fete in the park in London, attended by 60,000 people. We also toured the country with our small fete, so that everyone could have a go at our coconut shy.

We like to meet people digitally too. This doesn't mean dressing up as robots. It's all about things like our blog, our weekly email news (sent to over 100,000 people), our flickr groups and our nice shiny website. Accessible by all, and a place where people can tell us exactly what they think about innocent, good or bad.



stuff we did well

a review of 2007

january

We were back on the telly again with a new ad featuring our Dan sporting a rather fetching pink t-shirt and a tidier-than-usual beard.



march

Time for a spring clean. We decorated and expanded our office in Dublin (the 'massage parlour' people downstairs moved out and we moved in). We also did up the London office.



april

We launched our drinks in Germany. The team has a picturesque office overlooking the harbour in Hamburg, so we're all trying to get transfers to work there.



june

Not much happened in June. We just made some more drinks and all went for a mini break together in the South of France.



january

Richard was invited to go on BBC1's Watchdog. A batch of our drinks had misbehaved on the shelves and started going off before their Enjoy By date. Rich apologised, we recalled the drinks, gave people their money back and fixed the problem. Our technical team made their already excellent quality checking process even better.

february

We found some very tasty new pomegranates – the Hicaz variety, grown in Turkey. Up until this point, we'd struggled to find any pomegranate juice that matched the taste you get when you eat one. But Simon and Rozanne discovered Hicaz and we think you should be able to taste the difference.



april

We noticed that people were staying later at work and not having time to play rounders in the park afterwards. So we introduced objectives for everyone in the company to help people manage their workload better and set up a wellbeing committee to help address that work/life balance thing.

may

We started trialling our drinks in McDonalds. Lots of people thought it was a bad idea. Lots of people thought it was great idea. You can read a bit more about it in Appendix 1.



june

We learnt that fruit costs what it costs. And that as fruit prices rise even more, getting hold of the best tasting stuff will become even trickier.

and stuff we learnt

stuff we did well

july

We won the Cause Related Marketing Award at the Business in the Community awards, for our Supergran project (more about that in December). Al Gore and Prince Charles presented the prize. Ooh, get us.



august

Our big village fete took place in Regents Park, London. 60,000 people came along to watch the duck herding, dog agility, ferret racing and other such traditional pursuits. We're doing it again in 2008 – please come along.



september

We achieved a world first by launching our 100% recycled plastic bottle. And we made a special, local, seasonal recipe (damsons, blackberries and elderflowers).



november

Time for our Buy One Get One Tree project – we planted a tree for every special carton sold, as well as being able to force our weak puns upon the nation. 164,020 trees were planted in Africa and India, and we're doing it all again in summer 2008.



december

The time of year when we put little woolly hats on our bottles and donate 50p from each bottle sold to help keep older people warm during winter. This year some famous people knitted for us – Russell Brand, Joanna Lumley and Arcade Fire.



september

We didn't have enough elderflowers to make our local seasonal recipe in our big 1 litre cartons. So we had to change the recipe.

october

We love words like we love our nans and are really careful to make sure whatever we're saying is always natural, engaging and honest. Especially when it comes to talking about our drinks. So when the ASA told us we couldn't use the word 'detox' in one of our ads because our drink didn't make you go to the loo like that, we held our hands up and said we were wrong. We'll know for next time.

november

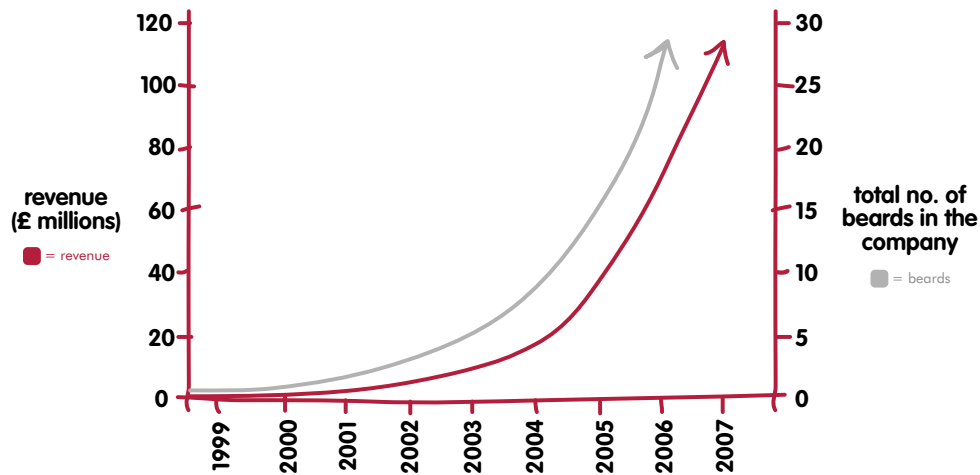
Making a green smoothie that tastes as good as it looks is harder than you'd think.

and stuff we learnt

our performance

An annual report wouldn't be an annual report without some charts. So for those of you who have been quite frankly upset with the lack of informative visio-numeral interfaces, here are the charts. They represent the things that are important in terms of us working out how our business is doing:

revenue vs number of beards (year on year growth 1999-2007):

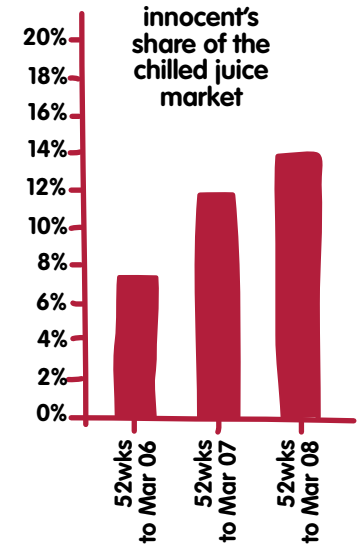


all round it was a pretty fantastic year in which we reached a stretching target of over £100M turnover for the first time ever

Source: innocent ltd management accounts, 2006 budget

chilled juice market share 2007:

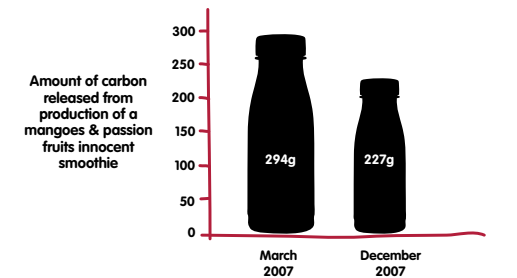
We didn't expect to grow as quickly as we have; it sort of took us by surprise. Fast growth brings loads of great things like more shiny, new faces, fresh ideas and more opportunities to try out stuff you couldn't do when you were smaller. It's also pretty challenging as priorities change quickly – it's harder to remember 250 names than 20 and there's never any room in the bike rack. But while it's all been a bit of a rollercoaster, we've definitely enjoyed the ride and still are. When we stop enjoying it, we'll get our coats and go home.



Source: IRI Infoscan, total market chilled juice, value sales, 52wks to 22.03.08 vs. equivalent periods in previous years

carbon footprint:

We don't just measure our success as a business in terms of pound signs. At the start of 2007, our carbon footprint for each bottle was measured. By December, we'd managed to reduce it by nearly a quarter. There's more to be done.



So each bottle has nearly a quarter less impact on the environment than it used to (23%).

Source: Carbon Trust 2007 audit of complete innocent supply chain for mangoes & passion fruits 250ml smoothie

appendix 1:

“you’ve sold your soul to Satan”

In May 2007 we announced our intention to trial our kids smoothies in McDonalds. Our rationale was pretty simple – more than 90% of kids in the UK fail to get their recommended daily intake of fruit. Having our smoothies in McDonalds would give kids the opportunity to get some more fruit on board and help us sell a few more smoothies too.*

So we posted a couple of messages on our blog to let people know, without anticipating how much interest there would be. But then when you’re told that “you’ve sold your soul to Satan” (Leanne, May 2007), you realise that people might just have a problem with it.

What was truly amazing to witness as the days and weeks passed was the quality of the debate on our blog. Lots of people were angry, but others saw it as a really positive thing. They argued with each other, called us names and made great arguments for and against. Meanwhile, we didn’t have to get too involved. We didn’t marshal the debate or intervene (apart from removing one very rude comment). The people who drink our drinks (you) did it all for us. That got us really excited. That such a passionate, smart bunch of people gave a monkey’s about our company and our values.

We learned lots from that whole affair, and it reinforced our belief that you should never sweep things under the carpet. We didn’t have to announce it publicly, but we knew that by being absolutely transparent and telling people exactly what we were doing and how we were thinking as a company, it was the right thing to do. We want to always do what we think is right, not what sounds right. And we shall continue behaving in that fashion until we’re old, grey and beardy.

How sad. What there may always be short term commercial imperatives, you're always judged by what you do, rather than what you say.

So while it may be lovely, fluffy and nice that you had a company meeting, partnering up with McDonalds will reduce the value of your brand, and ultimately long term sales.

Perhaps this was one decision that shouldn't have been made by committees.

Posted by: [Paul](#) | [May 11, 2007 at 01:33 PM](#)

An interesting development sure to promote great debate.

However as anyone who has ever brought a kid to McDonald's for a happy meal as a treat, rather than it being a daily/regular occurrence will tell you, the joy and the sense of "wow" on their faces is a treat.

So if they can have something yummier and tastier and even better for them than a soft drink, then that's brilliant, and something your brand should be proud of providing.

Just don't go officially recommending their burgers as part of a healthy diet, eh?

Best of luck with it :)

Posted by: [darragh](#) | [May 21, 2007 at 02:08 PM](#)

What were you thinking of - McJuice, McSmoothie or McDollar?

Posted by: [Suzie](#) | [May 21, 2007 at 13:00 PM](#)

Good luck - it's a brave move. McD's may well have a terrible reputation but at least they're doing something to try and put it right. Let's be honest, the entire food industry generally doesn't have a good reputation but there's no reason not to try and change it.

Posted by: [Mark](#) | [May 21, 2007 at 03:38 PM](#)

Everyone stop moaning!!! people are going to take their kids to mcdonalds whatever innocent do yes! and innocent being there wont increase burger sales NO!

So why are we having a heavy fit over innocent are doing good by having cool healthy and yummy drinks on sale there!!! rant over im not a Mcdonalds fan but then why do we all like starbucks if we are all so anti commercialism

Posted by: [Carm](#) | [May 21, 2007 at 03:49 AM](#)

I think it's a really good idea - so much better than those horrid thick yucky milk shakes. I don't see it as supporting McDonalds' ethics, I see it as helping the children who ask there to be a bit healthier.

Posted by: [doh](#) | [May 22, 2007 at 09:55 AM](#)

I sort of understand your decision, but still think it's the wrong one.

You will now have to become a guilty pleasure, drunk in the privacy of my own home only...

Posted by: [hulshout](#) | [May 22, 2007 at 01:47 PM](#)

A sell out.

Frankly I don't need companies who sell out on their credentials as quick as this.

You can have your McD's but you won't be appearing in my shopping trolley again.

Posted by: [Aimee](#) | [May 22, 2007 at 01:57 PM](#)

I completely agree with Justin. Innocent aren't being bought out by McDonalds and they won't start making smoothies out of squished kippers as a result of this move. Offering a healthier drink to children that would be eating in McDonalds anyway is a good thing.

Posted by: [Anonima](#) | [May 22, 2007 at 02:00 PM](#)

Haha. This was really interesting to hear everyone's views, but I honestly think everyone claiming that they're never buying one of your smoothies again is pathetic. Get a grip! You're clearly just trying to do your 'bit' and I think it's great. Little by little and off that jazz...

*

Posted by: [slare](#) | [May 23, 2007 at 09:16 PM](#)

It will definitely make me think twice about purchasing any innocent products. The reputation of McDonald's has had its ups and downs (particularly down)over the years, so surely aligning yourself with them has an affect on your own?

Don't make me see that warm and fuzzy feeling please guys. And don't turn into the corporate monster you said you never would.

Cheers,

Posted by: [Stephen](#) | [May 24, 2007 at 10:27 AM](#)

Read more at www.innocentdrinks.com/burger-debate

* Before we even started the trial, we asked 1000 people if they thought it was a good move. 74% said they thought it was and only 9% disagreed.

thank you

To everyone who grows our fruit,

to everyone who makes our drinks,

to everyone who sells our drinks,

to everyone who drinks our drinks,

to everyone who works at innocent,

to everyone who helped us in any way,

thank you very much.

If we can do anything in return, please let us know.



S Naturales
a propia de Frutería





innocent

Fruit Towers, 1 Goldhawk Estate,
Brackenbury Road, London, W6 0BA.

Banana phone: 020 8600 3993
Email: hello@innocentdrinks.com

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