



# Sustainability Report 2014

Brewing a Better World





# Our Sustainability Report 2014

HEINEKEN is the world's most international brewer with its brands available in 178 countries around the world. Sustainability is one of our core business priorities, and Brewing a Better World is our strategic focus.

## About this report

This report summarises HEINEKEN's progress on Brewing a Better World in 2014. We continue to focus on the topics that are most relevant for our stakeholders and our business. For the first time, the report follows version 4.0 of the Global Reporting Initiative Guidelines (G4). We believe the data and statements in this report should be externally assured. To confirm the information is reliable and accurate, we have asked KPMG to provide us with independent, limited assurance on the entire report.

KPMG summarises its activities and conclusions in Appendix 1.

This year, in response to stakeholder feedback, we have created a more focused and simplified report, while still maintaining the same level of transparency. To achieve this, we have made a clear separation between information about our actions and progress, and more in-depth contextual information.

This PDF document summarises our main progress and activities in 2014. More detailed supporting information can now be found in the sustainability section of our Company website, including:

- The G4 reference table
- Governance and measurement of Brewing a Better World
- How we support the UN Global Compact principles
- More than 30 case studies
- Videos
- More than 40 local sustainability reports and fact sheets.

For more information, see:  
[theheinekencompany.com/sustainability](http://theheinekencompany.com/sustainability)



On the cover: the Cola de Caballo Waterfall at the Cumbres de Monterrey National Park, Mexico. Our brewery in Monterrey is one of the partners of the Monterrey Metropolitan Water Fund. The fund has started a project to reforest severely degraded land in this important natural area. The ultimate aim is to restore and preserve the watershed of the San Juan River, which supplies more than 4 million people in and around Monterrey.

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## GRI 4 Reference Table

The GRI 4 Reference Table is a separate PDF on the Company website, and outside the scope of external assurance.

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Heineken® is using a unique new channel to share stories of seven legendary farmers, plus highlights of this sustainability report: the bottle itself! Get ready to use the Blippar app for an augmented reality sustainability experience.

# CEO foreword

## Welcome to our 2014 Sustainability Report

In 2014 we celebrated our 150<sup>th</sup> anniversary and re-committed to the journey that Gerard Adriaan Heineken began in 1864 to create a successful and sustainable business.

Our responsibility to do so was brought home to me in January this year when I attended the opening of our latest brewery in Ethiopia. Located on the outskirts of Addis Ababa the brewery is as technically advanced as any and forms part of a EUR310 million investment. As I spent time talking to employees, local farmers, politicians and members of the local community, it struck me that what we are doing in Ethiopia is a proxy for the way we are trying to run our business everywhere, but particularly in emerging markets.

We invest in brewing capacity ahead of the curve. We create jobs and build skills for the future. We work with local communities in the supply of agricultural raw materials, in ensuring balanced access to water and in having a responsible approach to enjoying our products. By doing this we build businesses that grow with, and not at the expense of local communities.

## Brewing a Better World

In 2014, we made two important changes to Brewing a Better World. Firstly, we made two existing focus areas more explicit:

- Promoting health and safety
- Growing with communities

These are added to our four existing commitment areas:

- Protecting water resources
- Reducing CO<sub>2</sub> emissions
- Sourcing sustainably
- Advocating responsible consumption.

Secondly, we set a more challenging water target for 2020, moving from 3.7hl of water per hectolitre of beer to 3.5hl/hl. We have also challenged ourselves to try and find ways to reach a higher target of 3.3 hl/hl in those areas we define as 'water-stressed'.

## Improving our performance

In part, we made these changes as a result of our continued positive performance in 2014 across all our commitment areas. Our water efficiency performance of 3.9 hl of water per hl of beer means we have achieved our 2015 target a year early.

We are also a year ahead in two of the three areas where we want to reduce CO<sub>2</sub> emissions. In production, this was the result of increased energy efficiency and greater use of renewables. In cooling, we have improved the average energy saving of our fridges to 45% compared with the 2010 baseline year. Our overall progress was recognised by an 'A' rating and a position in the CDP Climate Performance Leadership Index.

In distribution, reducing CO<sub>2</sub> emission is a more challenging task. Our overall emissions increased by 3.6%. This was caused by significant changes in distribution activities in two major markets – Brazil and Mexico. Excluding these two markets, our emissions in distribution actually fell by 5.9%.



Jean-François van Boxmeer, CEO and Chairman of the Executive Board.

Across Africa we are now sourcing approximately 48% of our raw materials locally against our 2020 target of 60%.

I also want to specifically mention two of our many initiatives that promote responsible consumption. First, 'Dance More, Drink Slow' campaign was activated in 44 markets. Investment supporting our dedicated responsible consumption campaign exceeded 10% of total media spend in our main markets, representing more than 50% of the Heineken® global volume. The campaigns are clearly sending the message via the brand that drinking in moderation is aspirational and 'cool'. Second, in September, more than 40,000 employees in 46 markets created our first global Enjoy Responsibly Day with a range of initiatives that engaged business partners and consumers in deepening our understanding of what is, can and needs to be done to address the issue.

We will never stop trying to reach zero fatalities and accidents in our business. I am saddened to say that 15 people lost their lives in 2014 working with or for our Company. My deepest condolences go to the families and friends of these individuals. Whilst many of the fatalities are the result of violence in Mexico or road traffic accidents in emerging markets, it remains unacceptable. As a company we are investing in internal training and safety procedures and working with the relevant authorities and organisations to make our business safer.

## Looking forward

Sustainability is both a strategic priority and a business imperative for the Company. Today more than 81,000 employees and hundreds of thousands of our suppliers and business partners are making it their responsibility to conduct business the right way. If the communities and societies where we operate and where we sell our products are strong then our business has a chance to grow. I believe in all these things we have a responsibility to lead by example. It is a responsibility we do not take lightly and it is one to which we remain fully committed.

Jean-François van Boxmeer

CEO and Chairman of the Executive Board  
Amsterdam, 8 April 2015

# Brewing a Better World

Brewing a Better World is our long-term approach for creating shared, sustainable value for our business and our stakeholders.

Over the last few years we have taken some important steps to make sustainability a business imperative rather than something that lies outside our normal business operations. Today, it is one of our six key business priorities.

In 2014, we took another, seemingly small but philosophically important step: We changed the name of our sustainability approach from “Brewing a Better Future” to “Brewing a Better World”. We feel that this better reflects that the work we are doing has a global impact **today** and not just for some of the world at some point in the future.

The idea of sustainability as a business imperative means that we act now to mitigate the impact of environmental and social risks and that we look at ways to create genuine economic opportunities for both our business and our stakeholders.

Currently, Brewing a Better World focuses on four key areas where we and our stakeholders believe we can make the biggest difference: Protecting water resources, Reducing CO<sub>2</sub> emissions, Sourcing sustainably and Advocating responsible consumption. Each focus area is underpinned by clear commitments, which we made in 2012. These state our ambitions for 2020, with three-year milestones to be achieved by 2015.

But sustainability is not a rigid plan nor is it an exact science. Therefore, we routinely review both the scope and the level of commitments. As a result, in 2014, we have added two new focus areas: Promoting health and safety and Growing with communities. Health and safety has always been an integral part of our approach. It is our view that adding it as a pillar and combining it (as we have) with a company behaviour of ‘Safety First’ will create

greater visibility across the whole of the Company and drive down further the number of accidents, incidents and fatalities in our business. Growing with communities underlines our ambition to have a positive impact in the communities where we live, work and sell our products.

The review process has also meant that we have raised our ‘water’ ambition for 2020 to 3.5 hl/hl overall, and we have challenged ourselves to try and find ways to reach a higher target of 3.3. hl/hl on average for breweries in water-scarce and water-distressed areas.

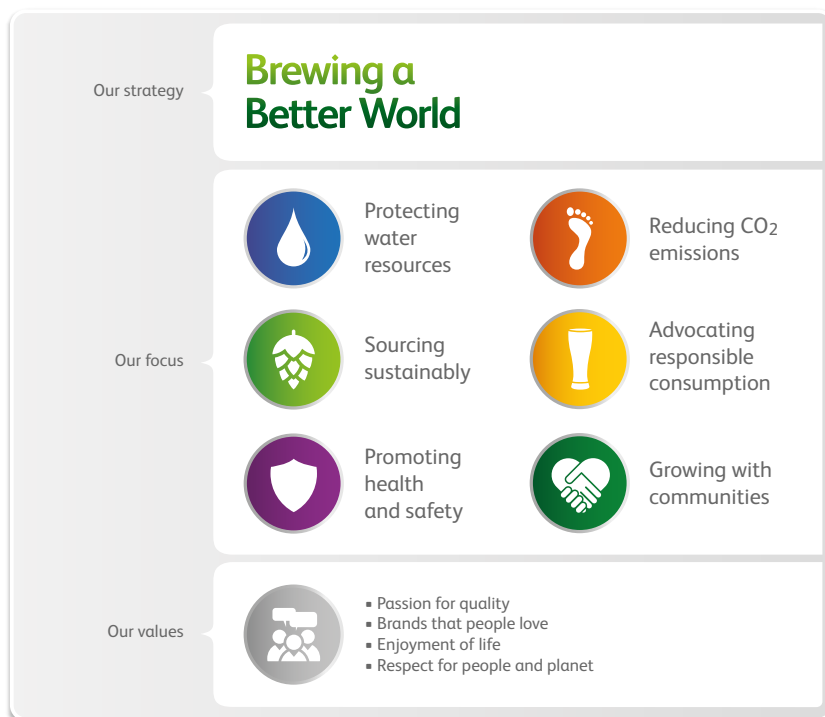
## Brewing a Better World – Strategic Drivers

Our approach is based on the following drivers:





# Brewing a Better World



Brewing a Better World continues to be supported by our other business values and behaviours. These include a commitment to fairness, integrity and respect for the law, contained in the HEINEKEN Code of Business Conduct.

Sustainability remained an ongoing part of the performance plans of HEINEKEN's senior management. It was one of the five merit areas for senior managers in their Annual Performance Appraisal. In 2014, 100% of senior managers had an objective based on sustainability.

Moving forward as Brewing a Better World is one of the company's six strategic pillars, performance expectations will be fully integrated within the company's strategy measures at a global, regional and local level.









We have updated our materiality matrix based on an ongoing dialogue with our stakeholders, reputation research, benchmark results and internal risk analysis.

See our Company website for more information about how we define our priorities, the governance of Brewing a Better World, how we measure progress on each commitment, and the link to our business priorities.

# What we said and what we've done









In order to meet our 2020 commitments, we monitor our progress on an ongoing basis. This overview shows both our 2020 commitments and our 2015 milestones, plus the progress we have made in 2014.

Focus area	What we said we will do by 2015	What we've done in 2014	Indicator	What we said we will do by 2020
	Reduce specific water consumption in our breweries to 3.9 hl/hl <sup>1</sup>	<b>Achieved</b> We achieved our 2015 target a year early and decreased water consumption to 3.9 hl/hl		We have raised our ambition for 2020 to 3.5 hl/hl <sup>1</sup> overall, and 3.3 hl/hl on average for breweries in water-scarce and water-distressed areas
	100% of our production units <sup>2</sup> in water-scarce and water-distressed areas will have a Source Water Protection Plan	<b>On track</b> Sixteen (70%) of our production units have drafted a Source Water Protection Plan  By the end of 2015, each of the 23 'Priority One' sites should have a protection plan in place		Aim for significant water compensation/balancing by our production units in water-scarce and water-distressed areas
	Reduce CO <sub>2</sub> emissions in production by 27% <sup>3</sup> (resulting in 7.6 kg CO <sub>2</sub> -eq/hl)	<b>Achieved</b> We passed our 2015 target a year early and achieved a 30% reduction compared with 2008, resulting in 7.2 kg CO <sub>2</sub> -eq/hl in 2014		Reduce CO <sub>2</sub> emissions in production by 40% <sup>3</sup>
	Reduce the CO <sub>2</sub> emissions from distribution by 10% <sup>5</sup> in Europe and the Americas	<b>More to do</b> Our overall emissions increased by 3.6%. This was caused by significant changes to distribution activities in two major markets – Brazil and Mexico. Excluding these two, our emissions in distribution actually fell by 5.9%		Reduce the CO <sub>2</sub> emissions from distribution by 20% <sup>5</sup> in Europe and the Americas
	Reduce the CO <sub>2</sub> emissions of our fridges by 42% <sup>4</sup>	<b>Achieved</b> We passed our 2015 target a year early. 99.8% of the 152,000 fridges that HEINEKEN purchased in 2014 were 'green'. The average reduction of CO <sub>2</sub> emissions improved from 40% to 45% in 2014, compared with the baseline year 2010		Reduce the CO <sub>2</sub> emissions of our fridges by 50% <sup>4</sup>

<sup>1</sup> Baseline 2008. <sup>2</sup> Twenty-three production units. <sup>3</sup> Baseline 2008. <sup>4</sup> Baseline 2010. <sup>5</sup> Baseline 2010/2011, scope is WE, CEE and Americas, 24 of our largest operations: Belgium, Bulgaria, France, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, UK, Austria, Belarus, Croatia, Czech Republic, Greece, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Brazil, Mexico, USA.



# What we said and what we've done

Focus area	What we said we will do by 2015	What we've done in 2014	Indicator	What we said we will do by 2020
	Aim for sustainable sourcing of raw materials for crop year 2015: 20% (barley), 40% (hops), 60% (bittersweet apples for cider) <sup>1</sup>	<b>On track</b> In 2014 we sourced sustainably: <ul style="list-style-type: none"> <li>■ barley: 15%</li> <li>■ hops: 62%</li> <li>■ bittersweet apples for cider: 28%</li> </ul>		Aim for at least 50% of our main raw materials from sustainable sources
	50% <sup>2</sup> of agricultural raw materials used in Africa to be locally sourced <sup>3</sup> within the continent	<b>On track</b> We increased our local sourcing from approximately 46% in 2013 to more than 48% in 2014		Deliver 60% of agricultural raw materials in Africa via local sourcing within the continent
	Four-step Supplier Code Procedure operational within all Operating Companies	<b>On track</b> Four-step Supplier Code Procedure operational in 25 Operating Companies. Rollout planned for all remaining Operating Companies in 2015		Ongoing compliance with our Supplier Code Procedure
	We commit to invest a minimum of 10% of our media spend <sup>4</sup> for Heineken® in supporting our dedicated responsible consumption campaign in at least 50% of our market volume <sup>5</sup>	<b>Achieved</b> 'Dance More, Drink Slow' campaign activated in 44 markets. Investment supporting our dedicated responsible consumption campaign exceeded 10% of total media spend in our main markets, representing more than 50% of the Heineken® global volume		Make responsible consumption aspirational through Heineken®
	Every market in scope <sup>6</sup> has a partnership to address alcohol-related harm. All partnerships meet HEINEKEN's seven-point partnership criteria	<b>On track</b> 50 markets are now in scope, an increase from 40 in 2013. Of these 48 have at least one partnership		Every market in scope <sup>6</sup> has and reports publicly on a measurable partnership aimed at addressing alcohol abuse
	Precise goals for 2015 to be decided in conjunction with the industry via the International Alliance for Responsible Drinking (formerly known as ICAP and GAPG)	<b>On track</b> An implementation plan was developed for the Global commitments in 2013. In 2014, the signatory companies produced a Commitments Progress Report outlining our actions to date in implementing these		Deliver global industry commitments

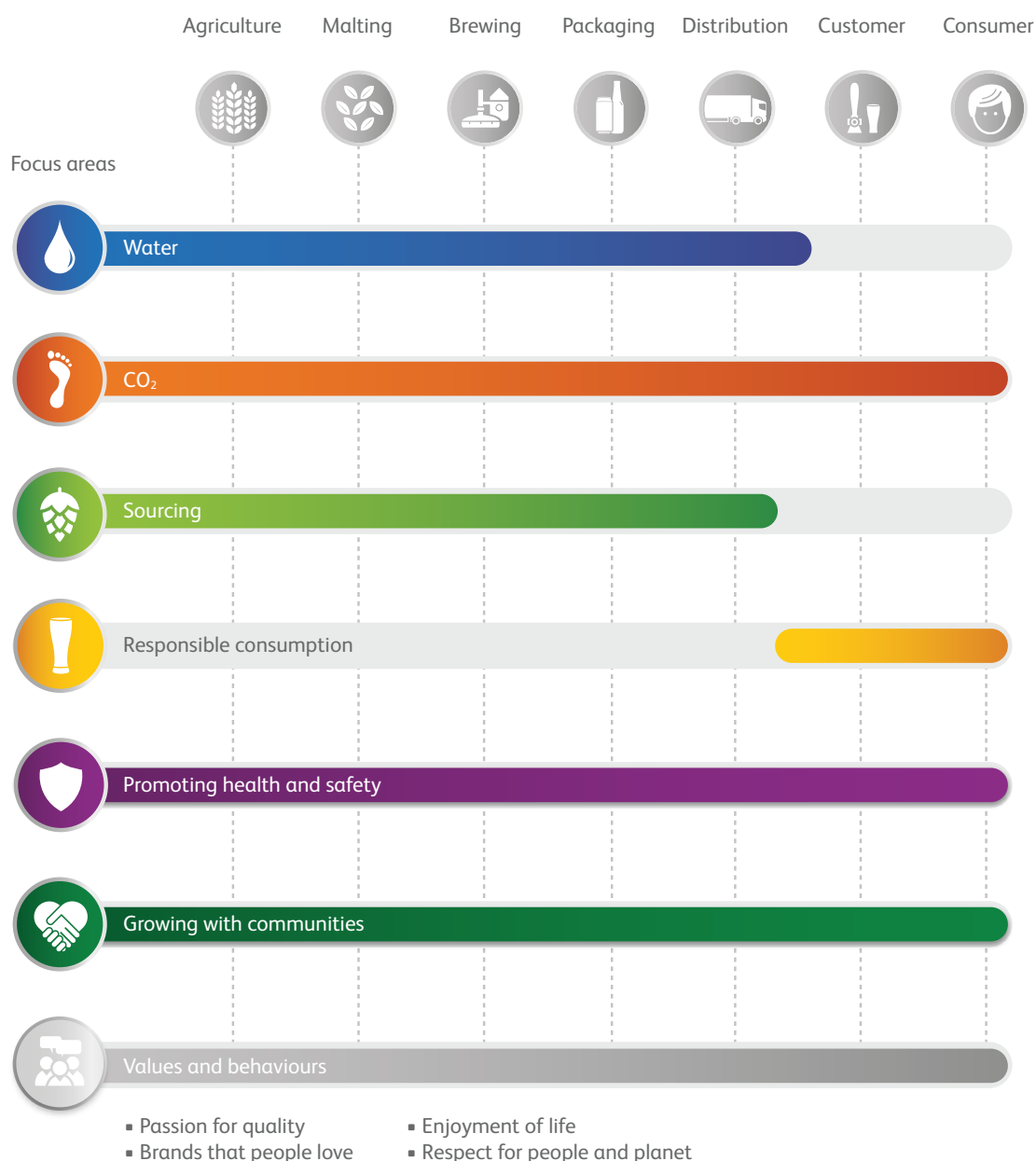
 Achieved  On track  More to do  Not on track

<sup>1</sup> Based on volume. <sup>2</sup> Based upon tonnage. <sup>3</sup> With local sourcing we refer to sourcing within the region of Africa & Middle East. <sup>4</sup> Investments dedicated to responsible consumption messaging with regards to Heineken® brand communication. This includes the 'Dance More Drink Slow' and 'Sunrise' campaign, UEFA® Champions League-specific responsible consumption boarding and other specific activations at festivals and events. <sup>5</sup> Market scope, covering in total at least 50% of Heineken® global volume. We focus our efforts on the larger markets where we can make the biggest impact; out of scope are those markets where we are unable to run our responsible consumption campaign due to local (legal and religious) restrictions on alcohol advertising. <sup>6</sup> Out of scope are Islamic markets and small export markets where we don't have staff or a presence.

## Our value chain

Our approach to sustainability covers the entire value chain 'from barley to bar'. This value chain includes many forms of capital, from the vital natural resources needed to make our products, through to financial capital from the sale of our products. We continuously consider the sustainability of each step, with respect to our key focus areas.

### From barley to bar



For more information about our value chain, see our [website](#).



# Our value chain

Below are some core activities across our value chain in 2014. For a full description of our value chain, see our [website](#).

## 1. Agriculture

In 2014, we began auditing our supplier sustainability practices with SGS, an external audit company. We continued our work with the Sustainable Agriculture Initiative (SAI) and Cool Farm Alliance, and helped German hop suppliers to set new sustainability standards: in 2014, 153 were approved as 'sustainable', based on assessment against their industry sustainable agriculture code. This represents about 25% of the total German hop volume, and we aim for 100% in the coming years. We established a new Public-Private Partnership on local sourcing in Nigeria and extended our local sourcing initiative in Haiti.

## 2. Malting

We malt barley in our own malteries and also buy malt from third parties. We focus on energy and water reduction programmes and continue to engage our suppliers in discussions related to these topics. In 2014, energy consumption per ton of produced malt was more than 10% lower compared with 2008. For water consumption this improvement was even larger: 26%.

## 3. Brewing

We continue to expand the use of power from on-site generated biogas and the use of renewables through projects such as Solar Electricity in Tadcaster, UK. In addition, we continue to reduce specific energy and water consumption in brewing.

## 4. Packaging

We continue to innovate, and encouraged innovation from our suppliers. We launched THE SUB®, an energy-efficient home draught beer system complete with TORP®, a fully recyclable 2-litre PET keg.

## 5. Distribution

Wherever we can, we optimise our distribution by changing the form of transport, training drivers, using more efficient engines, improved design of vehicles and re-assessment of distribution networks. We devise innovative solutions such as our electric-powered delivery trucks in the Netherlands, and we are increasing the share of lightweight trailers in our contracted fleet.

## 6. Customer

Most of our beers and ciders are enjoyed cold and are cooled by fridges or draught equipment at the point of sale. We continue to strengthen the green standards for our cooling equipment, which not only reduces energy consumption but also costs. In 2014, our customers saved in total EUR19.9<sup>1</sup> million in electricity charges, equal to the annual electricity consumption of 46,000 households in the Netherlands.

## 7. Consumer

We continue to advocate responsible consumption through campaigns such as 'Dance More, Drink Slow' and we expand our partnerships with NGOs, governments and other parties to address alcohol-related harm. We have been innovating rapidly with our no- and low-alcohol brands, offering consumers greater choices around alcohol consumption.

# Benchmarks and achievements

As input for evaluating our progress on Brewing a Better World we track our performance against a number of recognised external benchmarks.



## Dow Jones Sustainability Index

Our score of 77 was almost in line with our 2013 peak, and we made it once again into the Sustainability Yearbook.

We remain best-in-class in the areas of water-related risk and responsibility for alcohol products, and became best-in-class in corporate citizenship and sourcing raw materials. Packaging and human capital development are areas for improvement.

Score of  
**77** (top 15%)



## FTSE4Good

For the 11th consecutive year, we maintained our inclusion in the Index. We improved our Environmental, Social and Governance (ESG) rating, achieving an absolute score of 4.2 out of 5, and a relative Supersector score of 98 out of 100.

Supersector score  
**98/100**



## Carbon Disclosure Project (CDP) – Climate Change

We achieved our highest ever score of 99 out of 100 (from 96 in 2013 and 88 in 2012). For the first time, we have been included as a member of 'The A List: The CDP Climate Performance Leadership Index 2014'. We have also been awarded a position on the CDP Europe 300 and Benelux Climate Disclosure Leadership Index (CDLI).

Highest ever score of  
**99/100**



Ministry of Economic Affairs  
of the Netherlands

## Transparency Benchmark

For the third consecutive year, HEINEKEN was included as a 'frontrunner' in the Dutch Transparency Benchmark and we moved up to seventh place, from 10th in 2013. This annual assessment by the Dutch Ministry of Economic Affairs evaluates the level of transparency by the top 500 Dutch companies in relation to sustainability reporting.

Moved up to  
**7th/500**



## VBDO Responsible Supply Chain Benchmark

We ranked third overall in the list of 40 multinationals analysed by the Dutch Association of Investors for Sustainable Development (VBDO), equalling our 2013 position. For the first time, winners by industry sector were also selected. HEINEKEN was judged the leading food and beverage company, receiving a Responsible Supply Chain Management Award.

Ranked  
**1st/F&B sector**



## Other benchmarks

Additionally, we continued to take part in the CDP Water Disclosure and intensified our focus on benchmarks like CDP Supply Chain, Bloomberg, Vigeo, Walmart's sustainability index, and Sustainalytics.

See our website for more on these benchmarks, and our other sustainability-related awards in 2014.



For more on our benchmarks and sustainability-related awards, see our [website](#).



# Stakeholder dialogue

Our stakeholders help us to stay focused and tell us when they feel we are moving off track. Through conversations across many different channels, we clearly identified common themes of importance on which it was requested we take action.

**Here is what we heard and did in response in 2014:**

**“Consider water as an increasingly critical issue and connect water with sustainable sourcing.”**

**How we responded:**

- We raised our ambition for 2020 to 3.5 hl/hl overall, and 3.3 hl/hl on average for breweries in water-stressed areas
- A project group was formed to better develop our understanding of water and agriculture, identify sourcing areas and ‘hot spots’, and seek opportunities for improvement.



**“Increase transparency in tax.”**

**How we responded:**

- We elaborate in this year’s report about our tax strategy
- We added our consolidated total tax contribution and included a breakdown per tax category
- We continued to initiate market-based economic impact studies.



**“Engage consumers and customers more actively in the sustainability journey.”**

**How we responded:**

- We activated Heineken® ‘Dance More, Drink Slow’ in 44 markets
- We opened a new sustainability area within the Heineken Experience consumer centre in Amsterdam
- We developed Legendary 7, an interactive campaign telling the unique stories of seven farmers who source sustainably for Heineken®
- We introduced alcohol-free 0.0% MAXX, providing more choice around alcohol consumption and offering great-tasting beer
- We began sustainability discussions with several global retailers, and encouraged local markets to follow the example.



**“Focus on building partnerships to demonstrate leadership and realise change.”**

**How we responded:**

- We extended the number of partnerships addressing alcohol-related harm in our markets
- We established a new Public-Private Partnership on local sourcing in Nigeria
- We explored our first global partnership with the United Nations Industrial Development Organization (UNIDO), which was announced in Q1 2015.



**“More communication on HEINEKEN’s sustainability activities.”**

**How we responded:**

- We started Twitter sessions on a variety of topics including local sourcing
- We began sharing regular sustainability updates with our stakeholders
- We presented on sustainability at 40+ conferences and universities around the globe
- We worked together with Harvard Business School to develop a case study about Brewing a Better World.



Heineken Experience sustainability area.

# Stakeholder dialogue

We continued to engage with our stakeholders throughout 2014 including (in alphabetical order):



## Customers and consumers



- In 2014, we started in-depth discussions with a number of global retailers based in France, Spain, Germany, UK and the USA around sustainability issues. The objective is to work together to create joint solutions. We will define some of the joint activities in 2015

- We opened a new 'Brewing a Better World' interactive area in the Heineken Experience in Amsterdam, which guides consumers through our green efforts from barley to bar. Located in the former Heineken Brewery, it is one of the most popular tourist attractions in Amsterdam, welcoming more than 700,000 visitors in 2014.

## Employees



- The HEINEKEN Climate Survey was conducted for all Operating Companies and completed by almost 61,000 of our colleagues, a response rate of 86%. The survey assesses the working climate on 11 different dimensions, including personal development, direction and alignment, the relationship between employees and their managers and customer orientation. IBM calculated our employee engagement index – a combination of advocacy, commitment,

- satisfaction and pride – to be at 74%, some 3% higher than the benchmark of other international companies
- On 4 September, we celebrated Enjoy Responsibly Day, the first worldwide HEINEKEN event of its kind. We engaged with and educated colleagues across our operations in our efforts to make moderation the social norm. In total, 46 markets activated Enjoy Responsibly Day, reaching more than 40,000 employees.

## Employee representatives



- We maintain constructive relationships with employee representatives. On a European level we have regular meetings with the HEINEKEN European Works Council (EWC). On a local level we expect all Operating Companies to respect the right of freedom of association and

many of our Operating Companies are routinely in dialogue with labour unions and/or have works councils in place.

# Stakeholder dialogue

## Governments



- We are now addressing a large number of sustainability topics to regulators, governments and intergovernmental organisations across the whole Brewing a Better World agenda
  - A group of more than 35 representatives from the European Commission visited our brewery in Zoeterwoude, the Netherlands, in order to exchange views on climate change, the related EU climate action framework and its relevance for businesses such as HEINEKEN. The brewery is the largest in Europe and one of the most advanced in terms of technology and sustainability
  - Members of our executive board actively participated at the World Economic Forum in Davos in January 2014. Our CEO co-chaired the Consumer Community
- Governors Meeting, with the theme 'conversations with civil society', where he spoke about the circular economy
- Our CEO co-chaired the World Economic Forum on Africa 2014, held in Abuja, Nigeria in May. He participated in a number of panel discussions, including on the subjects of conversations between private sector and civil society and the Grow Africa Investment Forum. He also wrote about the importance of Growing Africa's agriculture
  - The Heads of State of Burundi and Sierra Leone and the Prime Minister of Democratic Republic of Congo visited HEINEKEN in the Netherlands, discussing the benefits of local sourcing amongst other topics.

## Industry associations



- Together with the Brewers of Europe, European Aluminium Association and the European Container Glass Federation, we began a pilot scheme for the European Commission's Product Environmental Footprint (PEF) project. The PEF initiative will explore and enhance the efficiency and accuracy of measuring environmental impact for beer, from barley to bar
- We continued our significant and highly active involvement with a large number of industry platforms and roundtables, including Green Freight Europe, the Beverage Industry Environmental Roundtable (BIER) and the Dutch Sustainable Growth Coalition.

## Investors



- We engaged with institutional investors during the Environment Forum in Paris, organised by investment group Oddo & Cie. Moreover, we presented at TBLI Conferences in New York and Amsterdam on our Brewing a Better World agenda. TBLI stands for Triple Bottom Line Investing, a concept promoting the idea that sound investments are not only based on 'profit' but also 'people' and 'planet'
- We maintained our regular dialogue with shareholder groups such as the Dutch Association of Investors for Sustainable Development (VBDO) and the Guilé Foundation
- We are also in routine contact with Eumedion and other investor groups on a variety of governance and regulatory issues. We see a growing number of investors and analysts include sustainability considerations within their decision-making process. Triodos Investment Management, a global leader in sustainable impact investment, selected HEINEKEN for its sustainable investment universe, i.e. being eligible for investment. Triodos only considers companies that clearly outperform others within their sectors on sustainability and that comply with their strict minimum standards.



# Stakeholder dialogue

## NGOs and international organisations



- We increased the number of markets where we have partnerships with NGOs, governments and other parties addressing alcohol-related harm and continued to work with NGOs such as EUCORD, The International Fertilizer Development Center (IFDC) and the Clinton Global Initiative in our local sourcing projects in Africa and Haiti
- Throughout the year we had an ongoing dialogue with NGOs on a wide range of topics, including CO<sub>2</sub> reduction, water stewardship, human rights and animal

welfare. These NGOs included Greenpeace, Human Rights Watch, WWF, The Humane Society, Both Ends and the Business & Human Rights Resource Centre

- During meetings with NGOs HEINEKEN confirmed its support for the European Commission's 2030 climate and energy framework, which includes a target for reducing CO<sub>2</sub> emissions by at least 40% (baseline year 1990)
- We started to seek closer alignment with international organisations on important themes such as water stewardship.

## Suppliers



- We continued our engagement for sustainable raw materials with both individual suppliers, such as our packaging suppliers, and suppliers of agricultural products, such as the Hopfenring group of German hop suppliers (see [case study](#))
- Dialogue continued with potentially high-risk suppliers through EcoVadis

in order to support them in improving their management of CSR risks

- We launched 'Frontier', a competition to engage new and existing innovative technology suppliers. Through an online platform applicants are asked to share ideas in four categories, one of which is 'how to make drinking in moderation cool'.

## Roundtables and conferences

Throughout 2014, HEINEKEN presented actively on sustainability during numerous roundtables, panels and conferences.

A small selection includes:

- The World Economic Forum in Davos, and regional meeting on Africa in Abuja, Nigeria, May 2014
- The 3rd United Nations Forum on Business and Human Rights in Geneva
- World Water Week in Stockholm
- Sustainable Food Summit, Amsterdam

- Sustainable Brands '14, London
- IWA World Water Congress, Lisbon
- World Wetlands Day, The Hague
- The 2014 Zero Emission Conference, Oslo
- Sustainable Food & Beverage Manufacturing Conference, Birmingham
- The SER Conference on respecting Human Rights in International Business, The Hague
- UNIDO Inclusive and Industrial Development Forum, Vienna.

## Local stakeholder dialogue

In addition to stakeholder dialogue at a global business level, we have also been active in our markets. Our 36 local sustainability reports provide us with a strong basis for discussions with local stakeholders. Some markets, such as the UK and France, actively involved stakeholders in structured roundtable sessions.



36 local sustainability reports published in 2014.



Stakeholder Roundtable, HEINEKEN UK.



For more information about our wide range of partnerships and memberships, see our [website](#).



## Protecting water resources

### Our 2020 commitments

- Reduce specific water consumption in our breweries by 25%
- Protect our water resources in water-scarce and water-distressed areas
- Aim for significant water balancing in these areas.



Barley field in Celaya, Guanajuato (Mexico).



For more on our water priorities and why this is important, see our [website](#) and [case studies](#).

# Protecting water resources

## Actions and results in our commitment areas

### Reducing water consumption in our breweries

We achieved our 2015 target a year early and decreased water consumption by 23% compared with 2008, the baseline year.

Based on this trend we have decided to raise our ambition for 2020 to 3.5 hl/hl overall.

For the 23 HEINEKEN breweries in water-scarce and water-distressed areas we have challenged ourselves to try and find ways to reach a higher target of 3.3 hl/hl.

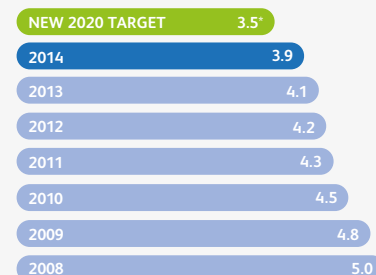
We have decreased  
water consumption by

**23%**  
compared with 2008



Specific water consumption  
hl/hl beer + soft drink + cider + water

**3.9** hl/hl



<sup>1</sup>Previous 2020 target 3.7 hl/hl



Top 5 performing  
breweries based on  
performance in hl/hl



Top 5 performing  
breweries based on  
reduction in %

Forty-three of our production units, representing more than 47% of total production volume in 2014, are already below the target of 3.5 hl/hl. Unfortunately, there are still some sites where water consumption is too high. Forty-four, representing 11% of our volume, are operating above 5 hl/hl. Additionally at 21 of our production units, representing 9% of our volume, water consumption per hl increased by more than 5% in 2014.



For more on our water priorities and why this is important, see our [website](#) and [case studies](#).



# Protecting water resources

## Actions and results in our commitment areas

We prioritise improvement projects based on impact and improvement potential. For example, we reduced water consumption at our breweries in Mexico by nearly 3.5 million hectolitres in 2014 by optimising water flows within the production process. Since acquiring Bedele Brewery in Ethiopia in 2011, the team almost halved water consumption to 5.1 hl/hl in 2014. For more information see our [case study](#).



### €M SAVED THROUGH WATER EFFICIENCY

€m	Water
2009	2.4
2010	2.2
2011	1.9
2012	1.0
2013	1.0
2014	2.4
<b>Total</b>	<b>10.9</b>

Although production volumes have generally increased year on year, we have conservatively estimated the saving by basing it on previous year volumes multiplied with the annual efficiency increase and 2013 average tariff.

## Protecting water resources in water-stressed areas

We have been assessing water-related risks since 2010 and identified 23 'Priority One' breweries around the world that are in water-stressed areas and on which we focus our immediate efforts.

For each site, we determine together with stakeholders, how vulnerable a local area is in terms of water risk<sup>1</sup>. Based on the outcomes, we develop a step-by-step method for evaluating and implementing water protection measures<sup>2</sup>.

In 2014, we focused our activities on our operations in Indonesia, Algeria and Nigeria. By the end of 2015, each of the 23 'Priority One' sites should have a protection plan in place.

Market	Nr. of sites	Workshops	Training	Source Water Vulnerability Assessment	Source Water Protection Plan
<b>Mexico</b>	4	2	Completed	Completed	Draft
<b>Spain</b>	4	3	Completed	Completed	Completed
<b>Ethiopia</b>	2	1	Completed	Completed	Draft
<b>Egypt</b>	3	–	2015	2015	2015
<b>Nigeria</b>	4	3	Completed	Completed	Draft
<b>Algeria</b>	1	1	Ongoing	Ongoing	Ongoing
<b>Tunisia</b>	3	On hold	On hold	On hold	On hold
<b>Indonesia</b>	2	1	Completed	Completed	Draft

# 70%

of production units have drafted a Source Water Protection Plan

Water stewardship programme started in:



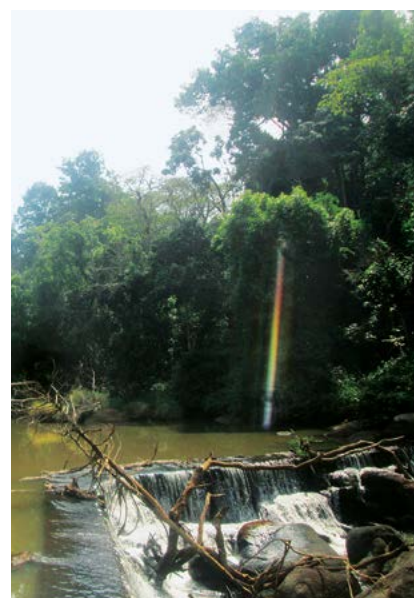
Indonesia



Algeria



Nigeria



The Dabena river, near the Bedele Brewery, Ethiopia.



For more on our water priorities and why this is important, see our [website](#) and [case studies](#).

<sup>1</sup> Source Water Vulnerability Assessment.

<sup>2</sup> Source Water Protection Plans.



# Protecting water resources

## Actions and results in our commitment areas

### Water balancing



Reforestation projects started to preserve the San Juan River watershed in Monterrey, Mexico.

To protect water resources in water-scarce and water-distressed areas, we work to redress the water balance<sup>1</sup> by financing and supporting local projects that aim to:

- Conserve or restore water quantity, quality or biodiversity in the local watershed; and/or
- Improve access to clean water for the local communities.

We collaborate with key stakeholders in the watershed and preferably in partnership with a local NGO.

In Ethiopia, our public-private partnership between the Harar Brewery, local government, Vitens International and other partners began to assess the future water needs of the region and the scope for building sand dams for sustainable groundwater storage. In November,

a platform was launched to engage all relevant local stakeholders in the Harar region and raise awareness about the importance of trans-boundary watershed management.

In Mexico, following the establishment of the Monterrey Metropolitan Water Fund in 2013, reforestation of 50 hectares of severely degraded land began at the Cumbres de Monterrey National Park. A density of 1,000 seedlings per hectare will be used. The ultimate aim of the fund is preservation of the San Juan River watershed, which supplies more than four million people in and around Monterrey. See [case study](#).

One challenge on which we are collaborating with others is the formulation of an internationally recognised definition and measurement of 'water balancing', as it is a relatively new concept.



# 1,000

A density of 1,000 seedlings per hectare will be used at the Cumbres de Monterrey National Park, Mexico



#### Case study: Indonesia – Saving water through bamboo and biopori

Multi Bintang's water protection programme focused on bamboo planting to conserve water resources and increase the incomes of local communities through ecotourism, plus biopori holes to preserve rainwater and prevent flooding. See [case study](#).



For this and other case studies on water stewardship see our [website](#).

<sup>1</sup> The amount balanced is the volume of water put in bottles, plus the unavoidable losses from evaporation and the moisture in by-products (approximately 1.5 hl/hl).



# Protecting water resources

## Actions and results in other areas

### Reducing water consumption in the rest of our supply chain

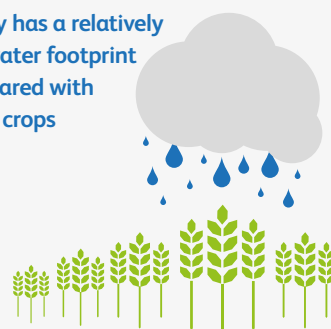


Barley field in Ethiopia.

Water usage in growing our crops (mainly barley) represents approximately 90% of our total water footprint. Barley has a relatively low water footprint compared with other crops: it has a high water-use efficiency rate, is relative tolerant to drought and in most countries is only rain-fed. But in some sourcing areas, structural irrigation is needed to maintain optimal soil moisture. Changing rainfall patterns and rising temperatures may lead to more irrigation in the future.

We are partly addressing this challenge, which we cannot directly control, through our sustainable sourcing activities and our work with the Sustainable Agriculture Initiative (SAI). Based on stakeholder consultations begun in 2014, a project group has been formed to better develop our understanding of water and agriculture, identify sourcing areas and 'hot spots', and seek opportunities for improvement. For more details see our [Sustainable Sourcing section](#).

Barley has a relatively low water footprint compared with other crops



### Wastewater treatment



Wastewater treatment plant, Zoeterwoude brewery (The Netherlands).



For more data on water and wastewater treatment, see our [GRI 4 Reference Table](#).

It is our policy to ensure that effluent from our production units is treated before discharge to surface water, either by our own or third-party treatment.

In 2014, our production facilities discharged an estimated total of 25.9 kton of organic load into surface water, compared with an estimated value for 2013 of 23.1 kton.

The increase was mainly due to better and more complete data available in 2014 compared to 2013.

#### Effluent organic load discharged to surface water

kton COD discharged by beer + soft drink + cider + water production units

**25.9** kton COD







## Reducing CO<sub>2</sub> emissions

### Our 2020 commitments

- Reduce CO<sub>2</sub> emissions in production by 40%
- Reduce the CO<sub>2</sub> emissions of distribution by 20% in Europe and the Americas
- Reduce the CO<sub>2</sub> emissions of our fridges by 50%.



Wieselburg Brewery, Austria. 50% of thermal energy from renewable sources through an innovative cooperation with an adjacent saw mill.



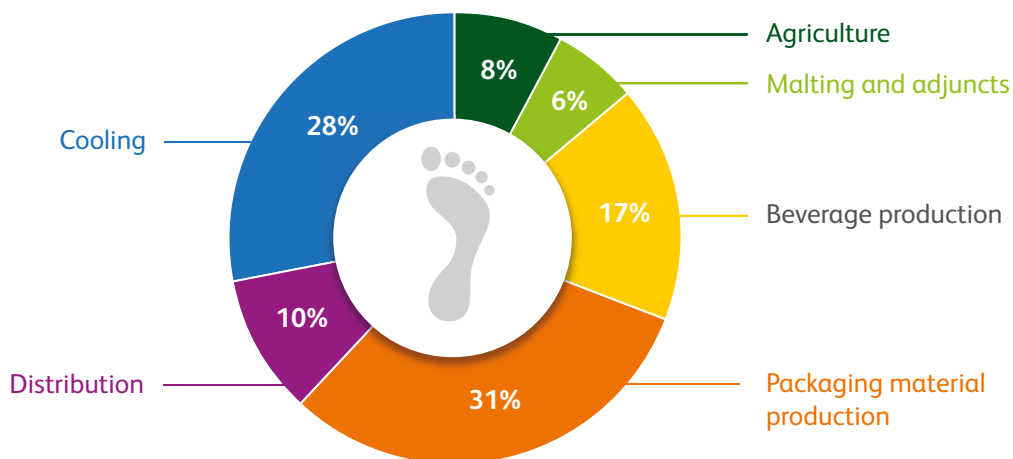
For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).



# Reducing CO<sub>2</sub> emissions

## Actions and results in our commitment areas

### Carbon footprint<sup>1</sup>



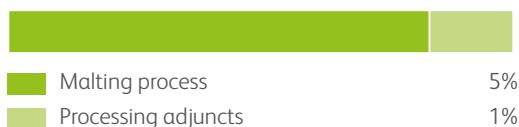
#### Agriculture

8%



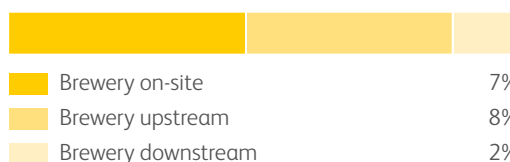
#### Malting and adjuncts

6%



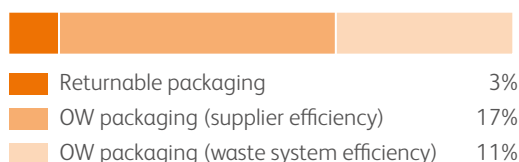
#### Beverage production

17%



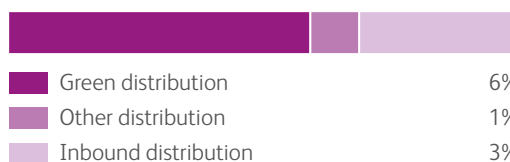
#### Packaging material production

31%



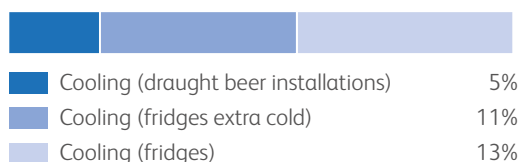
#### Distribution

10%



#### Cooling

28%



For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).

<sup>1</sup> Based on 92% of the HEINEKEN Company Volume in 2012. The carbon footprint calculated in 2012 is approximately 68 kg CO<sub>2</sub> -eq/hl (greenhouse gas emissions in CO<sub>2</sub> equivalent per hectolitre). The HEINEKEN Company carbon footprint will be updated every three years. The next update is planned for the 2015 Sustainability Report and will include the acquisition of HEINEKEN Asia Pacific.

Remark: Total percentage may not add up to 100% due to rounding. Green distribution = HEINEKEN-controlled outbound distribution.



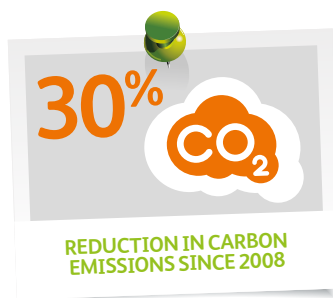
# Reducing CO<sub>2</sub> emissions

## Actions and results in our commitment areas

### Reducing CO<sub>2</sub> emissions in production<sup>1</sup>

In 2014, we reduced our CO<sub>2</sub> emissions in production to 7.2 kg CO<sub>2</sub>-eq/hl, a reduction of 30% compared with the baseline year of 2008. This means we achieved our 2015 target, one year ahead of schedule.

This success in reducing the emissions per hectolitre has meant our total company emissions have fallen, even though our volumes have grown. In 2014, our production volumes were 13% higher than in baseline year 2008, yet we used 11% less energy. This shows it is possible to grow as a company, and at the same time reduce our environmental impact.



The reduction in CO<sub>2</sub> emissions is being achieved by improving our energy efficiency for both thermal and electrical energy, and by using more renewables and replacing high CO<sub>2</sub>-intensive fuels such as fuel oil with low CO<sub>2</sub>-intensive fuels such as natural gas.

#### Reducing energy consumption

In 2014, we used, on average, 97 MJ of energy to produce one hectolitre of beer, cider, soft drinks and water.

From the energy consumption related to beverage production, a small proportion (1.9 MJ/hl) comes from logistics on-site.

For reasons of clarity, we exclude the energy used by on-site logistics in the energy consumption related to beverage production.

To promote the use of on-site generated biogas we only report the consumption of energy we have purchased. In 2014, we used 1.1 MJ/hl from biogas generated in owned, on-site wastewater treatment plants.

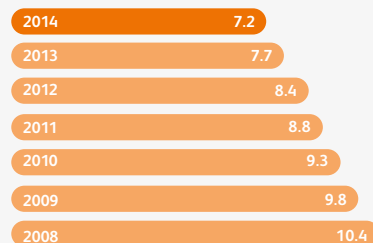


Bottling line at Cuauhtémoc Moctezuma's brewery in Monterrey, Mexico.

#### Specific greenhouse gas emissions

kg CO<sub>2</sub>-eq/hl beer + soft drink + cider + water

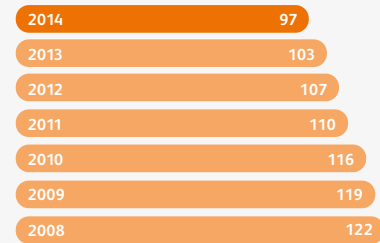
**7.2 kg CO<sub>2</sub>-eq/hl**



#### Total specific energy consumption

MJ/hl beer + soft drink + cider + water

**97 MJ/hl**



#### €M SAVED THROUGH ENERGY EFFICIENCY

€m	Thermal	Electricity
2009	5.2	2.5
2010	2.8	3.5
2011	11.2	3.0
2012	5.1	1.5
2013	9.5	0.0
2014	12.4	6.8
<b>Total</b>	<b>46.2</b>	<b>17.3</b>

Although production volumes have generally increased year on year, we have conservatively estimated the saving by basing it on previous year volumes multiplied with the annual efficiency increase and 2013 average tariff.



For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).

<sup>1</sup> Scope 1 and 2, GHG protocol.





# Reducing CO<sub>2</sub> emissions

## Actions and results in our commitment areas



Bottling line at the Brand brewery in Wijlre. Built in 1340, it is the oldest brewery in the Netherlands.

### Thermal energy<sup>1</sup>

In 2014, we achieved a specific thermal energy consumption within beverage production of 67.7 MJ/hl, a reduction of 6.6% compared with the previous year.

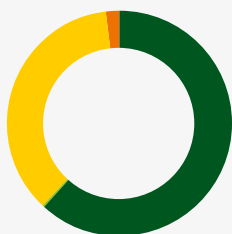
#### Specific thermal energy consumption

MJ/hl beer + soft drink + cider + water

**67.7 MJ/hl**



#### Types of fuel used



Gaseous fuels	64.0%
Coal	0.3%
Liquid fuels	33.7%
Biomass and Biogas	2.0%

Monterrey Brewery in Mexico, one of our largest breweries, reduced thermal energy consumption by more than 10% by installing a wort vapour condensator to recover heat. Sango-Otta Brewery in Nigeria reduced thermal energy use by more than 30% by installing a flash steam recovery system, optimising the efficiency of the bottling lines, reduction of wort evaporation rates and overall insulation to minimise heat losses.

Workshops were organised in 2014 in order to encourage the most efficient use of equipment to limit CO<sub>2</sub> emissions. These workshops were held for a total of 67 participants from Mexico, Nigeria, Asia Pacific and Europe.

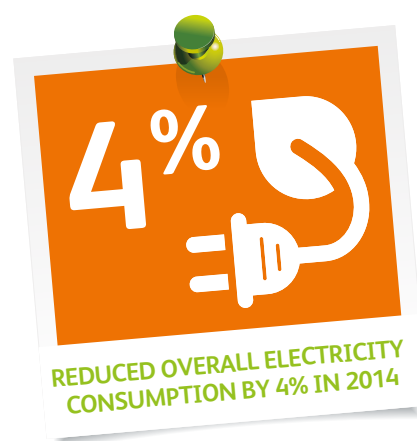
### Electricity consumption

Electrical energy relates to the amount of electricity used on-site. We reduced the overall electricity consumption by more than 4% to 8.0 kWh per hl in 2014. An energy reduction programme in the Western Europe region accelerated electricity reduction. Activities were targeted towards areas such as packaging, compressed air and cooling. By sharing best practices the region further reduced its electricity usage to 7.7 kWh/hl.

#### Specific electricity consumption

kWh/hl beer + soft drink + cider + water

**8.0 kWh/hl**



For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).

<sup>1</sup> Thermal energy consumption relates to fuels used to produce heat for our beverage production processes.



# Reducing CO<sub>2</sub> emissions

## Actions and results in our commitment areas



More than 4,000 solar panels installed at Tadcaster brewery, UK.

### Renewables in the energy mix

We achieve the greatest level of CO<sub>2</sub> emissions reduction where we are able to introduce more renewables into the energy mix.

#### Solar energy

More than 4,000 solar panels were installed on the roof of HEINEKEN's Tadcaster Brewery in North Yorkshire, UK. The panels are expected to generate approximately 876 MWh each year, which is enough to power 185 British homes.

HEINEKEN also participated in Solar Brew, an EU-funded project to demonstrate the feasibility of large solar thermal systems in brewing. The Solar panels were successfully

installed in Göss (Austria) in 2013 in an area of 1,500 m<sup>2</sup>, however similar projects in Valencia (Spain) and Vialonga (Portugal) were cancelled due to the bankruptcy of the selected panel maker in February 2014.

#### Wind energy

In Zoeterwoude, the Netherlands, we started building four wind turbines at the end of the year. These should be operational by the end of 2015, and will produce 30-40% of the energy needs for that site.

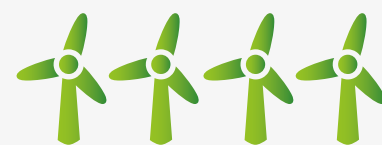
In Mexico, the Mareña Renovables Wind Farm Project in Oaxaca is expected to be operational by late 2016 and should provide around one-third of the power needs for beverage production. The operators of the proposed site started a public consultation in 2014.

#### Biomass

In November 2014, our Da Nang brewery in Vietnam switched from diesel to biomass (such as rice husks) as boiler fuel, reducing direct CO<sub>2</sub> emissions to virtually zero as a result. See [case study](#).



The Tullo Wind Farm in Aberdeenshire, one of HEINEKEN UK's sources of green energy.



# 30-40%

In Zoeterwoude, the Netherlands, four wind turbines will produce 30-40% of the energy needs for that site.

We received the final permit to build a spent-grain fermentation facility at our brewery in Leoben-Göss, Austria. The facility will produce methane, ending the brewery's reliance on natural gas consumption. This is the final step needed for the brewery to achieve a fossil-fuel-free production process.

#### Renewable electricity

We continued to purchase more renewable electricity at our breweries<sup>1</sup>: the percentage increased from 18% in 2013 to 19.5% in 2014.



For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).

<sup>1</sup> All consolidated operations.



# Reducing CO<sub>2</sub> emissions

## Actions and results in our commitment areas

### Reducing CO<sub>2</sub> emissions in distribution<sup>1</sup>

In distribution, we focused our efforts on key areas such as fuel and transport efficiencies, establishing strategic alliances and engaging with suppliers and external initiatives.

In Europe and the Americas, there was a combined increase in CO<sub>2</sub> emissions from distribution of 3.6% compared with the baseline year. This increase was caused by changes to the production footprint and trade terms in both Mexico and Brazil, two of our biggest markets. These changes included increased export volumes, a greater use of transport between breweries due to capacity constraints, and more direct deliveries instead of self-collection. Excluding Mexico and Brazil, our emissions in distribution actually reduced by 5.9%. It will, however, be a challenge to meet our 2015 target. We are focused on putting plans in place towards both this milestone and our 2020 commitment.

Shifting to alternative fuels is one way for us to reduce CO<sub>2</sub> emissions in distribution.



One of HEINEKEN Netherlands's electric-powered trucks making deliveries in Amsterdam.

For example, HEINEKEN Netherlands rolled out a second electric-powered truck (load capacity nine tons, range of 200 km) for beer deliveries in Amsterdam.

Improving our truck utilisation also helps in reducing emissions. One area of focus for improvement is to increase the share of lightweight trailers in our contracted fleet, particularly in Central and Eastern Europe.

A third category of emission reduction initiatives is modal shift. For example,

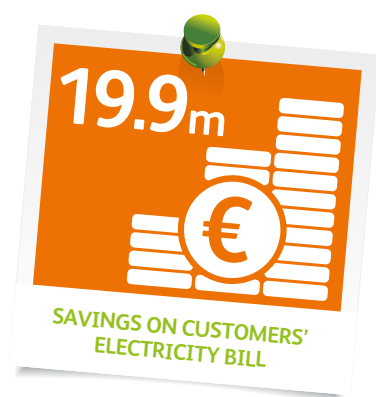
HEINEKEN Italy has shifted from road to sea for deliveries from Puglia to Sicily, reducing our CO<sub>2</sub> emissions. See [case study](#).

For more information about our engagement in external initiatives such as Green Freight Europe, Smartway and Clean Cargo, see the [sustainability section](#) of our Company website.

### Reducing CO<sub>2</sub> emissions from fridges<sup>2</sup>

Cooling is essential to our consumers' enjoyment of our beverages. To reduce the total carbon footprint, we continued in 2014 to install 'green' fridges, both in cases where we replaced an old fridge and in cases where we installed a fridge in a new location.

For a fridge to be classified as 'green', it has to have four 'green' characteristics<sup>3</sup>.

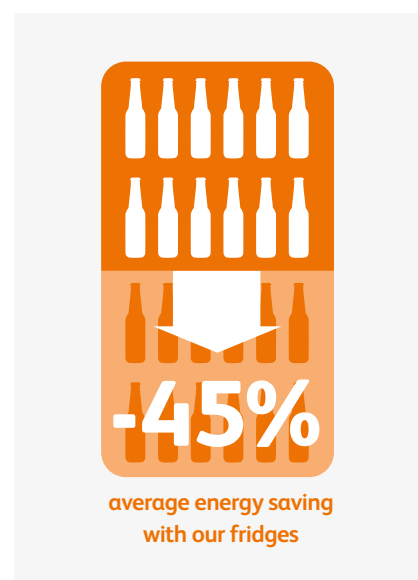


For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).

In total, 99.8% of the more than 152,000 fridges that HEINEKEN bought in 2014 had one or more 'green' characteristics and 66% were compliant with all four. The average energy saving improved from 40% to 45% in 2014, compared with the baseline year 2010.

Take-up of the iCool fridge, an innovative fridge that is 70% more energy efficient than related beverage coolers from 2010, has slowed. In order to make this innovation commercially attractive, a new manufacturer has acquired the concept to further develop the fridge and improve the cost structure.

David XL Green – the world's greenest draught system – won another two awards in 2014: Top Product of the Year at the Environmental Leader Product & Project Awards, and End User of the Year (Non-Supermarket category) at the RAC Cooling Industry Awards. Launched in 2012, the system has now been rolled out to 28 HEINEKEN markets.



<sup>1</sup> Scope 3, GHG protocol.

<sup>2</sup> Scope 3, GHG protocol.

<sup>3</sup> These four are: 1. use of hydrocarbon refrigerant, 2. LED illumination, 3. an energy management system, and 4. energy-efficient fans.





# Reducing CO<sub>2</sub> emissions

## Actions and results in other areas

### Reducing CO<sub>2</sub> emissions from packaging



Wieselburg Brewery, Austria.



Manufacturing packaging material remains the largest source of CO<sub>2</sub> emissions within HEINEKEN's operations.

In 2014, we made a number of packaging innovations, including the launch of THE SUB®. Designed to enable consumers to enjoy high-quality beer at home, THE SUB® has an energy label of A+, making it 75% more energy efficient than our previous systems. It also uses fully recyclable 2-litre PET TORP® kegs for beer storage. THE SUB® is currently available in the Netherlands, France and Italy and will be launched in the UK in 2015.

#### Ecodesign Packaging Procedure

For any new packaging initiative HEINEKEN uses a specific methodology, the Ecodesign Packaging Procedure (EPP). This framework is integrated within our global innovation process. It provides a structured methodology for ecodesign, including tools and recommendations for teams to use to make design decisions.

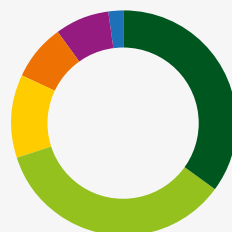
In 2014, the life cycle assessment tool, which calculates the environmental impact of packaging on the environment, was used more than 1.260 times. We added 134 new packaging types to the tool.

For details on how EPP works, [see the corresponding section of our website](#).

In 2014, we continued to work with our key glass and can suppliers to reduce energy usage by creating efficiency improvements.

HEINEKEN is a member of the European Organization for Packaging and the Environment (EUROPEN). We are currently involved in a project related to the EU Packaging and Waste Directive, aimed at optimising collection and recycling in Europe.

#### Graphic breakdown of different types of packaging and their contribution to emissions



■ Glass bottle	35%
■ Aluminium can	35%
■ Secondary or tertiary	12%
■ Returnable	8%
■ PET bottle	8%
■ Steel can	2%



For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).





# Reducing CO<sub>2</sub> emissions

## Actions and results in other areas

### Waste recycling

The recycling rate of co-products, packaging and industrial waste was 97%. We sell most of our co-products primarily for use as animal feed or compost.

The specific amount of non-recycled industrial waste resulting from the production of beer, cider, soft drinks and water reduced to 0.5 kg/hl.

#### Environmental compliance

The number of complaints related to an environmental or industrial safety accident decreased slightly. Almost half of these complaints were related to nuisance by noise.

The number of accidents related to environmental or industrial safety decreased for the third consecutive year. The main causes for these were noise (13), smell (5) and exceeding legal limits for treated wastewater (5).

#### Waste recycling in reporting year

% recycled per category

Total co-products, packaging and industrial waste

96.8

Total wastewater sludge

77.9

Total hazardous waste

68.4

% recycled of totals

Total waste

96.8

#### Non-recycled co-products, packaging and industrial waste

kg/hl beer + cider + softdrink + water

0.50 kg/hl

2014 0.50

2013 0.54

2012 0.51

#### Environmental and safety complaints

Number of complaints

34

2014 34

2013 35

2012 29

#### Environmental and safety accidents

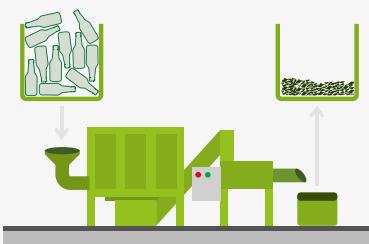
Number of accidents

31

2014 31

2013 33

2012 42



#### Case study:

France – Integrated recycling system gives disposable glass a second life

France Boissons, HEINEKEN's distribution company in France, developed a system for customers called Acti'Verre that can crush and store up to 20 kg of glass. This reduces the space required for empty bottles by 80% and minimises health and safety risks for employees handling glass. See [case study](#).



For this and other case studies on reducing CO<sub>2</sub> emissions see our [website](#).



For more on our CO<sub>2</sub> priorities and why this is important, see our [website](#) and [case studies](#).



## Sourcing sustainably

### Our 2020 commitments

- 50% of our main raw materials to be supplied from sustainable sources
- 60% of agricultural raw materials in Africa to be locally sourced within the continent
- Ongoing compliance with our Supplier Code Procedure.



Théthé Nzoka, a rice farmer from Kingabwa, near Kinshasa (Democratic Republic of Congo).

She stars in our Growing Together campaign, which highlights our commitment to local sourcing in Africa. Click [here](#) to watch the video.



For more on our sustainable sourcing priorities and why this is important, see our [website](#) and [case studies](#).





# Sourcing sustainably

## Actions and results in our commitment areas

### Sustainable sourcing of agricultural materials



Barley field in Spain, where HEINEKEN has a partnership to preserve the habitat of endangered bird species.



Hop farming in Germany.



Apples for our ciders are sourced in the UK.

Following the SAI definition of sustainable agriculture, the scope of our work on sustainable agriculture covers soil, water, biodiversity, air, greenhouse gas, waste, working conditions, training of farm workers, impact on the local economy, as well as several elements of economic sustainability and sustainable farming management systems.

During 2014, we continued to refine our data gathering for measuring sustainably sourced raw materials. We are on track to meet our 2015 sustainable sourcing target.

2014 was our first year of implementation and led to these baseline figures. The plans for expansion of the scope in 2015 are set up to hit all three targets for 2015.

Our reporting is based on the concept of 'mass balance'. Mass balance is a fully auditable system that allows sustainably sourced products to be reported by HEINEKEN, without requiring sustainable and conventional products to be kept physically separated.

As an active member of the [Sustainable Agriculture Initiative Platform](#) (SAI), an organisation of more than 50 multinational food companies working towards a more sustainable food chain, we used the SAI Farm Sustainability Assessment (FSA) in

several countries as a reference to externally benchmark our local agricultural schemes. HEINEKEN considers an agricultural product sustainable if the applied scheme meets at least the SAI FSA Bronze level. This level indicates that the scheme has established the fundamental elements of sustainable farming<sup>1</sup>.

In 2014, we began test auditing with SGS, an external audit company. We audited suppliers, cooperatives and [farmers in Germany](#) (hops), France (barley) and the UK (cider apples). Based on the non-compliances found in the audit, the relevant suppliers submitted defined improvement plans.

In 2015, we will audit a selected number of suppliers who have provided us with claims to sustainably source volumes. From 2016, a supplier risk management tool will be used to decide which suppliers to audit.

#### Progress against targets



See our [case studies](#) for more on our biodiversity initiative in Spain and our cooperation with German hop suppliers. For more details see also our [GRI 4 Reference Table](#).



<sup>1</sup>SAI works with three levels of maturity in sustainable agricultural practices: bronze, silver and gold.



# Sourcing sustainably

## Actions and results in our commitment areas



Our brewery in Surinam sources its rice locally from farmers in Nickerie.

### Water, fertiliser and pesticides

As a result of our ongoing dialogue with stakeholders, in 2014 we launched a supplier questionnaire to better understand the use of water, fertiliser and pesticides throughout our raw materials supply chain. Moreover, we asked Aidenvironment (a non-profit research agency) to study the amount of water, fertiliser and pesticides used for the growth of barley, our main agricultural input.

This study confirmed that barley has moderate input requirements compared

with other crops (for example, sugar beets, rice, wheat and potatoes). Another conclusion is that ongoing climate change might create additional need for irrigation, particularly in areas of (future) water scarcity. In parallel, the cost of fertilisers and pesticides are expected to rise further. These trends are likely to negatively affect the profit margins of some of our agricultural suppliers. This will further intensify the competition between crops, posing a potential supply risk for HEINEKEN.

A project group will use these conclusions to define how we intend to mitigate or deal with these risks.

### Reducing carbon footprint in agriculture: 'Cool Farm Tool'

Together with leading academics and major food and drink industry players (like Unilever, PepsiCo and Tesco) we introduced the online Cool Farm Tool in January 2014. The tool helps farmers to measure, manage, and reduce greenhouse gas emissions and is free to use. We are currently extending the tool's capabilities to cover other metrics, for example, water footprint, biodiversity and economics.



Sustainable farming in the Netherlands.



### Message in a bottle

At the heart of HEINEKEN's sustainable sourcing efforts are our farmers. To honour them, a new campaign has been created: Legendary 7. To bring the unique stories of seven 'green pioneers' to life, the campaign uses augmented reality via the Blippar App. One blipp of a Heineken® bottle or coaster and it leaps to life on your smartphone.



For more on our sustainable sourcing priorities and why this is important, see our [website](#) and [case studies](#).





# Sourcing sustainably

## Actions and results in our commitment areas

### Local sourcing

In 2014, we sourced more than 48% of our African agricultural raw materials locally<sup>1</sup>, a strong improvement compared with 2013. Our goal is to reach 50% in 2015 and 60% by 2020. We currently source agricultural raw materials locally in 11 countries across Africa and the Middle East. With some countries sourcing several crops locally, there are a total of 16 initiatives running across the region.



These initiatives include six Public-Private Partnership projects run in collaboration with the Dutch Government, International NGO EUCORD (European Cooperative for Rural Development) and with local governments and NGOs, which will further stimulate our local sourcing performance. Our projects involve around 120,000 farmers' households, benefiting 840,000 family members (based on an average household in Africa of seven persons).

One of the initiatives is called CREATE, which stands for Community Revenue Enhancement through Agricultural Technology Extension. This Public-Private Partnership with the Dutch Government and EUCORD was launched in 2013 and operates in three markets: Ethiopia, Rwanda and Sierra Leone.



For more on local sourcing, including videos, see the [dedicated section](#) on our website.



Rwanda farmers seeding.

- We now have more than 6,000 farmers in our barley-growing project in Ethiopia, up from 1,700 in 2013
- Our maize project in Rwanda, which aims to increase the income of 5,000 farmer families, began planting in 2014. In 2015 the project will also start to test low-cost irrigation systems in partnership with the International Finance Corporation (IFC)
- Planting of sorghum was completed in Sierra Leone, with harvesting expected early in 2015, but the spread of Ebola has restricted the access of agronomists to the farms to support farmers. The importation of a new sorghum mash filter has been delayed by the spread of the disease. We continue to monitor the situation there and will relaunch the project once the threat of Ebola has cleared.

In 2014, we achieved growth from a number of our local sourcing initiatives, including sorghum production in Nigeria and Burundi, and barley in Ethiopia. We also established a Public-Private Partnership within the Dutch Government-funded 2SCALE programme to grow cassava with smallholder farmers in Oyo State. See our case studies about [Burundi](#), [Ethiopia](#) and [Nigeria](#).

However, our local sourcing volumes were impacted by a temporary need to use some imported rice in the Democratic Republic of Congo (DRC). This was because a number of our local suppliers sold rice to the World Food Programme (WFP), who needed it urgently to help tackle the crisis in the Central African Republic. This provided a great benefit for

the WFP and the additional demand was welcomed by farmers. However, it also demonstrates the sort of challenges that can be faced with local sourcing, especially if there is a limited supply of crop available.

Our brewery in Johannesburg, South Africa, currently imports its barley. We have initiated a project to grow barley with local farmers, and planting trials took place in the Northern Cape in 2013 and 2014.

#### Haiti

In Haiti, HEINEKEN brewery BRANA continued its work with the Smallholders Alliance for Sorghum in Haiti. The scheme, which provides farmers with quality seeds, equipment and a guaranteed market, was expanded into the south and north-east regions of the country. See [case study](#).



# >120K

Local sourcing projects involved more than 120,000 farmers, benefiting 840,000 family members

<sup>1</sup> Local sourcing means all agricultural raw materials used in HEINEKEN's production processes within the Africa & Middle East region that were cultivated in a country in the region. It is measured against total agricultural raw materials used in production in the AME region and the unit of measurement is tonnes delivered to the brewery/production site. The outputs are expressed in both absolute weight and as a percentage of total raw materials.



# Sourcing sustainably

## Actions and results in our commitment areas

### Compliance with our Supplier Code



Barley farmer in New Zealand.

Our suppliers are key to achieving our sourcing commitments, as much of our impact indirectly lies with them. For a full explanation of our [Supplier Code](#) and our four-step approach, see the [corresponding section](#) of our website.



#### Step one: signing

At the end of 2014, more than 51,000 of our suppliers had signed the Supplier Code, an increase of 9,000 over the previous year, driven by the addition of new HEINEKEN Asia Pacific companies.



#### Step two: risk analysis

In 2014, we conducted a risk analysis on an additional 12,500 suppliers, bringing the total number to more than 47,500 and covering 54 Operating Companies. This significant rise was done in advance of the new HEINEKEN Asia Pacific companies that will need to be analysed during 2015.



#### Step three: monitoring

Since the start of the rollout in 2011, more than 1,500 suppliers have been invited to



For more on our Supplier Code governance, see our [website](#) and related sections in the [GRI 4 Reference Table](#).

join the [EcoVadis](#) sustainability-monitoring platform. More than 450 of these potentially high-risk suppliers took the assessment, or went through a re-assessment, in 2014. Suppliers considered high-risk as a result of their EcoVadis score – meaning they had no, or almost no, active sustainability management – are subject to a site audit (see step four). An additional 230 suppliers were invited to demonstrate how they intended to improve their sustainability performance, even though they did not score below the threshold for high-risk suppliers. Of those, 133 responded with a corrective action plan, which was approved by HEINEKEN. The majority of suppliers that went through the EcoVadis re-evaluation were able to show concrete improvements in their sustainability management systems. These included new formal policies on labour and human rights topics, training or whistleblowing to support ethics policies and additional reporting on their environmental performance, such as water or waste management, against clear targets.



#### Step four: audit

During 2013 and 2014, a total of five suppliers were considered high-risk based on their EcoVadis score. Two audits were closed out and the other three are planned for 2015.

#### Contract terminations

We believe continuous improvement can help suppliers comply with our Code. If there is no commitment to improve, or any corrective measures, HEINEKEN will cease to do business with that supplier. In 2014, we stopped doing business with 176 suppliers (56 in 2013), triggered by the supplier's lack of commitment to our Supplier Code Procedure. Specifically, in 139 cases these were ended due to the supplier not being willing to sign the Supplier Code. In the remaining 37 cases, the end of the relationship was triggered by the supplier's refusal to comply with our supplier monitoring requirements.







## Advocating responsible consumption

### Our 2020 commitments

- Make responsible consumption aspirational through the Heineken® brand
- Build measurable partnerships in every market in scope, aimed at addressing alcohol-related harm
- Take action at an industry level, in collaboration with 12 global alcohol businesses.



Sunrise belongs to moderate drinkers, also in Singapore.



For more on our responsible consumption priorities and why this is important, see our [website](#) and [case studies](#).

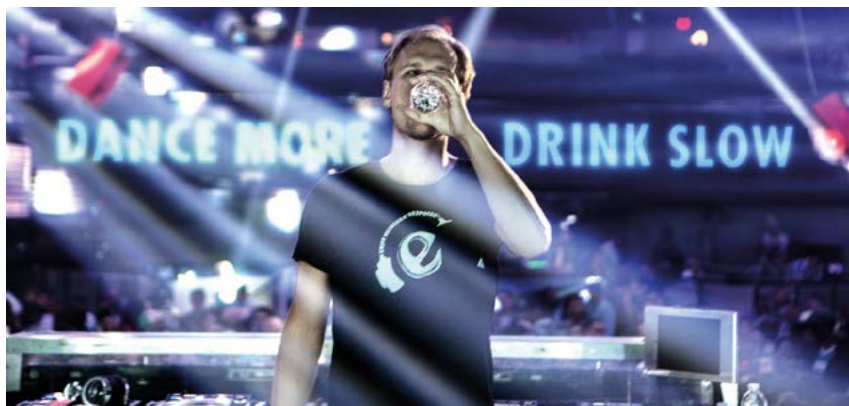




# Advocating responsible consumption

## Actions and results in our commitment areas

### Making responsible consumption aspirational



Dutch DJ Armin van Buuren takes a water break while promoting the 'Dance More, Drink Slow' message to consumers on the dance floor.

In 2014, we continued to spread the message that 'Sunrise belongs to moderate drinkers', our first ever Heineken® responsible consumption campaign which aims to change habits by advocating positive behaviour, rather than criticising bad behaviour.

In January 2014, we took a major step forward with the launch of our second campaign: 'Dance More, Drink Slow', in partnership with world-famous DJ Armin van Buuren. This campaign brings the moderation message directly to clubs: 'stay in control and you can enjoy your night more'. During 2014, 44 Markets activated the campaign. See [case study](#) for backgrounds and impact.



For more information about 'Dance More, Drink Slow' and our moderation movement, see our [website](#).

Moreover, we aim to reach all the fans watching the UEFA Champions League around the World, through our dedicated (Enjoy Responsibly) boarding, at almost every game. The exception being Russia due to local advertising regulations.

Our total investment in 2014 supporting our dedicated responsible consumption campaign exceeded 10% of total media spend in our main markets, representing more than 50% of the Heineken® global volume.

The Enjoy Heineken Responsibly platform also includes a dedicated website in 29 languages covering 88 countries, advertising at all major sponsorships, its own logo displayed on commercial communication and packaging, and discussions with consumers.

#### Marketing and selling responsibly

We aim to ensure that all our commercial communication is responsible, consistent and conforms to our strict rules, as well as to laws and regulations in individual markets. We started updating our Rules on Responsible Commercial Communication in 2014 which will be introduced in the course of 2015. These rules help everyone at HEINEKEN who is involved in marketing and selling our products to ensure we do not contribute to excessive consumption or misuse.

We also have specific Rules on Digital Commercial Communication. These cover areas such as video use, online privacy and security, with a specific focus on age verification, particularly across social media.

100% of our Marketing Teams worldwide finished e-learning training in 2014, representing 1,566 colleagues.

We launched a new set of social media guidelines to stop content reaching children, as part of our Global Industry Commitments together with 12 other leading drinks companies. The Digital Guiding Principles have been designed to ensure online marketing meets the same standards as traditional forms of advertising.

#### Reported complaints

Despite our efforts to communicate responsibly, in 2014 we received 17 complaints about our marketing messages. These claims connected to different communications campaigns, and came from seven different countries. All complaints were investigated and resolved, except for two which are still pending. We also received a fine of EUR30,000 this year for one historic upheld complaint. This related to HEINEKEN advertising in France during the Rugby World Cup 2007, judged non-compliant with French law.



#### Case study: Global – Enjoy Responsibly Day

We launched our first global Enjoy Responsibly Day, to raise awareness within our business about the impact of alcohol abuse and to work together to make moderation the social norm. In total, 46 markets activated the event, reaching more than 40,000 employees. The initiative won the European Excellence Award for Best Internal Communications Campaign in 2014. See [case study](#).



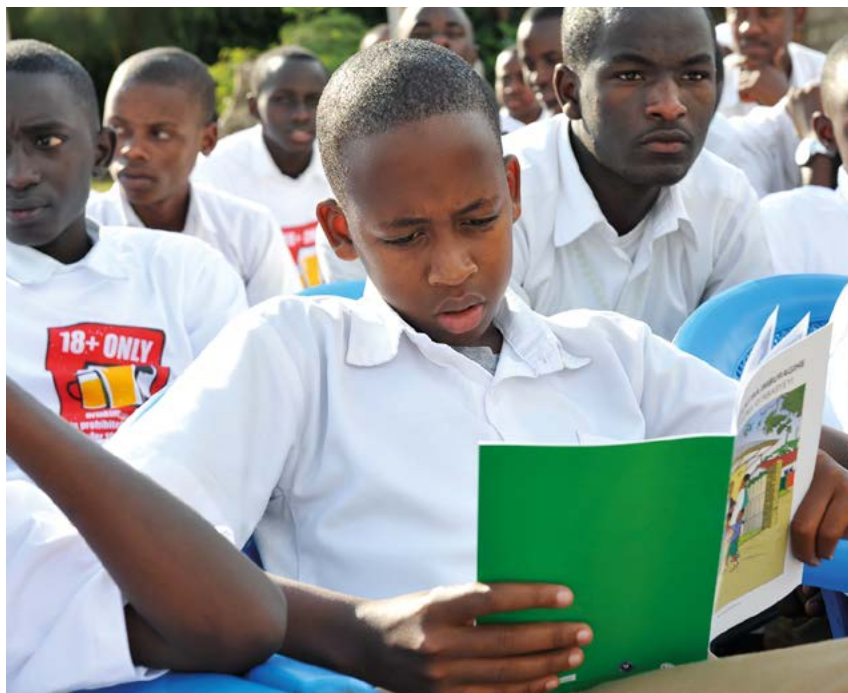
For this and other case studies on responsible consumption see our [website](#).



# Advocating responsible consumption

## Actions and results in our commitment areas

### Building partnerships to address alcohol-related harm



Rwanda: addressing under-age drinking through an educational cartoon campaign.

In 2014, we increased the number of markets where we have partnerships combatting alcohol abuse from 36 to 48, working closely together with local governments, NGOs and specialists. It's our ultimate goal to have these partnerships in all of our markets.

For examples of these partnerships and their activities, see our case studies from [Croatia](#), [Mexico](#), [New Zealand](#), [Russia](#), [Rwanda](#), [Singapore](#), the [UK](#) and [US](#).



### Progress on global industry commitments

In late 2012, HEINEKEN and 12 other global alcohol companies signed collective commitments with clearly defined goals and a five-year action plan, beginning in 2013, to help reduce harmful drinking. The commitments support the World Health Organization's (WHO) Global Strategy to Reduce Harmful Use of Alcohol, and the work is coordinated by the International Alliance for Responsible Drinking (IARD).

We take action in five key areas: under-age drinking, marketing codes of practice, consumer information and product innovation, drinking and driving, and retailer support. A report on the first year's progress on these commitments was published in July 2014 and assured by KPMG. It can be found [here](#).

During 2014, HEINEKEN took action across a range of areas related to the commitments. Examples such as our actions in [Croatia](#) to address under-age consumption or our training programme with the Association of Bartenders and Sommeliers in [Singapore](#) can be found in our case studies section.

Alongside the other signatory companies we participated in a review of compliance with the 70% adult audience rule for television was across 30 major global markets. The results of which can be found [here](#).

#### Why There Is Reason for Hope in the Battle Against Alcohol Abuse

Click [here](#) to read an opinion piece in The Huffington Post by our CEO, Jean-François van Boxmeer, about the battle against alcohol abuse.



For more information about our responsible consumption actions, see our [website](#), [case studies](#) and the relevant sections in the [GRI 4 Reference Table](#).



#### Case study:

##### Croatia – Dedicated microsite tackles under-age drinking

In partnership with women's portal [www.zena.hr](#) and psychological centre TESA, HEINEKEN Hrvatska launched a microsite dedicated to addressing under-age drinking.

The site contained information on topics such as the factors influencing teenage alcohol use and how to talk to minors about drinking and establish boundaries. It also provided online counselling with psychologists and a forum where parents could chat and share their experiences.



For this and other case studies on responsible consumption see our [website](#).



# Advocating responsible consumption

## Actions and results in other areas

### Working in partnership with the industry

In October 2014, the two major global organisations for alcohol producers (ICAP and GAPG) merged to form the International Alliance for Responsible Drinking (IARD), which HEINEKEN continues to support. IARD will accelerate its member companies' work, advocating effective industry policies and programmes, helping to communicate the views and perspectives of members, and serving as a single global point of contact for international and national agencies, member states, NGOs, and other stakeholders. Examples include an initiative to add symbols to alcohol packaging by 2016, warning of the dangers of drink driving, under-age consumption and drinking while pregnant.

We continue to be part of the European Alcohol and Health Forum. This is a platform for companies to tackle alcohol-related harm

at European level. You can find the agendas, reports and presentations to the Forum on the [EAHF website](#).

In 2014, the Responsible Marking Pact (RMP) was finalised and presented to the European Alcohol and Health Forum. The RMP, an initiative signed up to by the eight major alcohol producers in Europe including HEINEKEN, aims to reinforce alcohol advertising self-regulation throughout Europe and comes into force from June 2015.

As a member of Brewers of Europe, we remain committed to the Beer Pledge, a voluntary initiative to support EU member states in reducing alcohol-related harm. In November 2014, its second [report](#) was released, detailing HEINEKEN programmes,



including those promoting responsible packaging, and discouraging drink driving, drinking when pregnant and under-age consumption. It also highlighted the industry's commitment to promoting the responsible consumption of beer, increasing consumer knowledge and strengthening responsible beer advertising.

### Creating a taste for no-alcohol and low-alcohol brands

As consumer tastes and drinking habits evolve, we increasingly see a group of consumers who embrace a moderate lifestyle. We have been innovating rapidly with our no- and low-alcohol brands, offering consumers greater choices around alcohol consumption while keeping them affiliated to beer.

Radler (2% alcohol by volume), an all-natural mixture of beer and lemon juice first launched in 2008, is one of HEINEKEN's most successful launches ever, now available in 50 countries.

In 2014, we launched Radler 0.0% beers in eight countries, made with alcohol-free beer.

We also launched 0.0% MAXX in 2014, an all-natural, alcohol-free beer with a full flavour to appeal to traditional beer drinkers. Currently available in Greece, Bulgaria, Croatia, Hungary and Romania, it will be rolled out further in 2015. See [video](#).

#### Responding to consumers

Consumers are not only embracing moderation, but are increasingly conscious of the ingredients used in their food and drink choices. Although caramel colouring is fully approved by the FDA (Food and Drug Administration) and found in many foods and beverages we all enjoy, in 2014 HEINEKEN USA listened to consumers' concerns and made the decision to remove it from our Newcastle Brown Ale recipe. In February 2015, we stopped using caramel colouring in Newcastle Brown Ale and now achieve its distinctive colour and flavour by using roasted malt.



For more information about our partnerships and memberships, see our [website](#).



#### Case study:

##### USA – Advanced technology breathalysing, in partnership with Alcoholoot

HEINEKEN USA signed a three-year partnership agreement with Alcoholoot, the world's first smartphone breathalyser. The Alcoholoot attachment allows consumers to determine their Blood Alcohol Content. The supporting app helps locate a taxi company, or nearby restaurant, if they need a safe ride home or food. See [case study](#) and [video](#).



For this and other case studies on responsible consumption see our [website](#).





## Promoting health and safety



Karim Bakouri, Brewery Den Bosch, The Netherlands.



For more on promoting health & safety and why this is important, see our [website](#) and [case studies](#).



# Promoting health and safety

## 2015 Safety targets



Employee at Brarudi, our brewery in Burundi.

Area	Indicator	2015 target
Production	Accident Frequency	10% reduction
Outside production	Percentage of sites reporting at least one near-miss per quarter	90% of OpCos at 75% of sites
Company-wide	E-learning training	90% of OpCos to have trained 90% employees
Sales	Road safety training with Alert Driving	2,000 sales managers trained



## Fatalities

It is a matter of considerable regret that in 2014, 15 people lost their lives working within the HEINEKEN Company (compared with nine fatalities in 2013). This remains a point of ongoing attention and concern for us.

Of the 15 people who lost their lives, four were direct HEINEKEN employees and 11 were employed by contractors or suppliers. Eight fatalities occurred in Mexico, two in Russia, two in Vietnam, one in Brazil, one in DRC and one in Nigeria. Of the 15 deaths,

eight were due to traffic accidents, one due to a dust explosion and six were the result of shootings at retail stores in Mexico owned by the Company, where the victims included HEINEKEN employees.

The number of fatalities in Mexico continues to reflect the high level of crime-related violence in its society. Our operation in Mexico keeps in regular contact with the relevant authorities to ensure assistance in addressing the violence, and continues taking

a wide range of measures such as 'safe cash' procedures, instructions and training on how to act in case of an assault or shooting and security visits to retail stores. For the other fatalities, the relevant Operating Company conducted a full investigation and an improvement plan was made. In all these cases, a global safety alert was sent to the whole Company, to share learnings and help prevent a recurrence of the same accident elsewhere.



Click [here](#) to find out more about our road safety campaign in 2014.

# Promoting health and safety

## Accidents and safety performance

In 2013, we began auditing the collection of accident data from areas outside production and found that the process for collecting and reporting accidents and incidents was not as robust and embedded as within the production environment. We published the Company-wide data for the first time last year, knowing it was under-reported but to show that more accidents happen outside of production than inside. During the course of 2014, we completed the global rollout of a dedicated Accident Reporting & Investigation Software system (ARISO), resulting in further improvements in data quality and completeness. As this process was not fully in place at the start of 2014, there could still be under-reporting outside of production for full-year data. We now expect to be able to publish our first reliable Company-wide baseline in 2015 for future trend analysis.

In production, the average accident frequency for production and on-site logistics employees continued to decrease from 0.88 accidents per 100 FTEs in 2013 to 0.83 accidents per 100 FTEs in 2014.

In 2014, we recorded a total of 1,297 accidents among employees for the whole of HEINEKEN, of which 707 in sales and marketing, 330 were in logistics and distribution, 227 in production, and 33 in support functions. This is a slight decrease compared with 2013 (1,311).



Safety data	Production only*			Company-wide
	2012	2013**	2014**	2014
<b>Fatalities and permanent disabilities</b>				
Fatalities of Company personnel	1	1	0	4
Fatalities of contractor personnel	2	1	1	11
Permanent disabilities of Company personnel	6	3	7	11
<b>Accidents (Absolute values)</b>				
Accidents of Company personnel	328	244	227	1,297
Accidents of contractor personnel ***	112	108	102	159
Lost days of Company personnel	10,220	6,950	7,619	29,515
Total workforce (FTE)	28,215	27,793	27,381	79,538
<b>Accidents (Relative values)</b>				
Accident Frequency (cases per 100 FTE)	1.16	0.88	0.83	1.63
Accident Severity (average lost days per 100 FTE)	36	25	28	37

\* As in previous years we provide the trends and figures on production unit data. This includes the production facilities and the logistics as they happen at the production facilities.

\*\* 2013 and 2014 data from Global reporting system (2012 from different system used in previous years' reports).

\*\*\* No data available for contractor accidents outside production Q1-Q3 in Asia Pacific region



**WE CONTINUED THE  
REDUCTION OF ACCIDENTS  
WITHIN PRODUCTION**

### Accident frequency

Cases/100 FTE, HEINEKEN  
Production Units

**0.83**

2014 0.83

2013 0.88

2012 1.16

### Accident severity

Lost calendar days/FTE, HEINEKEN  
Production Units

**28**

2014 28

2013 25

2012 36



For more detailed data on (occupational) health and safety, see our [GRI 4 Reference Table](#).



# Promoting health and safety

## Improving safety

Most work-related accidents and fatalities happen outside our production sites, when our people are travelling or distributing our products, as these are less controlled environments. This is the reason why we have a global strategy that is systematically addressing safety across the whole of the Company, with a particular focus on road safety.

Some of the initiatives in 2014:

- A global best practices competition on road safety (see [case study](#)) and

a dedicated internal website for best practice sharing

- Safety leadership workshops for management teams, reaching more than 800 leaders in 29 Operating Companies
- We launched three new safety e-learning modules (making a total of 15 modules). The use of e-learning modules is monitored and in 2014, 72% of the Operating Companies had achieved their targets
- 'Safety First' was introduced as a measured behaviour in performance reviews and started in 2015

- Launched in 2013, our Accident Reporting and Information Software programme (ARISO) now has more than 3,500 users, following our efforts to ensure all accidents and incidents are reported and investigated on a timely basis.



Accident simulation at Athenian Brewery, Greece.



## Healthcare and well-being



In 2014, we continued our focus on the provision of healthcare in Africa, including malaria and HIV treatment. Since 2001, we have worked with Dutch NGO PharmAccess to provide HIV medication for employees and their dependants (even if they leave the Company). The programme is being extended to Operating Companies in Asia. A start was made in Papua New Guinea. In Vietnam and Cambodia the programme is already running.

Worldwide, we offer direct medical care at 44 sites to more than 38,000 colleagues and family members. More than 180,000 consultations were carried out by our medical staff in these countries.

During 2014, we reacted to the ongoing Ebola crisis in Sierra Leone where we have a brewery. We supplied personal protection equipment (PPE) to our medical facility. Our employees and their family members

continued to have access to our brewery health clinic and medical staff for all their basic medical needs, to help them avoid having to visit public hospitals where the risk of infection was greater. We have kept our staff informed about safety measurements to prevent the risk of infection. We used infrared thermometers to measure temperatures of employees and visitors coming onto our brewery site and medical staff trained in PPE use to prevent transmission on-site. We donated cash and in-kind products to various local organisations and the government (non-contact infrared thermometers, PPE such as masks, gloves, boots and goggles). The situation is under constant monitoring and evaluation. In Nigeria where there were a few cases of Ebola, similar measures were taken to ensure the health and safety of the employees and to be able to continue operations.



For more detailed data on healthcare and well-being support, see the relevant sections in the [GRI 4 Reference Table](#).





## Growing with communities



In 2014, the APB Foundation (HEINEKEN Asia Pacific) celebrated 20 years of giving and announced a three-year partnership with Willing Hearts, a volunteer-run organisation in Singapore providing daily meals and other support services for people in need.



For more on growing with communities and why this is important, see our [website](#) and [case studies](#).





# Growing with communities

## Investing in our communities

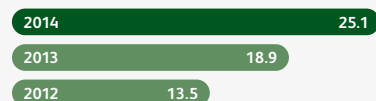
From the farmers we work with to the people living around our breweries, we want to ensure that our success as a business helps the communities and societies in which we operate to prosper.

Our support is based on three building blocks:

1. Direct contributions
2. Shared-value projects
3. The Heineken Africa Foundation.

### Total direct contributions by Operating Companies

€25.1m



### 1. Direct contributions

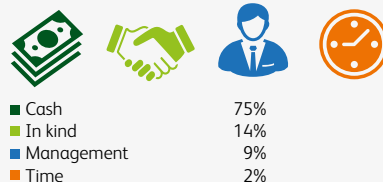
In 2014, HEINEKEN Operating Companies contributed the equivalent of more than EUR25 million, including cash, time, in-kind donations and management costs. This is an increase of more than 30% compared with 2013, partly due to significant investments by our Mexican operations in the Monterrey Metropolitan Water Fund. Our focus is on seeking long-term community investments through partnerships that are aligned with our business and sustainability agenda, such as addressing alcohol misuse and local water challenges. In some markets, foundations such as the Cruzcampo Foundation in Spain and the APB Foundation in Singapore, actively support local communities in the field of education, employment, social welfare and art.

We encourage all employees to become actively involved in the communities in which we live and work. In 2014, more than 16,000 employees in 40 markets took part in volunteering activities, spending in total an estimated 60,000 hours.



We are member of the London Benchmarking Group and use its reporting model to calculate our community investments.

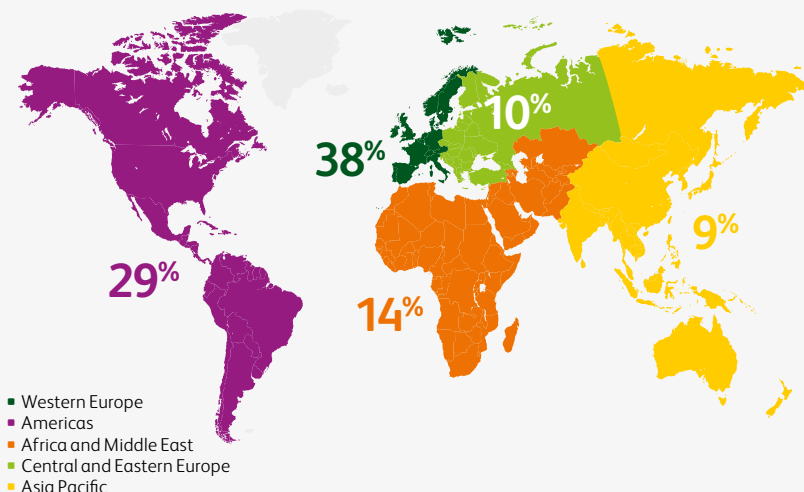
### How we contributed in 2014



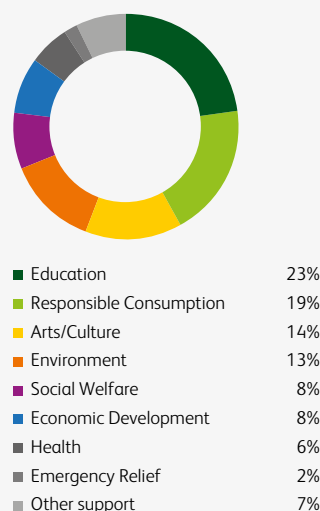
### Motive for contribution in 2014



### Where we contributed in 2014



### What we supported in 2014



### Case study: UK – Act for Addaction

HEINEKEN UK employees donated 1,148 volunteer hours and raised EUR246,000 for Addaction in 2014. Addaction, with whom HEINEKEN has partnered since 2005, is the UK's largest specialist alcohol and substance addiction charity. See [case study](#).



For this and other case studies on growing with communities see our [website](#).



Read more about how we raise eco-awareness in [Russia](#), preserve a green [Surinam](#) through drones, and support entrepreneurs in [Greece](#) in our case study section.





# Growing with communities

## 2. Shared-value projects

Our local sourcing projects across Africa and in Haiti are prime examples of our philosophy on 'inclusive growth' and how we create shared value. These projects benefit HEINEKEN as a business, and at the same time create jobs locally, help to strengthen the agricultural sector and improve the lives of rural households over time. In 2014, we invested around EUR600,000 in our PPP projects in DRC, Burundi, Rwanda, Ethiopia and Sierra Leone. This excludes additional funding by third parties. For more information, see our [Local Sourcing](#) section.



Farming techniques in Ethiopia.

## 3. The Heineken Africa Foundation

Established with an endowment from HEINEKEN of EUR20 million, the independent Foundation can invest up to EUR1 million per year in community healthcare and water projects in sub-Saharan Africa.

Since its establishment, the Foundation has committed to 70 projects totalling around EUR6 million of which 36 projects were running in 2014. Fifteen of these projects began in 2014, including the construction of a new hospital in Sierra Leone and the construction of 20 rainwater tanks in DRC.

The Foundation works in partnership with HEINEKEN's subsidiaries in sub-Saharan Africa and local governments and NGOs. As the Foundation has its own legal entity, this investment is being reported separately in this report. See [case study](#).



Constructing 20 rainwater tanks in DRC.



HEALTHCARE AND WATER  
PROJECTS STARTED IN 2014 BY  
HEINEKEN AFRICA FOUNDATION

## Creating economic and social impact

As a global business, the biggest contribution we make to communities is through the positive impact of our business itself: creating jobs, providing business to suppliers and paying taxes.

We are a pioneering company in measuring economic and social impact in key markets around the world. Since 2006, we have executed 28 studies, three of which were completed in 2014; Burundi, Indonesia and Nigeria. The studies show the far-reaching impact that we have on the economy and society of these countries.

### Tax

In support of HEINEKEN's business priorities we pursue a tax strategy that is sustainable and transparent:

- We expect to pay tax on our activities in the country where they take place, and we do not use tax haven jurisdictions<sup>1</sup> for tax avoidance purposes
- The HEINEKEN tax control framework governs our approach to tax and how we manage tax risks and compliance
- We seek at all times to comply with international and national tax legislation and pursue an open and constructive dialogue with tax authorities.

The taxes that HEINEKEN pays are a significant part of our contribution to local economies. In 2014, HEINEKEN reported an effective income tax rate (beia)<sup>2</sup> of 29.7%, and paid EUR745 million in corporate income taxes. In addition, our Company generates billions of Euros in other taxes for governments around the world, such as excise taxes, VAT and employee taxes. Our consolidated total tax contribution amounted to EUR9.0 billion in 2014.

### Total tax contribution 2014 per category



■ Excise duties paid	53%
■ Net VAT paid	25%
■ Employee taxes paid (incl. social security contribution)	10%
■ Corporate income tax paid	8%
■ Other taxes paid	4%



Click [here](#) for more insights about the socio-economic impact of our African operations.

<sup>1</sup>As defined by the OECD.

<sup>2</sup>Beia refers to our reported numbers adjusted for the impact of exceptional items and amortisation of acquisition-related intangible assets.



## Values and behaviours



HEINEKEN Spain supports young talent in finding a job or setting up a business in Andalucía, a region facing high unemployment rates. See [case study](#).



For more on our values and behaviours and why they are important, see our [website](#).





# Values and behaviours

## Code of Business Conduct

We are committed to conducting business with fairness, integrity and respect for the law and our values. This commitment is laid down in the HEINEKEN Code of Business Conduct, implemented in 2013, in 34 languages across our business.

In 2014, we raised awareness of the Code across the Company through both online and face-to-face training on specific topics such as conflicts of interests and gifts. For 2015, we plan to roll out an e-learning tool on anti-bribery for specific groups of employees.

In 2014, we introduced our new Speak Up Policy in more than 30 languages. The policy encourages our people, or any member of the general public, to speak up in confidence and without fear of retaliation whenever they think they see a breach of conduct.

In addition, we renewed our network of 'trusted representatives' in each Operating Company and promoted them internally. These representatives were chosen for their seniority, approachability and ability to challenge senior management if needed.

Last year, we saw an expected increase in reports due to the extra awareness resulting from our campaigns. In 2014, we received 324 reports through our Speak Up service (an increase of 83% compared with 177 reports in 2013 and 115 in 2012). Of these, 26% concerned misconduct/inappropriate behaviour, 22% fraud, 16% discrimination and harassment, and the remaining 36% a variety of other reports.



Employees from HEINEKEN in Belarus.

The majority of the reports received were found to be unsubstantiated. However, appropriate corrective and preventative actions are taken where relevant and possible, for example, process and control improvements, reimbursement of any financial loss and/or disciplinary measures.



Employee at our Krušovice Brewery, Czech Republic.



For more on our values and behaviours and why they are important, see our [website](#).





# Values and behaviours

## Employees' and human rights

Since 2013, the Employees' and Human Rights Policy (EHRP) has been an underlying policy of the Code of Business Conduct. The policy is applicable to all Operating Companies and subsidiaries in which HEINEKEN holds a majority share or has management control. It endorses the principles of the Universal Declaration of Human Rights and the Core Conventions of the International Labour Organization (ILO).

In 2014, we reinforced the role of the regional management with regard to the implementation and embedding of the policy. In support of the UN Guiding Principles on Business and Human Rights (UNGPs) we engaged with our regions to agree focus markets for 2014, identifying five markets. For three of these markets we had a closer look at the gap analysis and for the other two we looked at identified issues and the way to address these.

We will continue to include EHRP questions in our internal Sustainability Survey. In 2015, we will start to develop a due diligence process for selected markets, in close cooperation with the regional teams. In the coming years we will include, in a phased manner, other markets.

In 2014, we also actively participated in the external benchmarks of the World Business Council for Sustainable Development (WBCSD), and the Business and Human Rights Resource Centre. We contributed to the new WBCSD issue brief, which identifies ways for businesses to increase actions on human rights. We also participated in a panel on 'operational grievance mechanisms' at the Forum on Business and Human Rights.

If any of our employees or external stakeholders thinks there has been any non-compliance with our EHRP, they can report it via our Speak Up Policy.



For more details on employees' and human rights see the specific sections in the GRI 4 Reference Table. Other related chapters in this report are health and safety, water stewardship, and Supplier Code governance.

### HEINEKEN Policy on EMPLOYEES' & HUMAN RIGHTS



Through the HEINEKEN Supplier Code we expect all our suppliers in the value chain to respect employees' and human rights in their operations, and this topic is part of the related procurement governance procedure.

#### Myanmar: building a new brewery

In Myanmar, preparations continue for the opening of our new brewery in Hmawbi township, close to Yangon. Through our operations we will create around 200 direct jobs and many more indirect jobs in the fields of agriculture, distribution, hospitality and retail.

In 2014, we liaised with the International Labour Organization (ILO) and the Myanmar Centre for Responsible Business in relation to establishing positive working terms and conditions for our new operations in the country. This sits alongside the extensive work that was undertaken in 2013 by international and local lawyers to establish the land rights for the site of our brewery.



The HEINEKEN Code of Business Conduct and its underlying policies have been translated into Burmese and are fully applicable to our employees in Myanmar; regular training is conducted on relevant topics and is part of our employee induction programme. Employees can share any concerns about misconduct through our Speak Up service, which is also available in Burmese.

In 2015, we will continue to implement HEINEKEN's global policies and approaches in relation to employees' and human rights, the Supplier Code, local sourcing, water management, employee healthcare, community investment and responsible alcohol marketing.



Building a greenfield brewery in Hmawbi township, close to Yangon (Myanmar).



## Values and behaviours

### Cambodia: Beer Promoters

The promotion and sale of beer in bars and restaurants by professional, female beer promoters is an accepted practice in some Asian countries. However, beer promoters are also subjected to potential health and safety risks, which include harassment, drinking alcohol with customers or even violence.

As founding member of the Beer Selling Industry Cambodia (BSIC), we actively support the health, safety and working conditions of beer promoters via an industry code of conduct for both promoters and external parties such as their employees and bar owners. This code includes a written employment contract, fixed basic salary, life skills training, a zero tolerance approach towards harassment and clear grievance procedures.

The impact of the BSIC is independently evaluated every year through interviews with beer promoters. The 2014 Monitoring Report showed that the working conditions of beer promoters who belong to the BSIC had improved compared with 2013. The majority claimed to be satisfied or very satisfied with their working conditions, stating flexible working hours and the security of the BSIC as reasons. The percentage who experienced some form of sexual harassment has decreased. Unfortunately, the frequency of such incidents has slightly increased since 2013. The pressure to drink alcohol at work has decreased, while for non-BSIC members this figure remains high. More detailed information can be found [here](#).



BEER SELLING INDUSTRY

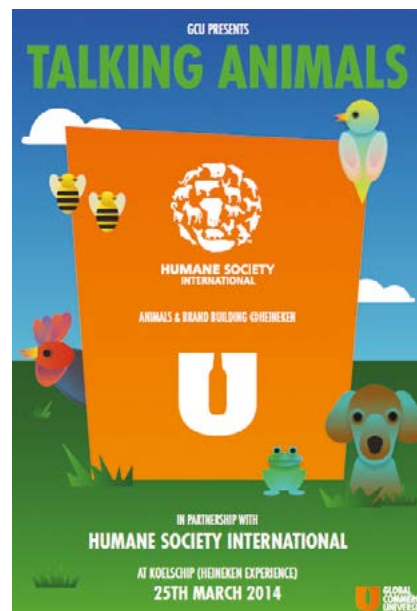


### USA: St. Patrick's Day

In the USA, we decided to withdraw our financial support in 2014 of the St. Patrick's Day Parade in New York, after LGBT (lesbian, gay, bisexual, and transgender) groups were not allowed to openly participate. In Q1 2015, we resumed our support, after the organisers took initial steps to be more inclusive and we expect this to be the beginning of their efforts to create greater equality in the parade and a more diverse celebration in the years to come.

### Global: animal rights

As part of our ongoing commitment to build stronger brands through responsible communications we conducted a workshop for our global marketers on the topic of animal welfare. The workshop was jointly hosted by our Chief Marketing Officer and Chief Corporate Relations Officer and conducted in partnership with leading animal welfare organisation Humane Society International. Participants were challenged to reflect on how, moving forward, HEINEKEN should responsibly include animals in its storytelling. The call to action was how to make our use of animals in advertising aspirational and positive. This resulted in a new clause on animal welfare being added to our Rules on Responsible Commercial Communication.



For more information on people development, training and education, diversity and other topics, see our [GRI 4 Reference Table](#), our [website](#) and our [2014 Annual Report](#).

# Appendix 1: KPMG Assurance Report

## To the readers of the HEINEKEN Sustainability Report 2014

We were engaged by the Executive Board of HEINEKEN N.V. (further 'HEINEKEN') to provide assurance on the HEINEKEN Sustainability Report 2014 (further 'The Report').

The Executive Board is responsible for the preparation of The Report, including the identification of material issues. Our responsibility is to issue an assurance report based on the engagement outlined below.

## What was included in the scope of our assurance engagement?

Our engagement was designed to provide limited assurance on whether The Report is presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative. We do not provide any assurance on the achievability of the objectives, targets and expectations of HEINEKEN. Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

## Which reporting criteria did HEINEKEN use?

HEINEKEN applies the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative, supported by internally developed guidelines, as described in the 'Reporting basis'. It is important to view The Report in the context of these criteria.

We conducted our engagement in accordance with the Dutch Standard 3810N: "Assurance engagements relating to sustainability reports". This standard requires, among others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that they comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure their independence.

## What did we do to reach our conclusions?

Our procedures included the following:

- A risk analysis, including a media search, to identify relevant environmental, safety and social issues for HEINEKEN in the reporting period
- Reviewing the suitability of the internal reporting guidelines
- Evaluating the design and implementation of the systems and processes for the collection, processing and control of the information in the Report
- Interviews with relevant staff at corporate level responsible for providing the information in The Report and carrying out internal control and consolidation procedures on the data in The Report
- Evaluating internal and external documentation, based on sampling, to determine whether the information in The Report is supported by sufficient evidence
- An analytical review of the data and trend explanations submitted by all production sites for consolidation at corporate level
- Reviewing the relevant work of internal audit.

## Conclusions

Based on the procedures performed, as described above, nothing has come to our attention to indicate that The Report is not fairly presented, in all material respects, in accordance with the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative.

Amsterdam, 8 April 2015

KPMG Sustainability,  
Part of KPMG Advisory N.V.  
W.J. Bartels RA, Partner KPMG



## Appendix 2: Reporting basis

### Scope

This Sustainability Report covers the performance of all our consolidated Operating Companies (see Appendix 3: List of Operating Companies) from 1 January 2014 up to and including 31 December 2014. For the first time we include our operations in Bulgaria in which we increased our ownership in 2014 to a controlling stake of almost 99%. During 2014, we divested 80% of our operations in Martinique (Brasserie Lorraine); the key performance indicators have been included up to the sale date, unless highlighted in the report. The divestment of the Mexican packaging business Empaque announced on 1 September 2014 is pending relevant regulatory approvals and is expected to complete in the first quarter of 2015; the key performance indicators have been included for the full year unless highlighted in the report.

The term 'production unit' means maltings, breweries, cider plants, soft drink plants, water plants and combinations of these, at which malt, beer, cider, soft drinks and water are produced. Packaging material plants are also in the scope of production units, covering the manufacture of bottles, crates, cans and can lids. Other plants have been included too; such as ice production facilities and a sand mine.

The volume figures presented in the Environmental section of this report, based on production, may differ slightly from the figures presented in HEINEKEN's financial report, which are based on sales. This difference also relates to export companies and a number of recently acquired production units that have not yet submitted data (newly acquired production units are required to start reporting directly after the first calendar year following the date of acquisition.)

The content of the report is based on the material aspects for both our Company and our stakeholders, and is directly linked to the Brewing a Better World strategy, our six focus areas and our 2020 commitments. We have raised our 2020 ambition for water consumption to 3.5 hl/hl, and added a specific target of 3.3 hl/hl for our Priority One breweries in water-scarce and water-distressed areas. Other objectives and policies did not change compared with the 2013 Sustainability Report, unless disclosed in the relevant sections.

### Reporting systems

- Safety data is reported quarterly via a global system named Company Information Logistics (CIL) application
- The collection and validation of environmental data have now been integrated in Business Comparison System (BCS). Production units submit environmental data on a monthly basis in BCS
- The Green Gauge reporting system allows us to monitor and report quarterly progress against 11 key areas, related to our commitments
- Other reporting systems include the Contract Lifecycle System (CLM) and the EcoVadis Platform for Supplier Code and performance information, and Ethics Point for 'Speak Up' data
- The Annual Sustainability Survey is the source of information for all other data that is not covered by the previously mentioned data sources.

### Reliability of data

Since 2011, we have been widening the scope of our data sets, particularly beyond production sites only. In order to achieve this, HEINEKEN has worked on implementing a more robust data collection process, involving strengthening the ownership of data, continuous development of systems, training and internal and external assurance activities. Various data points are confirmed internally through staff and systems that have been established to collect and review that data. This is established at local Operating Company, Regional and Global levels. Subject matter experts are involved at various levels to validate and challenge the data and process.

HEINEKEN is continuing to work on formulating and applying uniform definitions and instructions for reporting purposes, in order to improve the accuracy and comparability of data. Where possible, standard calculations are being built into our systems to minimise errors.

Despite the continuous strengthening of our data collection processes and the fact that our Operating Companies and data owners have reported to the best of their knowledge, in good faith and in accordance with agreed procedures, it is not possible to verify 100% of data contained in our report. Our Operating Companies are at differing maturity levels with regards to implementing the various data collection processes. Where we have any concerns, however, it is highlighted in the report.

Global Audit is involved on a continuous basis to monitor developments in KPIs and reporting processes. A yearly risk assessment is performed on all KPIs to determine the year-end audit approach. For this purpose, Global Audit is tracking the methods for measurement and consolidation, and the developments in terms of newly acquired Operating Companies or implementation of systems.

In 2014, this resulted in a specific audit on the newly globally implemented Accident Reporting & Investigation Software (ARISO) system, resulting in a number of improvement suggestions.

Apart from the annual review of the full reporting process, including monitoring the quality of review in various levels, the data ownership, the clarity of definition sets, and instructions to the Operating Companies, Audit is involved on a local level to perform data validation audits. For 2014 this included:

- Eighteen Integrated Brewery Audits: Global Audit, Supply Chain Auditors and Local Internal Auditors working together (BCS governance and health and safety)
- Forty-one Safety Data process reviews on Operating Company level (ARISO data).

Global Audit also checked 100 text statements, based on materiality.

## Appendix 2: Reporting basis

For areas in scope, testing is performed following generally accepted audit methodology. This includes methods such as visits, interviews, walkthroughs and sampling to collect the evidence required to form Audit's opinion.

All audit findings, including an overall process and report, are shared with responsible management, data owners, subject matter experts and Global Corporate Relations throughout the entire audit process.

Findings and necessary actions by management are included in a Global Action Tracker and are followed up on a quarterly basis, which is also reported to Executive Management, resulting in continuous improvement.

### Accuracy

The accuracy of the supplied safety data is checked. The safety reporting parameters should meet set parameter requirements. If parameters do not meet these requirements, the SHE manager will be requested to correct data within the CIL guidelines. The scope and workforce size related to accident frequency can give rise to inaccuracies in some locations due to the misinterpretation of overtime and number of temporary personnel/contractors. The accuracy of environmental data depends on the method of measurement, the calculation procedure and whether estimates have been used. For some parameters, the sampling method and frequency, as for chemical oxygen demand (COD), can also affect accuracy. The quantity of refrigerant in our breweries is difficult to establish because it is used in dynamic systems in which it can occur in both a liquid and gaseous state. Refrigerant losses (losses expressed as CO<sub>2</sub> equivalents per hectolitre of beer, soft drinks, cider or water produced) are determined on the basis of the quantities used to replenish systems. At a number of production units, waste is removed from the site in containers of a given volume, and inaccuracies can arise in translating volume to weight. In the absence of local legislation in some countries outside Europe, the definition of hazardous waste is not always clear. In some cases, hazardous waste is safely recycled and is no longer designated as hazardous.

The measurement of locally sourced agricultural raw materials is done in metric tonnes. Input data is supplied by each Operating Company based on their local records of the total weight of raw materials delivered to production sites across the year.

### Definitions

HEINEKEN gathers data in accordance with guidelines and definitions based on the Global Reporting Initiative (GRI 4.0) Guidelines. Overall, we try to align with international standards, and if not available we work with industry partners such as the Beverage Industry and Environmental Roundtable (BIER), to develop common practices.

For some measures in Responsible consumption we track the implementation in accordance to industry agreements (for example, labels on our packaging). Related to media spend this element is rather new. Reporting is on actual spend on consumer-facing communication with Responsible Consumption as its key message, not to comply with industry regulation.

- Since 2013, we changed our definition of total specific energy consumption in order to better account for modern energy production methods. We have adopted the more accurate and industry accepted definition of total specific energy consumption as: Thermal energy (MJ/hl) + 3.6 x electrical energy (kWh/hl) (using the WBCSD Protocol)
- The energy reported for back-up generators has been expressed in kWh produced instead of MJ fuel consumed
- Biogas, produced in our own wastewater treatment plants, is considered an internal energy flow and has not been registered as consumption
- For local sourcing we only include agricultural raw materials cultivated in Africa, which means that we exclude raw materials that are imported and processed locally before entering the HEINEKEN supply chain
- In 2014, we made two changes to the way we measure locally sourced raw materials. To improve reporting accuracy, we have started to record deliveries as they are made to each production site. This has allowed us to embed local sourcing in our BCS reporting system, which will allow us to see movements in local raw material purchases on a monthly basis in 2015, rather than the annual view we have had in the past.

Differences in the interpretation of definitions have occurred in some cases. On the basis of our internal validation findings, we do not expect these differences to be material at the aggregated level.

## Appendix 2: Reporting basis

### Safety parameters and indicators

Safety parameters and indicators		
<b>Parameters</b>	1. Fatal accidents	Fatalities, own staff and contractor personnel
	2. Accidents resulting in permanent disability	Permanent disabilities, own staff
	3. Accidents resulting in absence from work	Accidents, own staff and contractor personnel
	4. Lost days	Absence due to an accident, own staff in calendar days
	5. Workforce	Expressed in Full-Time Equivalents (FTE)
<b>Performance indicators</b>	1. Accident frequency	Own staff, number of accidents resulting in absence from work per 100 FTE
	2. Accident severity	Own staff, lost days from work per 100 FTE

### Environmental reporting

Performance is measured for four parameters in terms of production, expressed in hectolitres of beer, cider, soft drinks and water, to facilitate comparison of the results.

The greenhouse effect covers CO<sub>2</sub> emissions resulting from the use of energy and refrigerant emissions, expressed as CO<sub>2</sub> equivalents. We distinguish direct and indirect CO<sub>2</sub> emissions, produced on-site or produced off-site by the electricity supplier. The carbon footprint

covers the value chain, from barley to bar, i.e. from the production of raw materials up to and including consumption of the product.

The ozone layer depletion covers refrigerant losses (e.g. HCFCs), while acidification covers NO<sub>x</sub>, SO<sub>x</sub> and NH<sub>3</sub> emissions. Nutrification covers the chemical oxygen demand (COD), plus nitrogen and phosphorus in wastewater after treatment, where discharged into surface water. Waste management deals with the destination of our co-products, industrial waste and hazardous waste.

Environmental parameters and indicators		
<b>Parameters</b>	1. Thermal energy consumption	Consumption of thermal energy in MJ (the corresponding CO <sub>2</sub> emission is derived from this figure using the WBCSD Protocol)
	2. Electricity consumption	Consumption of electrical energy in kWh
	3. Water consumption	Water consumption in m <sup>3</sup>
	4. Solid waste disposal	Non-recycled waste in kg, such as hazardous waste, wastewater treatment sludge and industrial waste
	5. COD load of effluent	The chemical oxygen demand of treated or untreated wastewater leaving the production unit and discharged to surface water in kg
	6. Wastewater treated	The volume of wastewater treated expressed in m <sup>3</sup>
	7. Number of complaints	External complaints related to nuisance
	8. Number of external environment-related incidents	Incidents related to environment and safety which had an impact outside the production unit



## Appendix 2: Reporting basis

Environmental parameters and indicators		
<b>Performance indicators</b>	1. Specific thermal energy consumption	Thermal energy consumption per unit produced in MJ/hl beer, cider, soft drinks and water
	2. Specific electricity consumption	Electricity consumption per unit produced in kWh/hl beer, cider, soft drinks and water
	3. Specific total energy consumption	Equals thermal energy consumption plus 3.6 times the electricity consumption per unit produced
	4. Specific CO <sub>2</sub> emission	Fossil CO <sub>2</sub> emission (direct and indirect) respectively derived from thermal energy and electricity consumption, plus refrigerant losses expressed in CO <sub>2</sub> equivalents per unit produced in kg/hl beer, cider, soft drinks and water
	5. Specific water consumption	Water consumption per unit produced in hl/hl beer, cider, soft drinks and water
	6. Non-recycled industrial waste	The amount of non-recycled waste per unit produced in kg/hl beer, cider, soft drinks and water, consisting of packaging waste, industrial waste and non-recycled co-products

## Appendix 3: Overview of environmental performance

### Operating Company: Heineken N.V.

Heineken N.V. produces beer, cider, soft drink and water. The total beverage production increased from 194.9 Mhl in 2013 to 197.7 Mhl in 2014.

This is an increase of 1%. Heineken N.V. also produces malt. The production of malt decreased by 5%; from 725 kton in 2013 to 686 kton in 2014.

### Environmental data on production units

Parameters (absolute figures)		Total all sites			Breweries, Cider, Soft drink and Water plants			Malting sites			Other and packaging		
Performance indicator	Unit	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
<b>Total Beverage production</b>	<b>Mhl</b>	<b>183.2</b>	<b>194.9</b>	<b>197.7</b>	<b>183.2</b>	<b>194.9</b>	<b>197.7</b>	—	—	—	—	—	—
Beer production	Mhl	165.7	177.5	180.9	165.7	177.5	180.9	—	—	—	—	—	—
Cider production	Mhl	3.4	3.5	3.8	3.4	3.5	3.8	—	—	—	—	—	—
Soft drink production	Mhl	10.3	10.7	9.1	10.3	10.7	9.1	—	—	—	—	—	—
Water production	Mhl	3.8	3.2	3.7	3.8	3.2	3.7	—	—	—	—	—	—
Malt production	ktons	725	725	686	—	—	—	725	725	686	—	—	—
Thermal energy consumption	PJ	19.8	19.3	18.5	14.8	14.8	14.0	1.6	1.6	1.5	3.4	2.9	3.1
Electricity consumption	GWh	1,872	1,937	1,929	1,538	1,634	1,595	84	84	79	250	219	255
CO <sub>2</sub> -eq emissions (scope 1 GHG-protocol)	ktons	1,264	1,216	1,172	961	955	908	87	91	84	215	171	180
CO <sub>2</sub> -eq emissions (scope 2 GHG-protocol)	ktons	737	666	666	582	538	525	40	33	29	115	95	112
NO <sub>x</sub> emissions	tons	2,293	2,225	2,634	1,814	1,811	2,143	76	76	105	403	339	386
SO <sub>x</sub> emissions	tons	3,037	2,968	2,199	2,372	2,369	1,987	260	258	57	405	341	155
NH <sub>3</sub> in use	tons	1,280	1,217	1,228	1,225	1,172	1,181	12	4	6	44	41	41
NH <sub>3</sub> losses	tons	158	135	133	156	123	123	1	1	0	1	12	9
HC-based refrigerants in use	tons	38	48	49	31	43	42	6	4	5	1	1	1

## Appendix 3: Overview of environmental performance

Parameters (absolute figures)		Total all sites			Breweries, Cider, Soft drink and Water plants			Malting sites			Other and packaging		
Performance indicator	Unit	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
HC-based refrigerants lost	tons	13.0	13.0	9.5	12.0	12.0	9.3	0.9	0.9	0.2	0.0	0.1	0.0
	kg R11 equivalents	579	556	348	557	547	346	4	5	1	18	4	2
	kton CO <sub>2</sub> equivalents	28.1	24.9	20.4	26.5	23.4	20.1	1.3	1.4	0.3	0.3	0.1	0.0
Water consumption	Mm <sup>3</sup>	81.6	83.4	81.4	77.1	79.3	76.7	2.5	2.4	2.1	2.1	1.7	2.6
Waste water quantity	Mm <sup>3</sup>	58.5	55.4	53.0	56.3	53.5	51.0	1.0	1.1	1.3	1.2	0.8	0.8
Waste water organic load before treatment	ktons COD	166	157	157	159	153	152	4	3	3	3	1	3
Effluent organic load discharged to surface water <sup>1</sup>	ktons COD	24.9	23.5	26.3	24.4	23.1	25.9	0.4	0.4	0.4	0.0	0.0	0.0
Effluent total nitrogen <sup>1</sup>	tons N	781	825	454	762	806	432	17	17	18	2	2	3
Effluent total phosphorous <sup>1</sup>	tons P	620	673	415	615	669	404	4	4	11	1	1	0
Effluent suspended solids <sup>1</sup>	ktons d.m.	4.85	4.86	3.62	4.79	4.80	3.57	0.06	0.06	0.05	0.01	0.01	0.00
Total co-products, packaging and industrial waste	ktons	3,150	3,238	3,226	3,067	3,140	3,129	36	51	44	47	48	53
Non-recycled industrial waste	ktons	96	109	100	93	105	99	2	1	1	1	2	0
Total waste water sludge	ktons d.m.	15.75	14.81	13.99	14.16	13.87	12.72	0.77	0.83	0.77	0.82	0.11	0.51
Non-recycled waste water sludge	ktons d.m.	2.85	2.89	3.03	2.84	2.87	2.81	0.00	0.00	0.00	0.01	0.02	0.22
Total hazardous waste	ktons	2.48	3.32	9.45	1.94	3.12	2.52	0.02	0.02	0.01	0.53	0.18	6.92
Non-recycled hazardous waste	ktons	0.59	1.42	1.04	0.41	1.35	0.79	0.00	0.01	0.00	0.18	0.06	0.24
Justified environmental and safety complaints	number	29	36	34	29	35	34	0	0	0	0	1	0
Justified environmental and safety accidents with off-site effects	number	46	34	31	42	33	31	0	0	0	4	1	0

<sup>1</sup>2014 value for COD, N, P and SS includes estimates for 16 production sites.



## Appendix 4: List of Operating Companies

Region	Country	Operating Company/Business Unit
Africa and the Middle East	Algeria	Tango
	Burundi	Brarudi
	Democratic Republic of Congo	Bralima
	Egypt	Al Ahram Beverages Company
	Ethiopia	Heineken Breweries Share Company (SC)
	Ethiopia	Harar brewery SC
	Ethiopia	Bedele brewery SC
	La Réunion	Brasseries de Bourbon
	Lebanon	Almaza
	Nigeria	Consolidated Breweries <sup>1</sup>
	Nigeria	Nigerian Breweries
	Rwanda	Bralirwa
	Sierra Leone	Sierra Leone Brewery
	Tunisia	Nouvelle de Brasserie 'Sonobra'
The Americas	Bahamas	Commonwealth Brewery
	Brazil	Heineken Brasil
	Haiti	Brasserie Nationale D'Haiti
	Martinique	Brasseries Lorraine <sup>2</sup>
	Mexico	Cuauhtémoc Moctezuma
	Mexico	Empaque <sup>3</sup>
	Panama	Cervecerias Barú-Panama
	St. Lucia	Windward & Leeward Brewery
	Surinam	Surinaamse Brouwerij
	USA	Heineken USA
	Export	Other export markets
Asia Pacific	Cambodia	Cambodia Brewery
	China	Heineken-APB (Shanghai)
	China	Guangzhou Asia Pacific Brewery
	China	Hainan Asia Pacific Brewery Company
	Hong Kong	Heineken Hong Kong
	Indonesia	PT Multi Bintang Indonesia
	Japan	Heineken Japan
	Korea	Heineken Korea
	Laos	Lao Asia Pacific Breweries

<sup>1</sup>On 4 December 2014, Nigerian Breweries and Consolidated Breweries received shareholder approval to merge their respective businesses, the merger was completed with effect from 1 January 2015.

<sup>2</sup>We divested 80% of our operations in Martinique, completed in September 2014.

<sup>3</sup>Divestment announced on 1 September 2014, completion in Q1 2015.

## Appendix 4: List of Operating Companies

Region	Country	Operating Company/Business Unit
Asia Pacific	Mongolia	MCS – Asia Pacific Brewery <sup>1</sup>
	New Caledonia	Grande Brasserie de Nouvelle Calédonie
	New Zealand	DB Breweries Limited
	Papua New Guinea	South Pacific Brewery Limited
	Singapore	Heineken Asia Pacific
	Singapore	Asia Pacific Breweries (Singapore)
	Singapore	Heineken Asia Pacific Exports
	Solomon Islands	Solomon Breweries Limited
	Sri Lanka	Asia Pacific Brewery (Lanka)
	Taiwan	Heineken Taiwan
	Vietnam	Asia Pacific Breweries (Hanoi)
	Vietnam	Vietnam Brewery
Central and Eastern Europe	Austria	Brau Union International
	Austria	Brau Union Österreich
	Belarus	Heineken Breweries
	Bulgaria	Zagorka Brewery
	Croatia	Heineken Hrvatska
	Czech Republic	Heineken Česká Republika
	Greece	Athenian Brewery
	Hungary	Heineken Hungaria
	Poland	Grupa Żywiec
	Romania	Heineken Romania
	Russia	Heineken Breweries
	Serbia	United Serbian Breweries
	Slovakia	Heineken Slovensko
Western Europe	Belgium	Alken-Maes
	France	Heineken France
	Ireland	Heineken Ireland
	Italy	Heineken Italia
	Netherlands	Heineken Nederland (including Vrumona)
	Portugal	Sociedade Central de Cervejas e Bebidas
	Spain	Heineken España
	Switzerland	Heineken Switzerland
	UK	Heineken UK
Global	Various	Head Office, Regional Offices including export, HEINEKEN Global Shared Services (Kraków, Poland)

<sup>1</sup>The Vodka plant Zhuunk in Mongolia was unable to provide data and is therefore not included.

# Reference information

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### Let us know your thoughts

Which aspects of Brewing a Better World are working well? Where do you think we could do better? We look forward to hearing your views and suggestions. [BrewingaBetterWorld@HEINEKEN.com](mailto:BrewingaBetterWorld@HEINEKEN.com)

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