Brewing a Better Future

Improve

Empower

Impact
Our Summary Sustainability Report 2012

HEINEKEN is the world’s most international brewer, with more than 250 brands available in 178 countries. Our long-term aspiration is to be the world’s greenest brewer.

We are
A proud, independent, global brewer committed to surprising and exciting consumers everywhere.

We value
A passion for quality, enjoyment of life, respect for people and respect for our planet.

We want
To win in all markets with Heineken® and with a full brand portfolio in markets where we choose.

This printed report summarises HEINEKEN’s progress on Brewing a Better Future in 2012. For the full Sustainability Report 2012 including detailed performance data and moving images, visit:
sustainabilityreport.HEINEKEN.com

85,000 EMPLOYEES
MORE THAN 250 BRANDS
Heineken® ENJOYED IN 178 COUNTRIES
In the last 149 years, this approach has served us well. It continues to do so today and it will remain our approach into the future. However, what is changing is the world in which we operate.

The world is facing significant environmental and sustainability-related challenges. Mega-trends such as climate change, population growth, increasing demand for energy, food security and water scarcity are real issues that are forcing society as a whole to think and act differently.

As our business grows and our geographic footprint expands, we have to consistently evolve what we do and how we do it. That is why we are forcing ourselves to find new ways to lessen the negative impact of our operations and reduce our usage of scarce resources such as energy and water.

We aim to increase the level of barley, corn, sorghum, rice and hops that we source locally. This approach empowers the local population, stimulates the economy, and guarantees quality materials with a lower distribution cost and a lower carbon footprint. Everybody wins.

Much of our Company’s impact, though, lies outside our direct control and with our suppliers and distributors. In 2012, our Supplier Code was signed by 528 global and more than 34,000 local suppliers, thus spreading the influence and impact of our actions and thinking.

In the area of alcohol-related harm, we are also increasing the impact of our actions by working closely with our industry colleagues. In October, we joined forces with other prominent international alcohol companies to back new global initiatives to reduce the harmful use of alcohol. We recognise the need for us as a responsible brewer, marketer and seller to help reduce misuse of our product. HEINEKEN will continue to play a leadership role, through working with industry, governments, NGOs and with our business partners.

It remains a matter of deep regret and sadness that we continue to experience fatalities within our business. In 2012, ten people lost their lives working with or for our company. Whilst this is a significant reduction compared with 2011 and whilst five were again due to high levels of violence in Mexico, we will continue to focus our energies on doing whatever we reasonably can to prevent any and every type of fatality from occurring.

Since 2010, the foundations have been put in place. We have shown we are prepared to take responsibility and to lead. Now it is time to move on to the next phase.

Outlined in this report are the four focus areas for the coming three years: water, sourcing, CO₂ and responsible consumption. These have been agreed in consultation with our stakeholders and reflect the material areas for our business and society at large where we can have the greatest impact.

Once again, we have set ambitious targets. Having seen what was achieved in the first three years of Brewing a Better Future, I have little doubt that our employees and business partners will rise to the challenge and deliver what is needed.

Jean-François van Boxmeer
Chairman of the Executive Board/CEO
Brewing a Better Future

Brewing a Better Future is HEINEKEN’s long-term integrated approach to creating genuine shared value for all our stakeholders. Sustainability is part of how we manage our business.
Governance
Brewing a Better Future is governed by an Executive-level Steering Committee that met three times in 2012. On a day-to-day basis, Brewing a Better Future is governed by a team of representatives from the Supply Chain, Commerce, HR, Control & Accounting and Corporate Relations functions. The team is chaired by the Manager Global Sustainable Development. Each individual programme is led by a manager from one of our global functions. Progress and issues relating to Brewing a Better Future are regularly on the agenda of the Executive Committee and on the agenda of every management team in our operating businesses.

It is this market-based approach that we believe is fundamental to success. Each of our businesses has its own sustainability committee. We integrated the Brewing a Better Future planning into the planning process of our regions and Operating Companies.

Enabling our business priorities
Brewing a Better Future is integral to our business. As a result, we have spent the past three years building sustainability into our processes, systems, and the way we think and act. Our business priorities are tightly integrated with this sustainability journey:
- Grow the Heineken® brand
- Consumer-inspired, customer-oriented and brand-led
- Capture the opportunity in emerging markets
- Leverage the benefits of HEINEKEN's global scale
- Drive personal leadership.

Balancing business with sustainability
HEINEKEN has grown significantly in recent years and we are increasingly leveraging our global scale to drive both cost benefit and the impact of our actions. Through our Supplier Code, for instance, which has been signed by almost all our global suppliers and more than 34,000 local suppliers, we are embedding our sustainability values deep into our supply chain.

We recognise, however, that we cannot grow without reference to and regard for society as well. That's why the responsible consumption element of Brewing a Better Future is critical to our business priorities. Heineken®, our core brand, is at the heart of both our commercial and responsible consumption activities, but we look for opportunities to talk to consumers about enjoying all our brands in moderation.

Our social commitments extend to Africa, Asia, Latin America and the Caribbean, where we have made significant investments in recent years. We understand that in order to capture the full potential of these emerging markets, we also need to invest in the welfare of communities around our operations and in projects such as local sourcing that boost economic development.

Looking ahead to Brewing a Better Future in 2013-2015, we have reviewed our priorities and created a more focused sustainability agenda. Read more on pages 24 and 25.
Value chain

From Barley to Bar, we target improvements throughout the value chain. We also calculated our carbon footprint for our value chain to better understand the hotspots and identify areas for improvement.

Agriculture
Growing crops
Our main raw materials are barley and hops. Out of all the grains that are harvested globally, barley for malting represents about 1.4%. HEINEKEN is one of the world’s top three users of malting barley. We co-operate with industry initiatives such as the Sustainable Agriculture Initiative (SAI) to address all angles of sustainable agriculture.

Malting
Malting barley
We malt barley in our own malteries and in those of third parties. In the process, we consume energy and water so we implement active energy and water reduction programmes in our own malteries.

Brewing
Brewing beer
The brewing process also consumes energy and water. Reducing energy consumption means increasing energy efficiency and switching to alternative energy sources. Water reduction is mainly achieved by optimising the brewing process. Every brewery has an improvement target.

Packaging materials
Producing bottles, cans and kegs
Beer is packed in cans, bottles and kegs or sold as cellar beer. Improving the impact of packaging can be achieved by optimising the production process, changing the design and increasing the recycling and reuse rate. For 27 Operating Companies, we have identified the packaging mix and opportunities to improve.
Carbon footprint breakdown of HEINEKEN
Barley to bar based on 90% of produced volume

- Agriculture: 8%
- Malting and adjuncts: 6%
- Beverage production: 28%
- Packaging material production: 17%
- Distribution: 10%
- Cooling: 31%

Distribution of beer

Distribution
After the beer is packaged, it is distributed to a warehouse or customer using several forms of transport including truck, inland barge, sea freight and train. Distribution is optimised by changing the form of transport, training drivers, and using more efficient engines and a better design of vehicles and networks.

Customers

Cooling and recycling
Beer is consumed cold and thus cooled at the point of consumption via fridges or draught equipment. For all new fridges purchased by HEINEKEN, we have defined green standards with which they have to comply. In addition, we are developing greener draught equipment like the David (XL) Green.

Consumers

Responsible consumption
We have promoted the responsible consumption of beer for decades. In the 1960s, HEINEKEN introduced self-regulatory codes that banned advertisements that might potentially have appealed to those under the legal drinking age. Today, our standards for Responsible Commercial Communication have evolved from these first few steps into a far-reaching set of rules.
## What we said and what we’ve done

<table>
<thead>
<tr>
<th>What we said we will do by 2012</th>
<th>What we’ve done by 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green Brewer</strong></td>
<td></td>
</tr>
<tr>
<td>Total specific energy consumption &lt; 155 MJ/hl</td>
<td>Partly achieved. We achieved 157 MJ/hl; we did not achieve our target, due to the acquisition of new businesses</td>
</tr>
<tr>
<td>Average greenhouse gas emission &lt; 8.5 kg CO₂-eq/hl for breweries in scope</td>
<td>Achieved. We achieved 8.4 kg CO₂-eq/hl</td>
</tr>
<tr>
<td>Specific water consumption &lt; 4.3 hl/hl</td>
<td>Achieved. We achieved 4.2 hl/hl</td>
</tr>
<tr>
<td><strong>Green Commerce</strong></td>
<td></td>
</tr>
<tr>
<td>All new purchased fridges to be based on green technology, if legally and technically possible</td>
<td>Partly achieved. We achieved a compliance rate of 93%</td>
</tr>
<tr>
<td>Evaluation criteria for new product innovations introduced in all regions</td>
<td>Achieved. In several stages of the innovation process, we have embedded the environmental requirements. We look at the most relevant characteristics for our product category to assess and quantify the results</td>
</tr>
<tr>
<td>Develop and execute a baseline carbon footprint model</td>
<td>Achieved. We created a model covering the entire value chain and calculated the carbon footprint of 90% of HEINEKEN Group volume</td>
</tr>
<tr>
<td><strong>Engaging Employees</strong></td>
<td></td>
</tr>
<tr>
<td>Accident frequency target for Supply Chain &lt; 1.2 accidents/100 FTEs</td>
<td>Achieved. Accidents frequency within the supply chain is 1.16/100 FTEs</td>
</tr>
<tr>
<td>Safety targets set for non-production-related activities</td>
<td>Achieved. We set reduction targets for all our operations, striving ultimately for zero accidents</td>
</tr>
<tr>
<td>Employees’ &amp; Human Rights Policy adopted, implemented and audited</td>
<td>Partly achieved. The policy was adopted and implementation begun. The audit was postponed to allow more time for implementation</td>
</tr>
<tr>
<td><strong>HEINEKEN Cares</strong></td>
<td></td>
</tr>
<tr>
<td>Evaluate all local sourcing activities and set regional targets by 2015</td>
<td>Partly achieved. Baseline verified and targets agreed for Africa and the Middle East. For other regions, barley and hop local sourcing have been baselined</td>
</tr>
<tr>
<td>Standards for sustainable agriculture are aligned with and verified by stakeholders</td>
<td>Achieved. We adopted the SAI Platform’s Principles and Practices for Sustainable Agriculture in 2011. We discussed our SAI Platform-based strategy with our stakeholders during stakeholder sessions and this was well received</td>
</tr>
<tr>
<td>Operations that do not meet our defined standard of healthcare to include improvement plans</td>
<td>Partly achieved. Out of Operating Companies in scope of this report, 24 needed to provide improvement plans. To date, 20 have done so</td>
</tr>
</tbody>
</table>
What we said we will do by 2012 | What we’ve done by 2012
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**Responsible Consumption**
Develop ‘Enjoy Heineken Responsibly’ (EHR) campaign to include on-trade execution; apply EHR in Heineken® communication materials and primary merchandise | Achieved. On-premise visibility tools have been available in all HEINEKEN markets since January 2012. EHR logo is included in all Heineken® communication tools
HORECA server and retail programme developed and tested | Partly achieved. A responsible consumption toolkit for events and brand experiences was completed
Develop and deliver a workshop to 100% of commerce/marketing employees that supports our Rules on Responsible Commercial Communication (RCC) | Partly achieved. An RCC module was developed and forms part of the Global Commerce University course. An additional Responsible Digital Commercial Communication module was created and delivered to 83% of relevant employees

**Partnerships for Progress**
At least 50 HEINEKEN markets have a partnership with a third party to address alcohol abuse | Partly achieved. In 2011, we adjusted the number of markets to 42, on the basis of legality, culture and market situation. Of these, 33 have a relevant partnership
Criteria for successful partnerships developed and existing partnerships reviewed | Achieved. Partnership criteria are now used annually to measure the quality and impact of Operating Companies partnerships
Global Actions on Harmful Drinking projects implemented in key markets | Achieved. The global alcohol industry has completed a three-year project to reduce alcohol-related harm

**Enablers**
From 2010, every Operating Company to have a three-year sustainability plan | Achieved. As of 2011, all Operating Companies have a plan
Renewed Supplier Code based on new approach by mid-2010 | Achieved. At the end of 2012, 528 of our global suppliers and more than 34,000 local suppliers had signed the Supplier Code
In 2010, introduce incentives for all senior managers on sustainability target | Achieved. Incentive targets were introduced. 80% of all senior managers had an incentive on sustainability
Green Brewer

At HEINEKEN we are working hard to increase the water and energy efficiency of our breweries, offices and warehouses.

In 2012, we made good progress and are on target to achieve the goals we set for 2020.

With a global scale comes a global responsibility to ensure efficient use of energy and water.

Marc Gross
Chief Supply Chain Officer

- Lower CO₂ emissions: 4.5%
- 9.3% of our electricity comes from renewable resources
- 17% reduction in water consumption since 2008
- 96.9% total waste recycling rate
What we said and what we’ve done

- Total specific energy consumption < 155 MJ/hl
  We achieved 157 MJ/hl; we did not achieve our target, due to the acquisition of new businesses

- Average greenhouse gas emission < 8.5 kg CO₂-eq/hl for breweries in scope
  We achieved 8.4 kg CO₂-eq/hl

- Specific water consumption < 4.3 hl/hl
  We achieved 4.2 hl/hl

Read more about these and other topics such as waste recycling and sustainable buildings in our online report.

Energy
The total energy needed to produce 1 hectolitre (hl) of beer, soft drinks, cider and water improved by 1.3% from 159 MJ/hl in 2011 to 157 MJ/hl in 2012.

**Total specific energy consumption**

MJ/hl beer + soft drink + cider + water

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>157</td>
</tr>
<tr>
<td>2011</td>
<td>159</td>
</tr>
<tr>
<td>2010</td>
<td>166</td>
</tr>
<tr>
<td>2009</td>
<td>170</td>
</tr>
<tr>
<td>2008</td>
<td>175</td>
</tr>
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</table>

Diversifying the energy mix
We improved our performance in greenhouse gas emissions with a reduction from 8.8 kg CO₂-eq/hl in 2011 to 8.4 kg CO₂-eq/hl in 2012. This is primarily the result of energy-saving activities at our production units.

We are also working on renewable energy projects at a number of our breweries. These include wind turbines in the Netherlands and solar energy in Portugal and Spain. In 2012, renewable energy became a fixed item on the monthly reporting agenda of all breweries.

**Specific greenhouse gas emissions**

kg CO₂-eq/hl beer + soft drink + cider + water

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
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</tr>
<tr>
<td>2011</td>
<td>8.8</td>
</tr>
<tr>
<td>2010</td>
<td>9.3</td>
</tr>
<tr>
<td>2009</td>
<td>9.8</td>
</tr>
<tr>
<td>2008</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Water: a comprehensive strategy
Water is essential for both our operations and the communities in which we operate. We have therefore developed a comprehensive water strategy based on five drivers:

1. Reducing the amount of water used for production
2. Responsible discharge of brewery effluent
3. Reducing the amount of water used in the rest of our supply chain
4. Protecting our water resources in water-scarce and water-distressed areas
5. Compensating for water not returned to the local water cycle in a treated way (‘water balancing’).

We have set a water consumption target of 3.7 hl of water to produce 1 hl of beer, cider, soft drinks and water by 2020. In 2012, our specific water consumption decreased to 4.2 hl from 4.3 hl in 2011.

**Specific water consumption**

hl/hl beer + soft drink + cider + water

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.2</td>
</tr>
<tr>
<td>2011</td>
<td>4.3</td>
</tr>
<tr>
<td>2010</td>
<td>4.5</td>
</tr>
<tr>
<td>2009</td>
<td>4.8</td>
</tr>
<tr>
<td>2008</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Water consumption across Poland HEINEKEN’s five breweries was 2.95 hectolitres of water for each hectolitre of beer produced, making it a very water-efficient operation.
Green Commerce

Our focus in 2012 has been on reducing the total carbon footprint of our products across the value chain. Partnering through our open innovation platforms is just one of the ways we find opportunities to reduce our environmental impact.

Innovation plays an increasingly important role in driving sustainability across our commercial activities.

Alexis Nasard
Chief Commercial Officer

Improve

93% of new fridges are green

774 life-cycle assessments conducted on packaging

130 sustainable packaging ideas submitted to our open innovation platform

540,000 km less by transferring journeys from road to rail in Switzerland

70 green events in 20 countries
What we said and what we’ve done

— All new purchased fridges to be based on green technology, if possible
— We achieved a compliance rate of 93%
— Evaluation criteria for new product innovations introduced
— In several stages of the innovation process, we have embedded the environmental requirements
— Develop and execute a baseline carbon footprint model
— We created a model covering the entire value chain and calculated the carbon footprint of 90% of HEINEKEN Group volume

Packaging
Our new packaging policy, implemented across four regions in 2012, aims to reduce the environmental impact of packaging without any loss of product integrity or quality. It centres on weight reduction, carbon footprint, efficient sourcing and the optimisation of new packaging during its design phase. This ‘eco-design’ methodology is now fully embedded in our global innovation and renovation process.

Cooling
Cooling is essential to the consumer’s experience of our beer, but also a significant contributor to our total carbon footprint. To reduce this, we have committed to installing only eco-friendly fridges. In 2012, more than 93% of our new fridges had one or more ‘green’ characteristics, resulting in an average energy saving of 38%.

We continued the roll-out of first-generation ‘green’ draught beer coolers started in 2011. By using hydrocarbon refrigerants, these coolers consume 15% less energy. Additionally, we redesigned the frozen column of the Heineken® Extra Cold beer draught system. Using a single, advanced-technology cooler for the column and the beer, the installation is 40% more energy efficient than the original.

Distribution
In 2012, we launched a number of initiatives to support CO2 reduction in distribution. The CO2 Efficiency Framework provides distribution teams with a structured approach to CO2 reduction, while the Green Compass Self-Assessment enables logistics teams to assess their own potential for CO2 reduction. In March, HEINEKEN joined the official launch of Green Freight Europe, an industry initiative focused on reducing the environmental impact of European road transport.

Innovation
We have made good progress in embedding a culture of innovation in the Company with the internal ‘Ideas Contest’. Externally, the ‘Ideas Brewery’ taps into the creativity of our consumers. The first challenge, launched in April, related to sustainable packaging. Of 130 ideas submitted, 75 have gone on to the co-creation phase. Completing the innovation circle is THINC. In June, we invited packaging suppliers from around the world to present their most innovative ideas. Of 33 pitches, seven ideas were judged as potential ‘next-generation packaging’ solutions.

Green events: inspiring sustainability
Heineken®-sponsored music events offer a great opportunity for us to inspire event partners and consumers to act sustainably. In 2011, we developed a toolkit to stimulate consistently ‘green’ Heineken® events. This was actively adopted by our Operating Companies in 2012. They were asked to select their top three events and to take the first steps to making them greener and cleaner. It includes a range of ideas to reduce, reuse and recycle, such as separate waste collection and bio-based plastic cups. This resulted in sustainable initiatives at more than 70 events in 20 countries.

Energy-efficient fridges, recyclable cups and waste separation helped make Holland Heineken House, our official venue at the London Olympics, the greenest one yet.
Engaging Employees

As part of our Brewing a Better Future approach, we focus on empowering our people and the communities in which we operate.

Our internal structures and policies safeguard employees’ and human rights, and help to ensure a safe, healthy working environment for all.

Our employees bring Brewing a Better Future to life. We cannot meet any of our commitments unless they understand and are fully engaged with the journey we are on.

Michael O’Hare
Chief Human Resources Officer

Empower

3,000 COURSES COMPLETED AT HEINEKEN’S SUSTAINABILITY ACADEMY

8% DECREASE IN ACCIDENT FREQUENCY

27 MARKETS TOOK PART IN VOLUNTEERING OR FUNDRAISING ACTIVITIES

900 VOLUNTEER HOURS TO BUILD EMERGENCY HOUSING IN PANAMA
What we said and what we’ve done

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**Accident frequency in production accidents/100 FTEs for all sites**

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.16</td>
</tr>
<tr>
<td>2011</td>
<td>1.25</td>
</tr>
<tr>
<td>2010</td>
<td>1.61</td>
</tr>
</tbody>
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**Health and safety**

The main focus of our safety activities has traditionally been the production environment. However, the majority of all accidents within our business occur outside production. That’s why we are investing time, resources and energy into ensuring we have a rigorous approach to safety across the whole of the Company.

**Employees’ & Human Rights**

The policy takes the International Labour Organisation standards and recommendations as a reference to set internal objectives.

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**Employees’ & Human Rights Policy**

The new HEINEKEN Employees’ & Human Rights Policy, which endorses the principles enshrined within the Universal Declaration of Human Rights and the Core Conventions of the International Labour Organisation, came into effect on 1 January 2012.

The policy lays out 11 clear standards on employees’ and human rights, including non-discrimination, forced labour and harassment. As part of the implementation process, all Operating Companies were asked to perform a gap analysis to determine the level of compliance with the content of the policy.

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**Volunteering and fundraising**

We encourage all employees to become actively involved in their communities. In 2012, 27 markets were involved in Company-sponsored volunteering or fundraising activities. These ranged from building emergency housing and donating clothing and to beach clean-ups social activities with senior citizens.

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At HEINEKEN Italy, a new approach that rewards safe behaviour rather than punishing unsafe behaviour led to a 40% decrease in incident and accident frequency.
Empower

HEINEKEN Cares

Through our health programmes, local sourcing initiatives, employment opportunities and direct financial support, we have a long history of contributing to the communities in which we operate. Our HEINEKEN Cares approach covers the economic and physical empowerment of these communities and the people within them.

Creating shared value for all our stakeholders must be at the heart of our approach to sustainability.

Siep Hiemstra
Regional President, Africa and the Middle East

EUR13.5 MILLION INVESTED IN COMMUNITIES

MEDICAL CARE PROVIDED TO MORE THAN 45,000 PEOPLE IN AFRICA

682,000 NIGERIAN JOBS ARE SUPPORTED BY OUR COMPANY

100,000+ FARM HOUSEHOLDS ARE INVOLVED IN LOCAL SOURCING PROJECTS ACROSS AFRICA

OF RAW MATERIALS USED IN AFRICA WERE SOURCED LOCALLY

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What we said and what we’ve done

— Evaluate all local sourcing activities and set regional targets by 2015
Baseline verified and targets agreed for Africa and the Middle East

— Standards for sustainable agriculture are aligned with and verified by stakeholders
We adopted the SAI Platform’s Principles and Practices for Sustainable Agriculture in 2011

— Operations that do not meet our standard of healthcare to supply improvement plans
Out of Operating Companies in scope, 24 needed to provide improvement plans.
To date, 20 have done so

Sustainable agriculture
By building long-term relationships with farmers and suppliers, we secure a steady supply of quality raw materials (barley, hops and cider apples) for our products, while stimulating sustainable farming.

In 2010, we joined the Sustainable Agriculture Initiative (SAI), a food industry organisation of multinational companies working towards a more sustainable food chain. In 2012, we used SAI’s principles and practices to independently audit agricultural schemes in the United Kingdom, the Netherlands and France. A number of these were assessed as SAI compliant. We are currently working with SAI to turn the principles and practices into a more concise checklist. This will make our approach simpler and more transparent for both our supply chain and other stakeholders.

Local sourcing
In many of our high-growth markets, we run local sourcing projects linked to raw materials. These help local farmers to compete against imported grains and raise the incomes of farming households.

In Africa, HEINEKEN has a target of sourcing 60% of all its raw materials locally by 2020. In 2012, we sourced 48% locally. We currently have projects in eight countries, including Ethiopia where we recently began operations.

We also run local sourcing projects outside Africa. In Haiti, following the acquisition of BRANA (Brasserie Nationale d’Haiti) in January 2012, HEINEKEN pledged to play a catalysing role in the development of the Haitian economy.

Health and wellness
HEINEKEN’s commitment to its employees’ wellbeing extends to providing healthcare in markets where this is not readily available or of an insufficient quality. In Sub-Saharan Africa, medical care is provided at 32 sites to more than 45,000 people.
In 2012, our medical staff gave over 160,000 consultations.

As HEINEKEN employees spend a large part of their week at work, we are also directing additional attention to wellness and prevention of non-communicable diseases. These are conditions that are lifestyle related and largely preventable, such as cardiovascular disease, cancer and diabetes.

In 2012, we made an inventory of the wellness programmes in our Operating Companies. Most Operating Companies already have some sort of wellness initiative in place. Tools to further support Operating Companies in implementing an effective wellness programme are currently in development.

Heineken Africa Foundation (HAF)
Established to improve the health of communities surrounding HEINEKEN breweries in Sub-Saharan Africa, HAF celebrated its fifth anniversary in 2012. At the end of 2012, the Foundation had committed to 38 healthcare projects totalling EUR3.5 million.
Responsible consumption

Beer is a natural product enjoyed by millions of people around the world. It is, and can be, part of a balanced lifestyle when consumed responsibly.

As one of the world’s leading brewers, we actively promote the enjoyment of beer in moderation.

As an industry leader, we have the responsibility to promote moderate drinking. As a brand builder, we have the opportunity to make it aspirational.

Alexis Nasard
Chief Commercial Officer

89 countries have a dedicated responsible consumption website

271 brands carry a responsibility message

3m views of the ‘Sunrise’ campaign in three weeks

7.5bn bottles and cans have displayed ‘Enjoy Heineken responsibly’
What we said and what we’ve done

— Develop ‘Enjoy Heineken Responsibly’ campaign to include on-trade execution
   On-premise visibility tools available in all HEINEKEN markets since January 2012

— HORECA server and retail programme developed and tested
   A responsible consumption toolkit for events and brand experiences completed

— Develop and deliver a workshop to 100% of commerce/marketing employees
   Responsible Digital Commercial Communication module developed and delivered to 83% of relevant employees

Read more about our responsible marketing and consumption activity in our online report.

Encouraging responsible consumption through our brands

We are proud of our many international premium, regional, local and speciality beer and cider brands, and we look for opportunities to talk to consumers about enjoying them in moderation.

We aim to have a culturally appropriate responsibility message on all our brands by 2015. As of the end of 2012, 321 brands are sold in bottles and 271 have a responsibility message; 200 are sold in cans and 173 have a responsibility message.

Heineken® is the world’s most valuable, premium international beer brand. It makes sense, therefore, that we use this brand to spearhead our responsible consumption activity.

We do so via the ‘Enjoy Heineken Responsibly’ (EHR) campaign. Since it began in 2004, the initiative has grown from a phrase on packaging to a global integrated campaign.

This includes a dedicated website, www.enjoyheinekenresponsibly.com, in 34 languages in 89 countries, advertising boarding at major sponsorships, and a logo displayed on commercial communication and packaging.

The ‘Sunrise’ campaign, launched during the festive season in December 2011, marked a step change in the way that responsibility advertising is developed: the subject of the commercial refuses a bottle of Heineken® in favour of water; and the tagline ‘Sunrise belongs to moderate drinkers’ encourages aspirational behaviour among adult consumers.

Responsible marketing

Our Rules on Responsible Commercial Communication help everyone involved in marketing and selling our products to ensure we do not contribute to excessive consumption or misuse.

Recognising the need for more detailed guidance in the digital environment, in June 2012 we introduced new Rules on Digital Commercial Communication. These cover areas such as video use, online privacy and security, with a specific focus on age verification, particularly in social media.

Our employees as ambassadors

All HEINEKEN companies worldwide must implement Cool@Work, our workplace alcohol information, prevention and support programme. For any employees who have any problem dealing with alcohol, Cool@Work is there to ensure that they can access the help and support they need.

In 2012, we launched We Love Beer, our global employee ambassadorship programme. Beer is our business and this programme encourages all our employees to be knowledgeable about the craftsmanship and heritage of our products and passionate about sharing them in moderation.

New HEINEKEN Rules on Digital Commercial Communication ensure compliance in digital media, reinforcing our commitment to limiting young people’s exposure to alcohol marketing.

For this and other case studies relating to Responsible Consumption, see our online report.
As an industry leader, we have a responsibility to recognise the problem of alcohol abuse. In encouraging consumers to make positive choices in relation to alcohol consumption, we work closely with industry groups, governments, non-governmental organisations and third parties.

The concept of partnership runs through our whole approach to a sustainable future. Making a real contribution to reducing alcohol-related harm is no exception.

Sean O’Neill
Chief Corporate Relations Officer

12 COMPANIES JOINED TOGETHER AND LAUNCHED GLOBAL COMMITMENTS TO REDUCE HARMFUL DRINKING

28,488 DESIGNATED DRIVERS REGISTERED IN MEXICO

33 MARKETS HAVE A RELEVANT PARTNERSHIP FOCUSED ON REDUCING ALCOHOL RELATED HARM

38 RUSSIAN SCHOOLS INVOLVED IN NEW RESPONSIBLE CONSUMPTION PROGRAMME
We have made considerable progress in recent years in insisting that the partnerships we enter into deliver results. We have defined clear selection criteria based on relevance, third-party recognition, sound evaluation and measurable impact. Going forward, we will continue to focus on increasing the value and impact of existing partnerships and – where relevant – entering into new ones.

National partnerships
We mandate that every HEINEKEN Operating Company that has a meaningful market presence has to establish a partnership with a third party to address a locally important aspect of alcohol-related harm. In 2012, 33 Operating Companies had such a partnership.

In Poland, for instance, our Grupa Żywiec operation conducted a survey to better understand the factors determining alcohol consumption by young people. Based on the results of the survey, the alcohol prevention programme, ‘Coalition for the Sobriety of Youth’, was launched. Encouraging collaboration and open dialogue between relevant groups, including parents, emergency services and retailers, it is the first programme of its kind launched in Poland by a beer company.

Industry partnerships
In 2012, we continued to work with other industry leaders to develop and implement programmes to reduce alcohol-related harm. These industry collaborations include:
- International Center for Alcohol Policies
- Global Alcohol Producers Group
- World Federation of Advertisers
- Global Brewers Initiative
- Brewers of Europe.

We also entered into a new pan-European partnership with EUHOFÁ, a leading international hospitality and tourism association. While many of our markets have established collaborations with on-trade schools, this unique programme integrates HEINEKEN’s sustainability agenda, which includes responsible drinking, into the curriculum.

Global commitments on alcohol
Through our partnerships we were involved in several industry firsts in 2012. In collaboration with the World Federation of Advertisers, HEINEKEN and other leading producers from beer, wine and spirits sectors introduced a comprehensive alcohol marketing initiative. Under the Responsible Marketing Pact, alcohol producers agreed to implement common standards for responsible advertising and marketing aimed at adults of legal purchasing age.

At a conference organised by the International Center for Alcohol Policies in Washington D.C., HEINEKEN joined 11 other global alcohol businesses to launch a wide-ranging set of commitments aimed at reducing the harmful use of alcohol. These commitments cover five key areas, including underage drinking, drinking and driving, and responsible product innovations. They will be implemented throughout the HEINEKEN business over the next five years.
Enabling our journey

Brewing a Better Future will only succeed if the preconditions for success are defined and in place. With our enablers, we are making sure that our culture and organisation can support our ambitions.

Extending our influence through our Supplier Code

We are committed to making a positive contribution to society through our global operations. We expect all our suppliers to help us to fulfil this commitment by actively supporting and respecting our values in their own business practice. By signing the Supplier Code, suppliers agree to comply with key elements of integrity, environment and human rights. At the end of 2012, 528 of our global suppliers and more than 34,000 local suppliers had signed the Supplier Code.

As part of our Supplier Governance Procedure, we also monitor compliance with the Code through the EcoVadis collaborative platform. Suppliers identified as high risk are subject to audit by a third party. We conducted nine audits in 2012. For eight of the audits, we found 37 minor non-compliances, 41 major non-compliances and zero critical non-compliances. We adopt a continuous improvement approach to achieving compliance, but may as a final resort cease to do business with non-compliant suppliers.

Building sustainability into performance plans

We have made sustainability one of the five merit areas in senior managers’ annual performance appraisals. This means that sustainability becomes expected behaviour rather than an ad-hoc activity linked to a short-term cash bonus. In 2012, 80% of senior managers had sustainability targets included in their annual performance appraisal objectives.

Better reporting with Green Gauge 2.0

Launched in 2011, the Green Gauge scorecard allows us to monitor and report quarterly progress on our various sustainability initiatives at all levels of the business. To improve efficiency and reporting quality, we rolled out Green Gauge 2.0 in 2012. This electronic platform is quicker, more accurate and tightly integrated with other existing reporting tools within HEINEKEN.

Local sustainability reports

As part of our commitment to transparency in reporting, in 2012 a total of 33 Operating Companies published a 2011 local sustainability report or factsheet. They can all be viewed on our website.
Stakeholder engagement and dialogue

Crucial to our Brewing a Better Future journey are our stakeholders. They help us to stay focused and tell us when they feel we are moving off track. We communicate and engage with stakeholders in three ways: reputation research, expert meetings and ongoing stakeholder dialogue.

HEINEKEN’s Reputation Research survey gives a wide range of stakeholders, including employees, customers, governments and NGOs, the opportunity to tell us what they think. Since 2010, more than 7,500 stakeholders have shared their opinion.

In January 2012, we began the process of reviewing the Brewing a Better Future agenda (see page 24). In order to set new commitments for 2013-2015, we facilitated a series of ‘expert meetings’. A broad group of 22 stakeholders met with internal HEINEKEN specialists to exchange knowledge and insights on our sustainability performance.

Ongoing stakeholder dialogue takes place on a global level with key groups including employees, investors, suppliers and consumers. In addition, our Operating Companies actively engage stakeholders in their local markets.

Feedback shows that, overall, HEINEKEN is seen as a trusted and respected company that delivers on its promises. However, it also identifies areas for improvement. Read the online report for more on what our stakeholders said and how we responded.

Working with partners
We believe that we can achieve more by working with partners and stakeholders than on our own. In 2012, we continued to invest time and energy in this philosophy.

We are a signatory to the UN Global Compact, and an Industry Partner with the World Economic Forum. We are also a founding member of Green Freight Europe, an innovative initiative focused on reducing the environmental impact of European road transport, which was officially launched in March 2012.

We are actively engaged in a growing number of organisations that support our aims for both business and society. Among them are: Sustainable Agriculture Initiative (SAI), a platform that supports the development of sustainable agriculture worldwide; Beverage Industry Environmental Roundtable (BIER), a partnership of global beverage companies focusing on water stewardship, energy and climate change, and stakeholder engagement; and International Center for Alcohol Policies (ICAP), of which HEINEKEN is currently the chair.

For a full list of partnerships and our UN Global Compact commitments, read our online report.
Benchmarks and achievements

In our quest to create real value for all our stakeholders, we are committed to improving the quality and quantity of data on which we report. This requires benchmarking our performance against other companies in the sector and publishing and sharing our findings.

Global benchmarks

- **Dow Jones Sustainability Index**
  Although we were not included in the index, we received our highest score ever. Specifically, we achieved a significant improvement in our overall performance in packaging and standards for suppliers. We also remained best in class in the areas of water-related risk and responsibility for alcoholic products.

- **FTSE4Good**
  We again maintained our inclusion in the index, achieving an absolute score of 4.1 out of 5, and a relative ‘food and beverage’ supersector score of 94 out of 100.

- **Investors Carbon Disclosure Project**
  We again participated in the Investors CDP, to measure and disclose our carbon-reduction activities. Our disclosure score improved by almost 30 points, from 59 to 88 points out of 100. In addition, we achieved a B performance rating versus D previously. Overall, this resulted in a CDP Benelux Leadership Index.

- **CDP Water Disclosure**
  For the second time, we took part in the CDP Water Disclosure Global Survey, reporting on water usage, the risks that water presents and responses to that risk. Our introduction of incentives for all senior managers linked to sustainability targets, including water, was highlighted as a ‘Leading Practice on Governance’ in the Consumer Staples category.

In May, HEINEKEN received the prestigious GBCHealth Business Leadership Award for its ‘enduring commitment to and excellence in its support for health-related programming’.

To watch a video of our healthcare activities in Africa, go to our online report.
Local benchmarks and achievements

- HEINEKEN again improved its score in the Dutch Transparency Benchmark, with an overall score of 193 out of 200 points, up from 172 points in 2011 and 143 in 2010. HEINEKEN now ranks seventh. The Dutch Transparency Benchmark is conducted by the Ministry of Economic Affairs and assesses the transparency of CSR reporting by the top 500 Dutch companies.

- HEINEKEN UK was awarded Platinum Plus, the highest ranking in the Corporate Responsibility (CR) Index. It was also voted Best Company in the Food and Drink Sector. The CR Index is the UK’s leading voluntary corporate responsibility benchmark.

- Athenian Brewery is one of the first companies in Greece to receive the Platinum Award in the Corporate Responsibility Index.

- Nigerian Breweries was awarded Best Company in Supply Chain Value Creation at the Nigeria Social Enterprise Report and CSR Awards. Nigerian Breweries received this recognition for increasing the volume of sorghum production in the country.

- Grupa Żywiec in Poland ranked number one at the Grand Prix CSR awards in the Large Company category.

- HEINEKEN USA was rewarded a US LEED (Leadership in Energy and Environmental Design) Gold Certification from the US Green Building Council for its renovated headquarters.

- In Portugal, HEINEKEN received the Rock in Rio Sustainable Attitude Award for actively encouraging ‘green behaviour’ among festivalgoers. Rock in Rio is the largest music and entertainment event in the world.

- HEINEKEN in Slovakia received a special award from the Slovak Ministry of Labour, recognising its activities on gender equality, equal opportunities and family-friendly approach.

Athenian Brewery was ranked Best Workplace in Greece and fourth Best Workplace in Europe, based on a survey conducted among over 250,000 employees across 1,500+ European organisations by the Great Place to Work® Institute.
Based on dialogue with our stakeholders and insight into global trends, we have identified four key areas on which we will build a more focused second phase of Brewing a Better Future: water, CO₂, sourcing and responsible consumption. Each area is underpinned by our ways of working – living by our values, leading by example, and working together to make a difference.

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<th>Focus areas</th>
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Ways of working

- Values and Behaviours
Global trends: how they impact us, how we impact them
The world is facing unprecedented global challenges, chief among them being population growth, climate change, access to natural resources, and food and water scarcity. These challenges will directly and indirectly impact businesses, both by posing a threat to the future availability of key resources and through increasingly demanding legislation.

HEINEKEN, too, will be affected if we do not act to mitigate the impact of these risks on our own organisation. At the same time, we recognise the economic and social opportunities that lie in creating real, shared value for all our stakeholders.

Defining our priorities
In 2012, we reviewed global trends as basis for defining our priorities. To help us in our assessment, we hosted a series of ‘expert meetings’ between February and April 2012. A broad group of 22 stakeholders met with internal HEINEKEN specialists to share knowledge and insights on our sustainability performance and how we can develop our thinking and plans.

Materiality analysis
These dialogue sessions were instrumental in helping us to build a prioritised materiality matrix containing the issues, risks and opportunities that are most relevant to our business and stakeholders.

Ultimately, we were able to identify the four key focus areas. Each of the areas is supported by a number of concrete commitments. They state clearly our ambitions for 2020 with milestones to be achieved by 2015. The 2020 ambitions that were set in 2010 remain unchanged and are integrated into our focused agenda.

Looking to the future
With our new commitments in place, we are looking proactively to the future to secure our long-term business continuity, while fulfilling our social and environmental obligations.

Our commitments for 2020

Water
- Reducing specific water consumption in the breweries by 25%
- Aiming for water compensation/balancing by production units in water scarce and distressed areas

CO₂
- Reducing CO₂ emissions:
  – in production by 40%
  – of our fridges by 50%
  – of distribution by 20% in Europe and the Americas

Sourcing
- Deliver 60% of raw materials in Africa via local sourcing
- Aiming for at least 50% of our main raw materials from sustainable sources
- Ongoing compliance with our Supplier Code procedure

Responsible consumption
- Delivering on industry commitments
- Making responsible consumption aspirational through Heineken®
- Every market in scope has and reports publicly on a measurable partnership aimed at addressing alcohol abuse.
About this Summary Sustainability Report
This printed report summarises HEINEKEN’s progress on Brewing a Better Future in 2012. The data in this report refers to the consolidated interests of Heineken N.V.

The full and audited Sustainability Report 2012 is published online and includes detailed performance data, (moving) images and additional information like:
- Forty insightful case studies, covering all six strategic initiatives and enablers
- List of Operating Companies and Business Units in scope for this report
- Independent Assurance Report from KPMG
- Interactive GRI Table.

Visit
www.sustainabilityreport.HEINEKEN.com

More information about HEINEKEN and our sustainability journey
theHEINEKENcompany.com
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Twitter: @HEINEKENCorp

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