



# Sustainable apples and barley

We're big supporters of British farming. Around 30% of all the apples grown in the UK go into our delicious ciders. And we only use British barley in all our UK brewed beers including Foster's, John Smith's, Amstel and Kronenbourg 1664.



Our business relies on a consistent and quality supply of apples and barley and we don't take it for granted. To ensure a sustainable supply, we're working with our apple and barley farmers now to safe-guard production and rural livelihoods in the future.

## Protecting British orchards

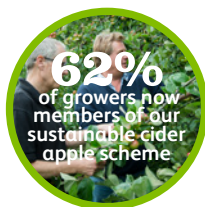


**HEINEKEN UK's Golden Apple Awards** is the Oscars of the cider apple growing world! Taking place every two years, the awards celebrate our farmers' commitment to quality and sustainability, including outstanding land management, environmental leadership and orchard practices. In 2017, The Skittery brothers won the top prize, following in the footsteps of their father who was a Golden Apple winner exactly 20 years before.

We source our cider apples from thousands of acres of orchards in Herefordshire where we have decades of history. Some of our apple farmers' families have been supplying our business for over 100 years.

Over the past three years, we've been working with our growers to make orcharding more sustainable by encouraging them to become members of the HEINEKEN Sustainable Cider Apple Scheme. Around 62% of our grower are now members. To join the Scheme, farmers must meet our high standards on a range of topics including sustainable harvesting, waste and health and safety. We then check they're meeting our standards each year and work with them to improve if needed.

Last year, 79% of our cider apples came from sustainable farms. This means we're on track to source 100% of our apples from sustainable farms by 2020.



## Future-proofing our barley supply

Every year, we use around 115,000 tonnes of UK barley to brew our beers.

At the beginning of 2016 we began to explore how to make UK agriculture more sustainable and profitable at scale, as part of the **Sustainable Futures (SF) initiative**. The end goal is to change the way Britain's main commodity crops (barley, potatoes, wheat and sugarbeet) are produced so yields go up, while CO<sub>2</sub>, water and pesticides go down.

Innovation is at the centre of the Sustainable Futures initiative. New ways of farming to get more crops with less pesticides, CO<sub>2</sub> and water. Often these changes can be simple and natural, like planting clover in between rows of barley. Clover has natural properties that deter bugs and it's great for soil quality – so less pesticide and fertiliser is needed.

Year one was all about getting the farming community on board and proving the concept. To do this, trial sites were set up across the UK to test various farming innovations to see how they affected yields, biodiversity, water, pesticide use etc.

As part of the 'barley group' we worked with our malster, Muntons, to set up a five acre demonstration plot near our Tadcaster brewery to trial new barley growing techniques. Farmers were then invited to see first-hand how these worked and working groups were set up to discuss the practical application on their own farms.

Now with over 140 farmers on board - covering about 11% of arable land in Yorkshire - year two of Sustainable Futures will see them putting these new techniques into practice. We'll then be monitoring the impact and looking for opportunities to scale.



**140 farmers**  
signed up to  
Sustainable Futures





# Protecting water resources

Water is vital to our business. It's essential to grow the quality hops, barley and apples that we rely on to make our beers and ciders. And of course, beer is 95% water so no water means no beer!

Water scarcity is now a major issue. It mainly affects Africa and Asia where 800 million people can't get clean drinking water. But even in the UK, overuse, pollution and climate change are all threatening Britain's water supply.

## Brewing more with less water



**21%**  
less water to  
brew than  
in 2008

Water  
use  
down to  
**3.3hl/hl**

Since 2008, we've lowered our water use by 21% to 3.3hl/hl<sup>1</sup>. The changes we made in 2016 alone cut our water use by 3% (vs 2015). In real terms this means if we were to brew the same amount of cider and beer as in 2015, we'd have done so using almost 200 million less pints of water.

Our focus is on faster, flexible and more efficient brewing. Over £100 million has been invested into radically modernising our Manchester and Hereford sites and installing state-of-the-art and highly efficient equipment.

We're also making our existing equipment more efficient and finding new ways of doing things to reduce water use. For example, at Manchester, the team used a problem solving tool to map the water use of a foam catcher sprayer and found the water supply was permanently on, due to an issue with our control system. By correcting the issue and optimising all 12 sprayers, the team reduced the site's daily water use by 7% and saved £150,000.

## Helping our customers reduce water

We've also driving real environmental change in the UK beer and cider market. Our cutting-edge beer dispenser, Smart Dispense, cuts water and chemical use by a massive 75%. And the coolers and insulation are 20% more energy efficient than other systems.

SmartDispense is currently in almost 4,500 outlets across the UK. Through a significant investment programme we plan to install 10,000 units by 2020 - that's a unit in 20% of all pubs in the UK.

As installs go up, water use of pubs and bars goes down. In 2016 alone, Smart Dispense will have saved the hospitality sector 35 million pints of water. But it's not only saving water, it's also saving our customers money by massively reducing beer waste - and it guarantees a quality pint, every time.

► Visit the SmartDispense website




**In 2016, SmartDispense helped luxury hotel operator, Rezidor UK:**

- Reduce water use by 172,000L
- Cut CO<sub>2</sub> emissions by 241 tonnes
- Cut chemical use by 1,255L
- Sell 60,000 extra pints - worth £301,000
- Pour great quality cider and beer every time



**75%**  
less water

**20%**  
more efficient

**Less  
Waste**

**Quality  
beer**

<sup>1</sup>This means we use 3.3 hectolitres of water to make 1 hectolitre of beer and cider.





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

Climate change is causing sea levels to rise, glaciers to recede, floods on sunny days and droughts to occur when it should be raining. No country, business or community, large or small, rich or poor, will be protected from the impacts.

At the 2015 climate change summit in Paris, over 169 countries made a landmark agreement to keep global warming below 2°C. Businesses have a big role to play in creating a low-carbon future, so we're working hard to cut emissions right across our value chain.

We've committed to cut CO<sub>2</sub> emissions across our value chain by 40% by 2020. To do this we focus on reducing emissions in:

- **Production:** by installing energy efficient technology and using renewable energy
- **Distribution:** by efficiently transporting our products to our customers
- **Refrigeration:** by buying and supplying energy-efficient fridges to our customers through our green fridges programme.

## Reducing emissions at our sites

We're working hard and investing in our sites so they can produce quality beer and cider in greater volumes, but with less energy. We've invested over £100 million into new, energy efficient technology and are continually improving our brewing equipment and processes.

Since 2008, we've made great progress and have consistently reduced energy use and emissions across our sites. In 2016, our greenhouse gas emissions were down 32% to 4.0kg CO<sub>2</sub>eq/hl vs 2015. That's a massive 60% lower than in 2008. Electricity use decreased by 2% and thermal energy use was reduced by 4%, compared to last year.



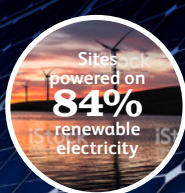
Our **Manchester** brewery's mission is to save £1 million from various improvement projects (e.g. water, energy, extract losses) by 2018. With eight active energy projects saving us £200,000 so far, we're making great progress. A big win has been recovering CO<sub>2</sub> generated when brewing and reusing it at others parts of the process. Every pint brewed at Manchester uses around 25% less energy than in 2013!

**Hereford's** £58 million, brand new cider plant is up and running! It's a super-efficient, modern cider centre where we make Old Mout and Stongbow Cloudy Apple. It'll make our cider production much more efficient and will establish Herefordshire as the global home of cider.

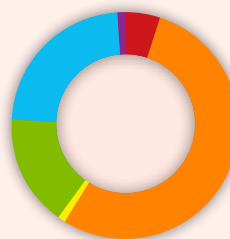
In 2016, the team at **Tadcaster** overhauled the boiler house, optimised the hot water storage system and installed a new, highly efficient heat exchanger. All of this cut the site's thermal energy use by a massive 15% (compared to 2015) and saved the business £200,000.

Our sites are powered on 84% renewable electricity. At Tadcaster, 4,000 solar panels and an anaerobic digester plant (which generates electricity from waste) provides around 10% of the sites energy.

All our sites are zero waste to landfill and 100% of waste from the brewing process is recycled into feed, compost, energy or other materials. Brewer's grains and yeast, for example, are highly nutritious and so almost 60% is recycled for animal or human food (as yeast extract). Around 23% goes into creating biogas, which is turned into the electricity we use to power our sites.



## Where does our waste go?



Human consumption	5%
Animal feed	54%
Materials	1%
Compost/soil improvement	16%
Energy (biogas)	23%
Combustion with energy recovery	1%



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



## Low-energy fridges

We buy and supply fridges to our pub, restaurant and hotel customers. The energy used to keep these products cool accounts for one-third of our carbon footprint. So making sure they're as 'green' as possible is global business priority.

In 2016, we continued replacing older cooling systems with energy-efficient models. All fridges we sold complied with our Global Fridge policy, meaning they perform to a certain level on HEINEKEN's energy efficiency index and have at least four 'green' characteristics (i.e. use LED lighting, hydrocarbon refrigerant, an energy management system and energy efficient fans). The average energy use of these newer models was 46% less compared with 2010, meaning we're on track for our 50% reduction target by 2020.



## Transporting our products

Cutting CO<sub>2</sub> emissions associated with transporting our products remains a challenge but we're making progress. Last year emissions were down 0.5% vs 2015 and 11% compared to 2011<sup>1</sup>.

We expected bigger reductions but we in-sourced production from Molson Coors (Burton-on-Trent) to our Manchester brewery. This then increased the distance we needed to travel to get our beers to our pub customers (mostly in London) and impacted on our CO<sub>2</sub> emissions.

In 2016, we made a number of changes that should start to pay off. We upgraded over 120 of our lorry fleet to new models with the latest engines that improve fuel efficiency by up to 28% and produce less CO<sub>2</sub>.

We also introduced a minimum order, so don't need to make as frequent trips to our pub customers. And, we're identifying where we can combine orders to reduce the number of journeys taken. During the last quarter of 2016 we delivered the same volumes to customers but with 2,223 less deliveries. This equates to 144 less tonnes of CO<sub>2</sub>.

<sup>1</sup> Based on production volumes (kgCO<sub>2</sub>e/hl)



Delivering same amount of beer and cider but with  
**2,223**  
less journeys



# A Safe & Healthy Place to Work

Making sure our people enjoy working at HEINEKEN is something we take very seriously. Currently 84% of our 2,000 colleagues say they are proud and love working here and we want to keep improving on this.



With fantastic pubs, great brands and sponsorship of top class sports, arts and music events, HEINEKEN is a fun place to work! But ultimately, our responsibility is to keep our colleagues safe and healthy – both physically and mentally.

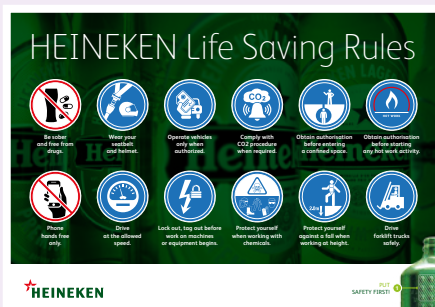
## Safety at HEINEKEN

Our number one priority is keeping our colleagues safe – especially those in high risk roles at our breweries, cider plant and on the road.

In 2016, there were 13 accidents (9 serious, 5 minor) at our production sites. The number of serious incidents was actually down 18% (9 vs. 11 in 2015), but any accident is unacceptable so this was, of course, disappointing.

In trying to stop accidents altogether our focus is on creating a culture where colleagues put safety first every day. Over the past year, we've launched a series of campaigns to keep safety at the forefront of colleagues' minds.

- **Rolled out our 12 Life Saving Rules** which clearly outline the *dos* and *don'ts* for high-risk activities.
- **Gave out over 3,000 safety gifts**, including tyre-tread gauges and first-aid kits on World Health and Safety Day.
- **Created a short film** featuring our colleagues sharing their personal reflections on why safety is so important to them.



## Taking a Stand on Mental Health

It's incredibly important to us that everyone who works for us knows that if they're struggling with a mental health issue, they have the full support of their manager, their colleagues and the business. So we've signed the **'Time to Change'** pledge – a public declaration of our ongoing commitment to end the stigma around mental ill health.

To help with this, we've recruited 30 Mental Health Champions who have been trained by *Mental Health First Aid* to help spot the signs of a mental health issue and provide support to colleagues who need it. We also run resilience training for managers and our **'Take 10 Together'** campaign gave tips on how to start the conversation with someone you think may have a mental health issue. We're determined to provide an environment where our colleagues can be open about their mental health.



## Getting Active

We know good mental health goes hand in hand with good physical health, so we're encouraging our people to get active. In June, we sponsored **HEINEKEN Race to the Tower** – a 52-mile challenge through the heart of the Cotswolds. Over 200 colleagues took part in the event and the feedback we've had from them has been fantastic.

We also launched Bupa Boost, an app that allows colleagues to set health goals to improve their nutrition and fitness.





# #BrewingGood in our communities



Over the past few years the UK has faced a lot of change and instability, leading to a sense that society is becoming increasingly divided. A study in 2016 found that one in four people felt their communities were more divided now than at the start of the year.<sup>1</sup>



We believe strong communities hold society together. So, now more than ever, it's vital we help build vibrant, cohesive communities where people and business can flourish.

## Pubs build stronger communities



We're passionate supporters of the Great British pub. In the last five years we've invested a record £100 million into our pub estate, helping our licensees improve their pubs, grow their businesses and boost local job creation.



As well as safeguarding the pub industry, we believe pubs play an incredibly important role in society as social hubs that bring people from all walks of life together.

In 2016 we launched a campaign - #BrewingGood Cheer - to get pubs up and down the country to open their doors to local people who were socially isolated and in need of some companionship.

### #BrewingGood Cheer

- **Worked with 16 local charities** - along with community pubs from Edinburgh to London - to put on festive lunches for around 200 people who might otherwise be spending Christmas alone.
- **Over 50 colleagues volunteered** at the lunches to befriend and chat to our guests.
- **Donated £50,000** to 50 charities that support people who are lonely and isolated.

This year we want to make #BrewingGood Cheer bigger and better - more pubs, more charities, more people! ▶ [Visit the campaign page for more](#), or ▶ [watch our film about our #BrewingGood charity partners](#) in Manchester.



## Creating community orchards to bring people together



As the UK's number one cider producer, we're passionate about orchards. In 2014 we launched a new partnership with the country's only community orcharding charity - The Orchard Project. Together we embarked on an ambitious journey to support communities across the UK in creating and restoring community orchards in parks, community centres, housing estates, allotments and school grounds.

And the enthusiasm we're receiving from communities for our Helping Britain Blossom project is blooming fantastic! To date, over 2,200 volunteers have given more than 30,000 hours to plant or restore over 2,500 fruit trees in 150 orchards.

As well as creating green space where it's needed, and bringing people in diverse communities together, our Helping Britain Blossom community orchards provide places for locals to enjoy free fruit for years to come. Find a community orchard near you on the ▶ [Helping Britain Blossom website](#).



## Getting

 **neighbourly**  
in our communities

Local community groups are working hard to strengthen communities and do a vital and often difficult job. To try and help, in 2016, we opened a community fund at each of our six sites. In a year, we supported over 100 local charities - all of which were chosen by our colleagues.

▶ [Find out more about the local groups we're helping here.](#)

1. A YouGov online poll of 1,002 people for Charities Aid Foundation, 2016

# Tacking alcohol harm



Most people in the UK enjoy a few beers or ciders without overdoing it. In fact, we're drinking less today than we did 10 years ago.<sup>1</sup>

The numbers of people drinking harmfully is also declining. The latest research from 2014 showed that underage drinking was down 13%, binge drinking (among 16-24s) was down 33%, and alcohol-related crime was 24% lower than five years before<sup>2</sup>. But alcohol harm still affects around 20% of people in the UK and this is unacceptable.

Alcohol misuse is a complex issue. Addiction alone is linked to a range of factors including genetics, family history of dependence and poor mental health. There's no one size fits all solution, so we try and deal with alcohol harm through a mix of targeted interventions and education.

## Over 12 years working with UK's leading behaviour change charity

**addaction**

The foundation of our work to confront alcohol harm is our successful twelve year partnership with Addaction. The charity helps people recover from alcohol addiction, rebuild relationships with their families and reintegrate into society.

Over the years we've supported a number of Addaction's pilot projects, which trial pioneering approaches to tackling alcohol harm.

Most recently, we've worked with them to deliver Right Turn, a programme to help ex-service men and women deal with substance abuse and mental health issues, and successfully integrate back into civilian life. It operates on the premise that the comradeship that underpins military life can be re-directed to support recovery from addiction and prevent involvement in crime. This specialist service is now available in 20 locations across the UK and is helping many people get their life back on track.

### What's the impact of Addaction's service for ex-military?

Addaction's service for ex-military people dealing with drug and alcohol addiction is proven to have a positive impact on their lives. An evaluation by Sheffield Hallam University in 2017 found:

**86%**  
felt more  
confident about  
achieving  
life goals.

**78%**  
had a big  
improvement in  
relationships  
with family

**65%**  
now in  
voluntary or  
paid work

► Read the full evaluation of Right Turn



<sup>1</sup> NHS, Statistics on Alcohol England, 2017

<sup>2</sup> Portman Group (2014 <http://www.portmangroup.org.uk/research/infographics>)



# Tacking alcohol harm



## Tackling underage drinking

Community Alcohol Partnerships (CAP) bring together the police, schools, local business and people in the community to reduce underage drinking and the associated impacts on people living in the local community. In 2016, CAP (co-funded by HEINEKEN and 15 other producers and retailers) celebrated the launch of its 124th scheme. Across the country, CAPs have reduced the sale of alcohol to under 18s, driven down alcohol-related youth anti-social behaviour and increased local residents' feelings of safety. Some of the results seen in local communities across the UK last year were:



► Read the CAP Impact Report 2016 for more.

**drinkaware.co.uk**  
for the facts

## Helping people get the facts on alcohol

Drinkaware is the UK's leading charity for alcohol information, where people can get the facts on responsible drinking. We help drive traffic to the site by adding the Drinkaware logo on all our marketing materials – from our TV adverts, brand websites, secondary packaging to our festival activation. In 2016, Drinkaware's website had 9.2 million hits, with over 1 in 10 adults visiting.

## Reducing binge drinking & disorder in pubs and bars



Best Bar None is a National Award Scheme supported by the Home Office and drinks industry to encourage alcohol licensed premises to reduce binge drinking, alcohol related crime and disorder - and build strong relationships between bars and pubs, police and local authorities. Piloted in Manchester in 2003, the scheme had a really positive impact on driving up the standards of the night time economy and so it's being scaled up. To date, it's been adopted by 75 town and cities across the UK and is now being adopted internationally.





# Power of brands to drive social change

Our brands are enjoyed by millions of people every day. This is a big opportunity to positively influence people's thinking and behaviours to bring about social change.



Our flagship brand Heineken® is the world's most international premium beer brand. It's the name above our door - the iconic green bottle that's like a familiar face of an old friend. Every day 25 million Heinekens® are served to people in 192 countries.

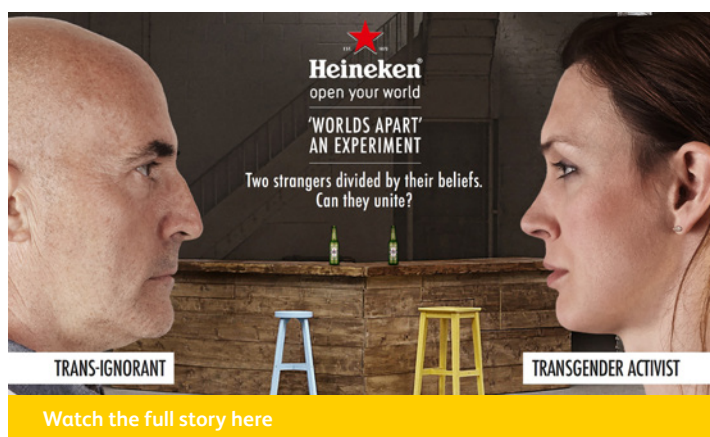
When trying to spark change through our campaigns on a global scale, we know we'll have most impact when we put all our creative energy behind our biggest and most well-known beer brand, Heineken®.

## Heineken® celebrates openness

Heineken® has always stood for openness and diversity. We're staying true to the essence of our brand in our latest campaign to encourage conversations that breakdown social barriers.

Could perfect strangers actually meet and find common ground? That's what Heineken® set out to test through the Worlds Apart campaign. We brought together people with strong and opposing views on transgender rights, climate change and feminism to see if they could find common ground while having a chat over a beer.

At a time when people feel that openness and tolerance are under threat, this social experiment set out to remind people that there's more that unites than divides us. The ad took the world by storm and went viral, reaching 3 billion people to date. And it's been widely praised for what it achieved in celebrating openness to create an inclusive society.



[Watch the full story here](#)

To help spread a message of tolerance across the UK, we've also teamed up with The Human Library, a unique not-for-profit that uses conversation to challenge stereotypes. Every 'book' in The Human Library is a real person – from street sleepers to refugees, to transgender people. In 2017, we're running series of events where the public can meet a 'book' for an eye-opening discussion and chance to find common ground.

## Rugby sponsorship dedicated to fostering social inclusion

Heineken's® also exploring how our sponsorships can bring about social change in UK communities. The brand's long-established links with rugby is helping support the inspirational work of social inclusion charity, School of Hard Knocks.

The Heineken® School of Hard Knocks partnership got off to an unforgettable start as ex-England stalwart Nick Easter found himself 'taking the hit' for School of Hard Knocks in a hair-raising bungee jump from high above Murrayfield Stadium during the European Professional Club Rugby (EPCR) finals in Edinburgh.

The stunt came about after Heineken® used its 2017 EPCR sponsorship to kick off a fundraising and awareness drive for the charity.

School of Hard Knocks works with the long-term unemployed and uses sport, in particular rugby, to tackle issues surrounding unemployment, crime and health to help people grow in confidence and get back in to work. Our partnership and 'Take the Hit' campaign enabled the charity to launch a new programme in Edinburgh, which will support 100 people in 2017 through a series of eight-week training programmes in the classroom and on the pitch.





# Power of brands to drive social change



## The boldest responsible drinking programme, ever

Heineken's® ground-breaking advertising is helping to make drinking responsibly and staying in control something people aspire to.

Each year, at least 10% of Heineken's® media budget is spent on ads that aim to change drinking behaviours in a way that resonates with consumers. We've been making moderation cool through Heineken® since 2012 with campaigns Sunrise and Dance More Drink Slow.

In 2016 and 2017 we upped our game with Moderate Drinkers Wanted and When You Drive, Never Drink. Moderate Drinkers Wanted focused on the impact that drinking to excess has both on the person and on those

around them. Our research showed that more and more people see drinking moderately and staying in control as cool and want their friends to do the same. Heineken's® ad brought this insight to life. ▶ [Watch it here.](#)

The launch of Heineken's® global Formula 1 partnership reinforces our long term commitment to encourage responsible drinking in a big way! When You Drive, Never Drink features road safety pioneer and F1 legend Sir Jackie Stewart and lands a powerful anti-drink driving message. Jackie Stewart refuses a beer throughout the ad which traces his career, leaving consumers in no doubt - when you drive, you never drink.



▶ [Watch the ad here](#)

**10%**  
OF OUR MEDIA SPEND  
aims to change drinking behaviours



In September, Old Mout supported the industry-wide Enjoy Responsibly Day, promoting a fun message of moderation to 2.7 million people. 'Be a Kiwi, not a tit' was shared on Instagram, Facebook and in London's Time Out magazine.

## Tiger beer and WWF to stop illegal tiger trade

As well as Heineken®, some of our other big brands are exploring how they can be a positive force for change.

In 2017, Tiger Beer set about getting people to see tigers as a source of inspiration, not as a source of profit. Tigers are much more than a brand emblem to Tiger Beer and with only 3890 tigers left in the wild, protecting them is incredibly important.

In partnership with the World Wildlife Fund (WWF), Tiger beer launched the ▶ [#3890Tigers](#) campaign that's using the power of art and creativity to raise awareness and call an end to the illegal tiger trade.

As a reminder of the disappearing tigers from the wild, Tiger will be removing the iconic tiger from its logo on special edition bottles and packaging.

The beer brand also donated \$1 million to WWF to support tiger conservation.

