



Sustainability Report 2014 HEINEKEN UK

Brewing a Better World



Rod Lees
Orcharding Manager

Welcome to our 2014 Sustainability Report

Jeremy Beadles
Corporate Relations Director



“HEINEKEN is the country’s leading cider and beer company and part of HEINEKEN N.V., the world’s most international brewer. Our brands are known and loved across the UK and include Foster’s, Heineken®, Strongbow, Kronenbourg 1664, Desperados, John Smith’s and Bulmers alongside heritage brands such as Deuchars and Newcastle Brown Ale.”

Without the support and enthusiasm of the 2,000 passionate colleagues who make, distribute and sell our ciders and beers, our sustainability strategy will fail. They bring it to life and make it happen day in day out. That’s why this year our report is told through the voice of our colleagues. It tells the story of their efforts to reduce our impact on the environment, strengthen our role in communities, and reduce the harm caused by irresponsible consumption of the products we make.

Key to success is translating strategy into day to day activity. That’s what we’re doing with ‘Brewing a Better World’. Whether it’s how we buy goods and services, source raw materials, advertise products, or improve manufacturing processes, we’re embedding our values in what we do across the business. The past year has seen great progress made towards our goals. This report gives you a flavour of what we’ve achieved and how.

I know we can only improve by listening to others, including our critics, and in 2014 we made that our priority. We created more opportunities than ever before for our stakeholders to tell us what they thought. Through formal roundtables, our first ever stakeholder conference, informal meetings, our annual reputation survey, and through Business in the Community’s Corporate Responsibility Index and Community Mark benchmarking, we listened throughout the year and much of our activity reflects the feedback we received. It is, however, a continuous process and at the end of the report we ask for your thoughts and views. I hope you will feel motivated to give them.

Our Values

Our values represent what we stand for as a business and employer. They inspire us and are brought to life by our colleagues at every level and function and of our business. Our long-standing company values are:

Enjoyment

We’re committed to delighting consumers, day in, day out, with perfect cider & beer experiences.



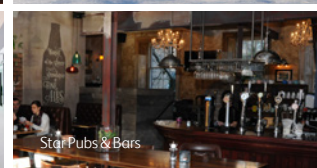
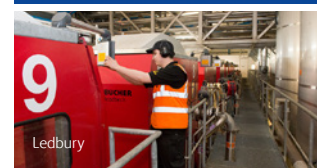
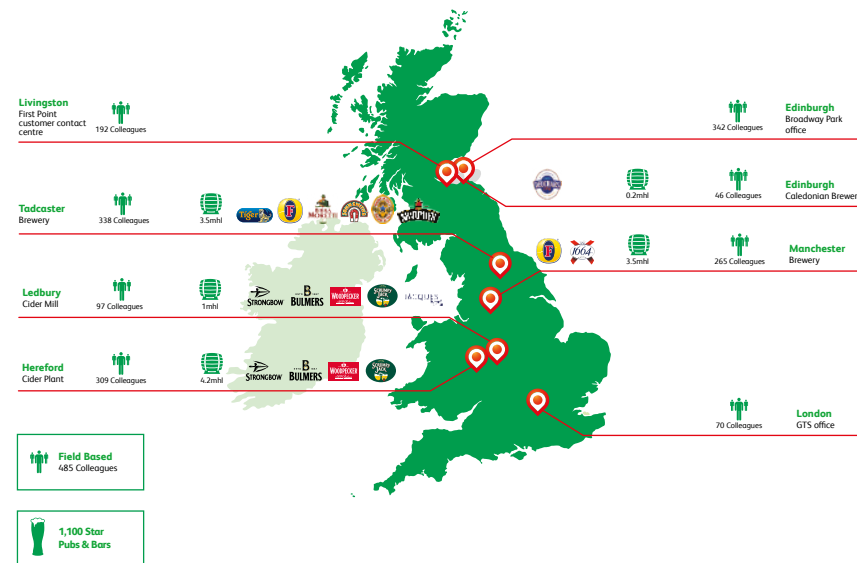
Respect

We have respect for individuals, society and the environment.



Quality

Our passion for quality is at the heart of everything we do.



Foreword from our Managing Director

David Forde
Managing Director



“2014 was an important year for sustainability at HEINEKEN with the evolution of our sustainability strategy into ‘Brewing a Better World’. This approach takes account of both immediate impacts, as well as those in the future, and has been adopted across all HEINEKEN businesses.”

HEINEKEN was 150 years old in 2014. If we're to be successful for the next 150 years we must become a more sustainable company. If we don't, we won't succeed commercially – that's why 'Brewing a Better World' is one of six strategic pillars of our business strategy. In 2014 business conditions were tough and we operated in a challenging economic environment. However, with a clear strategy and a strong team, we delivered a solid performance, despite this challenging background.

Our values of enjoyment of life, respect for people and planet and passion for quality are what we build our business on. In my foreword last year I spoke about doing more to engage our colleagues on our sustainability journey. This year our colleagues have stepped up and brought our values to life.

One project embodies this more than any other. I'm hugely proud of the hundreds of colleagues who answered our call to 'Act for Addaction' in 2014.

Right across the company they gave time to volunteer and fundraise for this important cause. At times it challenged them, and me, to be confronted with the impact that our products can have when misused. But together we took an important step to become a better and more caring company. As a result of their fundraising we were able to support Addaction's Right Turn service, which provides the dedicated and specialist support that veterans struggling with addiction deserve.

2015 will see the ten year anniversary of our partnership with Addaction. Partnerships are hugely important to me. I believe we can only address the complex sustainability challenges we face through collaboration and so this year we increased our investment in partnerships. We launched 'Helping Britain Blossom' with the aim of creating and restoring 100 community orchards across the UK by 2017. We know a lot about the benefits of orchards - after all 30% of the apples grown in the UK go in to our ciders. This partnership with the Urban Orchard Project and the

Bulmer Foundation is about helping local communities to create green spaces and build healthier and more sustainable ways of living. It takes time for trees to grow and bear fruit, but already we're seeing the positive impact that local people coming together to make a difference to their community can have.

While our work with Addaction was focused on helping those suffering from alcohol misuse, we also continued our work to promote responsible consumption. Our aim is to make moderation 'cool'. We activated the 'Dance More Drink Slow' campaign in the UK with the 'Sunrise' advert hitting TV screens. We also continued our work to drive the moderation category and offer consumers better no and low alcohol choices. Whilst we made good progress across our strategy, I'm mindful that in areas such as water efficiency we need to stay focused to maintain and drive further reductions. However we only need to take the example of our Tadcaster Brewery to see how major investments and micro activities are making a difference today.

With 4,000 solar panels installed on its roof, onsite Anaerobic Digestion, Biogas capture and generation, their move to LED lighting and investment in energy saving voltage transformers, Tadcaster is making real strides forward.

In 2015 our theme will be 'Collaborating for Good' as we continue to work in partnership with our stakeholders and our colleagues to achieve our important Brewing a Better World milestones.

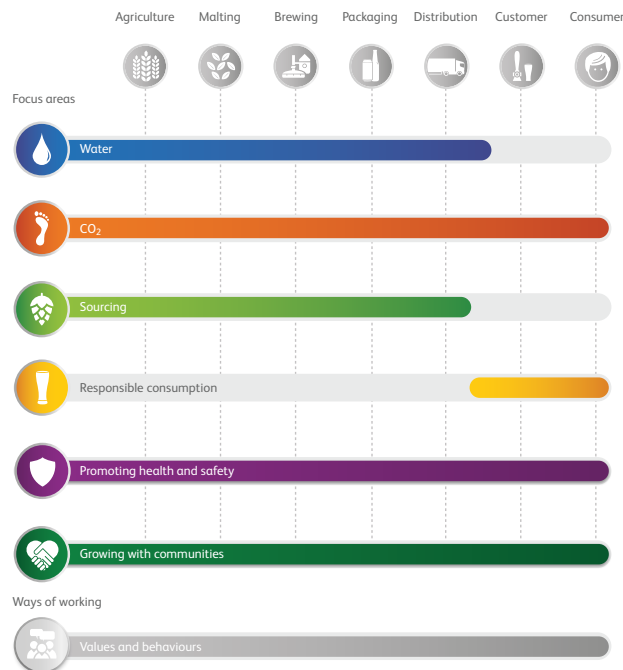
Brewing a Better World

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

In 2010 we launched our global sustainability strategy, 'Brewing a Better Future', and in the UK we immediately went to work delivering against its targets. We've made good progress. In our 2013 Sustainability Report reported reductions in water and CO₂, as well as new sustainable agriculture and responsible drinking commitments and activity.

In 2014 HEINEKEN UK as part of HEINEKEN N.V. took a seemingly small but important step by evolving this strategy into the new 'Brewing a Better World' strategy. We feel this better reflects the impact of our work today, not only in the future. As part of this important evolution we also added two new areas of focus: 'Promoting health and safety' and 'Growing with communities'. Our strategy now has six key areas of activity.

Our sustainability approach spans from raw materials through to end consumers, which we call 'barley to bar'. This focus ensures that we take account of both our direct and indirect impacts.



'Brewing a Better World' continues to be supported by our business values and behaviours. These include a commitment to fairness, integrity and respect for the law and are contained in the HEINEKEN Code of Business Conduct. 'Brewing a Better World' is one of the company's six strategic pillars and forms a key area within company strategy.



We also updated our materiality matrix to better reflect the increased dialogue and feedback from our stakeholders, reputation research, benchmark results and internal risk analysis.

Brewing a Better World: 2020 Commitments

Each focus area is underpinned by clear commitments that state our ambitions for 2020, with three-year milestones to be achieved by the end of 2015.



Protecting water resources

- Reduce specific water consumption in the breweries by 30%¹ to 3.5 hl/hl.
- Aim for significant water compensation/balancing by our production units in water-scarce and distressed areas.



Reducing CO₂ emissions

- In production by 40%¹.
- Of our fridges by 50%².
- Of distribution by 20%³ in Europe and the Americas.



Sourcing sustainably

- Aim for at least 50% of our main raw materials from sustainable sources.
- Deliver 60% of agricultural raw materials in Africa via local sourcing within the continent.
- Ongoing compliance with our Supplier Code procedure.



Advocating responsible consumption

- Make responsible consumption aspirational through Heineken®.
- Every market in scope has and reports publicly on a measurable partnership aimed at addressing alcohol abuse.
- Deliver global industry commitments.



Promoting health and safety (2015 targets)

- In production: reduce accident frequency by 10%.
- Outside production: 90% of markets at 75% of sites reporting at least one near miss per quarter.
- Sales: 2,000 sales managers trained in road safety.
- Company-wide: e-learning completed by 90% of markets with 90% employees trained.



Growing with communities

- Prioritise projects that support 'inclusive growth' and/or links with the focus areas of Brewing a Better World.
- Focus on long-term community investments in multi-stakeholder partnerships.

1. Baseline 2008
2. Baseline 2010
3. Baseline 2011

2014 Community Highlights



Our new partnership with Helping Britain Blossom is bringing the benefits of green space to communities around the UK.









act for addaction







Act for Addaction showed us the power of our colleagues as ambassadors for change.

Delivering against our goals

2014 was a challenging year and production volumes reduced. This had a material impact on our 'Brewing a Better World' target delivery but we still made solid progress and are on track to deliver against our goals by the end of 2015.

Focus area	Our global commitment for 2015	What we've done globally in 2014	What we've done in the UK in 2014	Local progress indicator
	Reduce our specific water consumption in the breweries to 3.9 hl/hl ¹ .	Achieved. We achieved our 2015 target a year early and decreased water consumption to 3.9 hl/hl.	Water consumption remained flat versus 2013 at 3.6 hl/hl.	
	100% of our production units ² in water-scarce and water-distressed areas will have a Source Water Protection Plan.	On track. 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.	N/A	
	Reduce CO ₂ emissions in production by 27% ³ (resulting in 7.6kg CO ₂ -eq/hl).	Achieved. We passed our 2015 target a year early and achieved a 30% reduction compared with 2008, resulting in 7.2 kg CO ₂ -eq/hl.	Reduced CO ₂ emissions in production by 1% versus 2013 (7.1 CO ₂ -eq/hl).	
	Reduce the CO ₂ emissions from distribution by 10% ⁴ in Europe and the Americas.	More to do. 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%.	Reduced CO ₂ emissions in distribution by 4.5% vs 2013 (2.81 CO ₂ -eq/hl)	
	Reduce the CO ₂ emissions of our fridges by 42% ⁵ .	Achieved. 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 ₂ emissions improved from 40% to 45% in 2014, compared with the baseline year 2010.	99% of the 2,481 fridges we bought in 2014 were 'green'.	

¹ Baseline 2008. ² Twenty-three production units. ³ Baseline 2008. ⁴ Baseline 2010/2011 ⁵ Baseline 2010.

Focus area	Our global commitment for 2015	What we've done globally in 2014	What we've done in the UK in 2014	Local progress indicator
	Aim for sustainable sourcing of raw materials for crop year 2015: 20% (barley), 40% (hops), 60% (bittersweet apples for cider ¹).	On track. In 2014 we sourced sustainably: barley: 15% hops: 62% bittersweet apples for cider: 28%	In 2014 we trialed a sustainability questionnaire with our bittersweet apple growers and this will be rolled out in 2015.	
	50% ² of agricultural raw materials used in Africa to be locally sourced ³ within the continent.	On track. We increased our local sourcing from approximately 46% in 2013 to more than 48% in 2014.	N/A	
	Four-step Supplier Code Procedure operational within all Operating Companies.	On track. Four-step Supplier Code Procedure operational in 25 Operating Companies. Rollout planned for all remaining Operating Companies in 2015.	100% of HEINEKEN UK suppliers have signed up to the Four-step Supplier Code Procedure.	
	We commit to invest a minimum of 10% of our media spend ⁴ for Heineken [®] in supporting our dedicated responsible consumption campaign in at least 50% of our market volume ⁵ .	Achieved. '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.	We invested 9.49% of our Heineken [®] media spend activating the 'Dance More, Drink Slow' campaign.	
	Every market in scope has a partnership to address alcohol-related harm. All partnerships meet HEINEKEN's seven-point partnership criteria.	On track. 50 markets are now in scope, an increase from 40 in 2013. Of these 48 have at least one partnership.	Our partnership with alcohol misuse charity Addaction has been in place since 2005.	
	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).	On track. 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.	N/A	

¹ Based on volume. ² Based upon tonnage. ³ With local sourcing we refer to sourcing within the region of Africa & Middle East. ⁴ 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. ⁵ 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.

 Achieved  On track  More to do  Not on track

2014 Highlights

2014 was an important year in the evolution of our sustainability strategy. The change to 'Brewing a Better World' better reflects our impact today. Our new focus areas of 'Promoting health and safety' and 'Growing with communities' are already making a positive impact.



Reducing CO₂ emissions

The opening of our new National Distribution Centre in Derby will save us 300 tonnes of CO₂ per year. It also means we can drive more and more sustainable logistics solutions over the coming years.

The continued rollout of our patented SmartDispense draught system is helping pubs save a million litres of water per year compared to previous equipment.

Our brewery in Tadcaster is now the UK's largest solar powered brewery with over 4,000 photovoltaic panels in operation.



Advocating responsible consumption

We're continually looking for ways to innovate when talking to our consumers about responsible drinking. The latest phase of 'Dance More Drink Slow' encouraged people to stay in control for a more enjoyable night.



Growing with communities

We collaborated with the Urban Orchard Project and the Bulmer Foundation to establish 'Helping Britain Blossom'. The launch of this major project will create or restore orchards for 100 communities across the UK by 2017.



Sourcing sustainably

Farmers are at the start of our supply chain and have a crucial role to play in reducing our impacts. To help them achieve that we made two significant steps forward in 2014. In partnership with one of our malted barley suppliers, Munton's, we set up a pilot 'Farmer Sustainability Group' to share best practice and in Hereford we are now rolling out a sustainable cider apple toolkit.



Awards & commendations

3.5* (95%) CR Index
Awarded both the Community Mark and Platinum Big Tick status by Business in the Community. We're the only alcohol company to receive both awards. Star Pubs & Bars also had their Big Tick status reaccredited.



HEINEKEN UK is part of HEINEKEN N.V. the world's most international brewer with operations in over 70 countries. Gerald Adriaan Heineken established the company in 1864, now 150 years ago. Whilst sustainability may use different language today Gerald Heineken wanted to create a company that was sustainable and which did the right things right."

Global activity in 2014 supporting African farmers

We are proud of the efforts our colleagues in other countries are making to bring 'Brewing a Better World' to life for their communities – in particular our colleagues in Africa.



We have a goal to source 60% of agricultural raw materials in Africa locally within the continent. In 2014 we sourced more than 48% of our African agricultural raw materials locally. 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. Our projects involve around 120,000 farmers' households, benefitting 840,000 family members.

One of the initiatives is called CREATE, or 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.

In 2014 we also 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 within smallholder farmers in Oyo State.

For further details on all Brewing a Better World activity from HEINEKEN N.V. please go to <http://www.theheinekencompany.com/sustainability>.

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.

Planting of sorghum was completed in Sierra Leone with harvesting expected in early 2015, but the spread of Ebola has restricted the access of agronomists to the farms to support farmers. The project will be re-launched once the disease is under control.

Our Stakeholders

David Paterson
Head of Public Affairs & Corporate Responsibility



“Listening to our stakeholders and acting on their feedback has always been important to HEINEKEN. Across the world we use our ‘Reputation Research’ process to do that. Our 2013 results told us we needed to do more in the UK. So in 2014 we launched our ‘Open Conversations’ approach. Rather than wait for the annual survey results, we opened the door to more regular in depth engagement.”

“A key part of my role is to ensure that HEINEKEN is transparent and open to comments and opinions from outside our business. The launch of our ‘Open Conversations’ approach was a reflection of this and recognised that we weren’t previously engaging widely enough.

Activity in 2014 was practical and aimed at better understanding how we’re viewed today, positively and negatively, and to use this as our baseline for future activity. We cast our net wide and in May held a roundtable focused on environmental sustainability with Government officials and non-governmental organisations. We built on this in July through a second, larger, roundtable on responsible alcohol consumption. Views, opinions and actions gained from these preliminary events helped us to shape the agenda for our first stakeholder conference, held in September with over 60 attendees. You can see highlights of the feedback we received below.”

96%

of stakeholder conference attendees found the event valuable to them and their organisation.

Our 2014 stakeholder engagement activity was a learning for us. We deliberately sought to consult with as wide a group of stakeholders as possible, which gave us a rich amount of feedback across all aspects of our business. While we weren’t able to respond to all of the feedback raised it confirmed that we are moving in the right direction with our new partnership, Helping Britain Blossom, and strengthening our activity with Addaction. The comments raised helped us to benchmark planned activity and provided a focus for our planning.

In 2015 our theme will be ‘Collaborating for Good’ where we will build on our conference by involving stakeholders more directly in setting our future plans.



Highlights of our feedback

Some key feedback we received:

- Increase funding for sustainability programmes.
- Use HEINEKEN’s position as an industry leader to accelerate activity.
- Make drinking in moderation more aspirational.
- Water needs to be made a higher priority for activity.
- Keep running stakeholder feedback groups and respond with concrete next steps.
- Leverage our scale to support our Supply Chain partners including customers, suppliers and primary producers.



Sharing our experiences

In 2014 as part of our active listening activity we engaged with and presented at a number of key roundtables, conferences and events.

These included:

- Reducing the Strength Conference, March.
- Sustainability Roundtable, May.
- Local Government Association Conference, July.
- Moderation Roundtable, July.
- Brewing a Better World Conference, September.
- Profiting from Sustainability Conference, December.



Protecting water resources



Shane Gardner
UK Safety & Environment Manager

“For a business like ours, water is central to our needs - beer, after all, is 95% water. It's a resource we use throughout our supply chain and, as an industry leader, we recognise our responsibility to promote its use in a sustainable way.”

“We've achieved a lot of success in reducing the amount of water used in production. As I step into my new role of UK Safety & Environment Manager, I'm relishing the opportunity to enhance the water efficiency projects being undertaken across all our UK production sites – where the successes enjoyed at Manchester are especially significant.

While Manchester is undergoing a multi-million pound modernisation programme, this historic brewery still has a number of Victorian buildings in use. Still, it's one of the most water efficient HEINEKEN sites in the world, with a condensate recovery system that, like Hereford, runs at over 85% efficiency.

Benefiting from a soft, low calcium water supply, which runs off the nearby moors, allowed colleagues at Manchester to improve their water recovery system and cooling towers in 2014. The changes now allow this low calcium water to be re-used for up to a week in pasteurisers and compressors to cool machinery.

This type of practical, technology led, activity is at the heart of our approach to water efficiency and a great example of the sort of innovation for which our business is renowned.”

Our priorities

- Increase water usage efficiency.
- All wastewater to be treated and cleaned.
- Reduce actual water usage year on year.

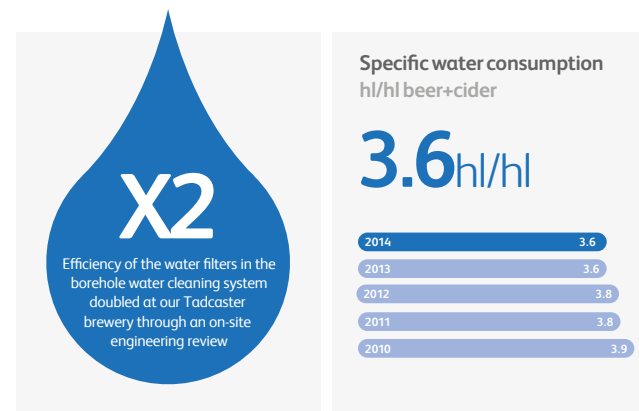


Actions and results:

Flat water usage versus our goal

In 2014 we maintained our 2013 water consumption usage. This remained at 3.6 hl/hl but specific water usage rose by 2%. Maintaining this reduction versus our goal is a significant achievement as our overall production volumes declined by 9%. This made targets harder to achieve as they are calculated versus hectolitre of production and hygiene and quality requirements mean that vessels must still be cleaned even if we aren't brewing.

When comparing figures with 2013 it should be taken into account that for 2014 all usage at our Ledbury site was re-classified into 'other' rather than 'beverage production', as milling operations could not be separated from beverage production for this facility. This would have helped these numbers. Our 2014 specific water usage remains lower than the average for HEINEKEN N.V. of 3.9 hl/hl.



Identifying reduction opportunities

At our Caledonian Brewery in Edinburgh, the oldest in Scotland, a review of the 'bright beer' cleaning schedule halved the water usage and had a knock-on effect of reducing energy usage by a third. A simple review identified that an entire cleaning cycle could be removed with no loss of hygiene.

Our cidrie in Hereford uses water extracted from on-site and off-site boreholes, which in its original form is brackish, leading to losses of 25% of all water extracted. In 2014 we installed an additional reverse osmosis cleaning plant as part of the new boiler house installation that has allowed the reuse of half of the water otherwise lost.



Reducing CO₂ emissions



Marc Burrows
Head of UK Logistics



“By investing in our new National Distribution Centre (NDC) in Derby we’re able to save 300 tonnes of CO₂ a year, take 850 vehicle journeys off the road, and deliver a better service to our important grocery and retail customers.”

“Prior to the NDC’s opening we distributed our stock from five different points across the UK. The problem was that these locations weren’t close to where our customers wanted us to deliver. Multiple depots meant multiple deliveries to ensure that the right products were available in the right place at the right time – often at short notice during peak sales periods. It wasn’t an efficient way to move stock around the country and therefore our CO₂ impacts were higher than they needed to be.

Derby is ideally located between where we brew our beer and cider and where our customers want us to deliver it. During its 2014 operations, the NDC delivered nearly 50 million cases to customers, while also removing 850 vehicle trips off the road – a saving of 125 tonnes of CO₂. The annualised figure will be even greater at 300 tonnes. That means we can achieve efficiencies, minimise our carbon footprint and deliver better services to our customers – something that was reflected in the Grocery Advantage Survey where we secured the number 1 ranking in 2014.

CO₂ reduction is also at the heart of an initiative to promote deliveries directly from our production sites to our customers where possible. This ‘one touch’ delivery system uses minimal storage space on our sites to hold key product lines which we can deliver direct – and thanks to good collaboration with our customers, we’re seeing some of them redirect their own transport fleets to collect on site, thus minimising empty running of vehicles.

During 2014 we made over 5,900 direct customer deliveries, totaling some 1.4m hl and saving 700 tons of CO₂.”

Our priorities

- Lower emissions from production through increased efficiency and use of renewable energy.
- Through technology, collaboration and network design reduce the impact of our logistics.
- Reduce CO₂ emissions from our fridges through investment in ‘green’ variants.



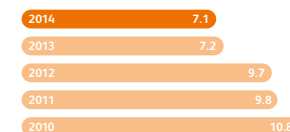
Actions and results:

Continued reduction in greenhouse gas emissions from production

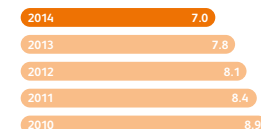
We maintained our trend of reducing our specific CO₂ emissions year on year with a further slight reduction to 7.1 kg CO₂ – eq/hl versus 7.2 kg CO₂ – eq/hl in 2013. Declining production volumes in 2014 had a knock-on effect of increasing the challenge to hit our ‘Brewing a Better World’ goals. Nonetheless our specific energy consumption reduced by 5% versus 2013 from 98 MJ/hl to 92.8 MJ/hl.

In absolute terms our energy consumption fell by 11% and our thermal energy consumption fell by 3%. The drop in thermal consumption is largely driven by our new boiler at our cidery in Hereford, which operated for its first full year in 2014.

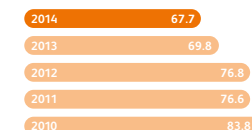
Specific greenhouse gas emissions kg CO₂ –eq/hl beer + cider



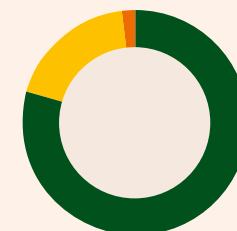
Specific electricity consumption KWh/hl beer + cider



Specific thermal energy consumption MJ/hl beer + cider



Types of fuel used



■ Gaseous fuels
■ Coal
■ Liquid fuels
■ Biomass and Biogas



Solid progress against our distribution goal

We reduced our distribution emissions by 4.5% versus the previous year. In May we opened our new National Distribution Centre in Derby as part of planned network realignment changes to increase our efficiency.

In the UK we also take responsibility for the emissions associated with brewing and exporting Newcastle Brown Ale from our Tadcaster brewery into the US. These exported volumes reduced in 2014 and so emissions associated with this export also dropped.



We save 1 MILLION litres of water every year.

Our SmartDispense efficient draft dispenser rollout hit 600 units installed in 2014, reducing line clean wastage by 75% and saving a million litres of water every year. We aim to install a further 300 units in 2015.



We're off setting carbon emissions by buying green energy from Eneco UK which is generated from Tullo Wind Farm, based in Aberdeenshire. We're currently the only recipient of Tullo Wind Farm's green energy certificates - equating to around 25% of our energy consumption.



Increasing our usage of renewable energy

Tadcaster brewery took two major steps in September towards reducing reliance on grid energy through the installation of over 4,000 solar panels onto its roof and improving efficiency of biogas capture and

energy generation. The solar panels alone will produce enough energy over a year to power the equivalent of that used by 185 homes and completely power our bottling hall for up to three hours a day as well as feeding the rest of the plant. It also makes Tadcaster the UK's largest solar brewery.

Waste liquid from the brewery process is captured and treated in an on-site anaerobic digester that produces biogas and a useful agricultural nutrient from this waste. The gas is burnt to produce electricity that helps to power up to 5% of its annual energy needs.



Sharing loads with Tesco reduces lorries on the road by

4%
every year



99%

of fridges purchased in 2014 were 'green' variants with on-board energy management, LED lighting and energy-efficient fans.



Reducing CO₂ emissions



Robert Henshaw
Engineering Manager



“At Tadcaster Brewery we’re focused on reducing our energy usage by installing new equipment and retro-fitting existing systems to improve energy efficiency. Often big investments like our solar panels capture people’s attention. That’s great as it gets people thinking about where our energy comes from. However, we’re also focused on the smaller, individual steps we can take to reduce energy demand.”

“To identify the potential savings, we keep a close eye on the individual performance of our main equipment each week. As part of that process we realised that we had a chance to reduce energy use by looking again at the voltage we operate at on the site.

We’re located very close to the local National Grid feeder station, which operates quite an old circuit and has to use a high voltage to ensure they can get the power they need to the other side of the town. Given our proximity to the station, we’re therefore seeing our equipment driven very hard, with all of our equipment working at over 250V – which is at the extreme end of the scale.

To address this we embarked on a process of replacing our 14 main transformers with much more efficient Super Lo-Loss technology ones. That allowed us to eliminate around 4kw of losses per transformer and reduce voltages down to 230V across the whole site. Dropping 20V of voltage pressure off the system circuit means that our equipment is no longer being pushed to excess or generating excessive heat. As a result we save large amounts of electrical energy by our equipment operating more efficiently. The capital investment was repaid in a matter of months by the savings made.



We employ TPM (Total Productive Management) teams for process improvements and capital fund applications for major equipment modifications/replacements for reductions such as transformer replacements, cooling plant and steam boiler improvements.

We’re enjoying further savings by switching to LED lighting across the site. From a WC to a packing hall, every time a light unit gives out it’s replaced with an LED, which run on about a quarter of the power of the old lamps.

Meanwhile we’re continuing to look at how we can source more of our energy from renewable sources. We’ve started putting together a plan for a 500kw on-site wind turbine to add to our existing solar panel array and biogas electrical generator.”

Sourcing sustainably



Chris Muntz
Growers Development Manager

“Without apples we don't have a cider business, it's as simple as that. To ensure we have the supplies that we need we need to take a long term view and ultimately that means ensuring that our apples are sourced sustainably. One of my key responsibilities is to ensure our apple farmers receive every assistance in meeting our targets for sustainable sourcing - a key pillar of our Brewing a Better World strategy.”

“UK cider apples are the main raw ingredient which go into our ciders. We source these from around 180 farmers, mainly in Herefordshire, with orchards under long-term contract. We're also farmers ourselves, owning and managing our own farms with around 2,000 acres of apple orchard. That means that we know for ourselves the challenges our farmers face and we can use our own experience to help them improve their businesses.

Our cider apple growers are deemed to be operating sustainably when they have successfully completed the HEINEKEN Cider Apple Growers Self-Assessment. The assessment scores a wide range of measures from managing and harvesting the fruit following the latest appropriate crop management methods to the appropriate storage and disposal of apple waste. We developed this HEINEKEN Code of Practice for Sustainable Cider Apple Production last year, compiling it with the help of a number of 'pilot' growers and ADAS, an external company which verified that our scheme complied with the Sustainable Agriculture Initiative (SAI) Platform. It was well received by our farmers and we refined it based on this pilot.

Our priorities

- Increase sustainable sourcing of barley and bittersweet apples for cider.
- Ensure compliance with Supplier Code Procedure.
- Support our UK farmers to farm in an increasingly more sustainable manner.



Actions and results:

On track and significant progress made

Our sustainable sourcing goals for barley and cider apples are demanding and in order to make progress it's essential we collaborate with our farmers, whether our own or contract apple growers or through partners such as Munton's for malted barley. This approach is paying off. In 2014 we made significant progress and are on track to deliver against our sustainable sourcing goals next year.

Having exceeded our 2014 target of 22% by delivering 28% of the total tonnage of apples to the Ledbury mill from verified sustainable orchards, I'm now working with a larger group of growers using this Code of Practice to enable us to meet our target of 60% in 2015.

The long term goal of course is that we'll source all our cider fruit sustainably and I look forward to broadening my role as a key point of contact with our growers as we work towards achieving our targets.”

Duncan Matthews
Herefordshire apple grower



Working with Hereford cider apple growers

We use 30% of all apples grown in the UK to make our ciders. Cider apple trees are a significant investment as they are in place for many years and take valuable farming land and so our relationships with growers often stretch back generations. Cider apples are usually grown alongside other, more short term, crops and often not the first choice for innovation. We took this challenge on by developing and co-creating with our growers our SAI compliant Code of Practice. It was successfully piloted in 2013 and rolled out to more of our growers this year. It will now be extended to the remainder of our cider apple growers in 2015. Early results are positive.



Collaborating with Muntons

Our malted barley supplier, Muntons, is a strategic partner on our sustainable sourcing journey. All of the barley we use in our UK brewed beers is grown in the UK and Muntons converts much of this into malted barley for our breweries. In 2014 we worked with Muntons, York and East Riding Local Enterprise Partnership, the National Farmers Union and other major brands to

pilot a Farmer Sustainability Group. Based on the concept behind the Skylark Foundation in the Netherlands (supported by HEINEKEN) the 'Profiting from Sustainability' programme aims to bring farmers together to share best practice. It takes an area based approach looking at the entire crop rotation with the aim of developing individual farm plans to increase

yields while lowering environmental impacts. This is crucial activity with one farmer telling us that in three generations his farm flooding has gone from one major event for his grandfather, two for his father, to ten major flooding events already for him, so far. Take up has been strong and we expect the scheme to grow further in 2015.

High supplier standards

The HEINEKEN global Supplier Code sets high standards throughout our supply chain around health and safety, minimum wages, working hours and child labour. In 2014 100% of our suppliers signed up to this Code. This is backed up by a robust audit procedure for high-risk suppliers, including site visits where appropriate.



During 2012 and 2013 we sponsored Lancaster University PhD student Alistair Campbell to conduct a study on pollinating insects in our orchards. The results highlighted the significance of pollinators - increasing yields by up to 70% compared to when they are excluded completely - and challenged our current thinking by drawing attention to the importance of solitary mining bees as the most effective pollinators.

100%
of our suppliers have signed up to our Supplier Code.



Joanne Perrott
Global Lead Buyer, Raw Materials



“HEINEKEN’s relationship with our malted barley suppliers Muntons is one which goes from strength to strength as we work to promote sustainability in our Supply Chain.”

“Muntons share our passion in driving sustainable sourcing and their commitment to making a real environmental difference in the malting supply chain is evidenced through a dedicated Sustainability Director resource. This hands-on assistance in shaping our ambitions and forging strong links with our farmers when it comes to sharing best agricultural practice has been of immeasurable benefit.

Muntons only use growers signed up to the Red Tractor food assurance scheme for supplying HEINEKEN and are leading lights on the Sustainable Agriculture Initiative (SAI) Platform.

Of particular benefit has been their commitment to measuring the impact of chemical fertilisers and showing us the benefits to be derived from natural compost.

Using locally-produced organic compost instead of fertilisers on a test field in 2013, Muntons raised barley yields by 12% - and while further tests await ahead of a potential rollout, we can now provide clear evidence to our farmers that growing barley sustainably can actually increase yield without raising costs.

We’ve recently signed a new long-term contract with Muntons and I look forward to drawing on their expertise further as we build on the progress we have made together.”

Advocating responsible consumption



Lucy Henderson
Heineken® Marketing Manager

“We launched ‘Dance More, Drink Slow’ in January 2014 as the latest phase of a campaign through Heineken® designed to encourage responsible consumption and create a new way of thinking among consumers - that moderate drinking can be aspirational and that staying in control helps you get the best out of your night.”

Using the power of a global brand like Heineken® to encourage moderate drinking also reinforced its position as a premium beer which promotes quality over quantity. As part of that global campaign we launched the ‘Sunrise’ TV advert in which a clubber waives the offer of another bottle of Heineken® in favour of water as he focuses his energies on the dance floor. With the sun rising over London, our ad culminates with him emerging into the city streets with real life DJ Audrey Napoleon and accompanied by the message ‘Enjoy the Sunrise. Dance More. Drink Slow’.

In just four weeks, we saw almost three million adults actively engaged on this campaign and the video was shared more than 21,000 times with over 30 million media impressions. Research also showed that Heineken® owned 74% of the social media buzz on moderate drinking and that conversations about responsible drinking increased by 20%. Enjoying Heineken® responsibly is core to the brand and is one premise we instil into all our campaigns to ensure people always have the best experiences.”

Our priorities

- Make responsible drinking aspirational.
- Create and develop effective partnership to tackle the issue of alcohol misuse.
- Take action at industry level around underage drinking, marketing, consumer information, product innovation and retailer support.



Actions and results:

Colleague advocacy

We've had a longstanding and successful partnership with Addaction since 2005 and this year we supported two new services and took our partnership to a new level by helping our colleagues to get more hands-on and involved.

Responsibility Deal commitment

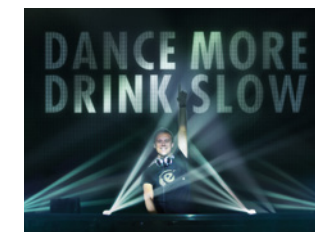
As part of our Responsibility Deal commitments, we have removed more than 180 million units of alcohol from the UK market. We achieved

this by reducing the alcohol content of a number of brands and bringing a range of new moderate innovations to the market which are lower in ABV than the category average.

Responsible Retailing and Marketing

Our ‘Dance More, Drink Slow’ campaign, aimed at UK adults, had significant media spend and was focused on making responsible drinking aspirational. Since launching our Responsible Marketing Policy in 2013 we've been working to ensure it is fully embedded across our business. Compliance with our responsible

marketing policy is included in our contracts with external agencies and we work closely with the Portman Group to ensure our marketing teams and our agencies fully understand the letter and the spirit of the marketing and sponsorship codes.



Growing the moderation category

Consumers are looking for moderation when they shop. Whether it's for healthier options in food or portion control on ready meals – and the alcohol category is no different. However, in the past the low and zero alcohol products

have been considered inferior in taste to those with a more traditional alcohol content. In 2014 we tackled this by working with our retail and off-trade customers to make low and zero alcohol drinks, such as Foster's Radler and Bulmers 2.8% more accessible. Key activity focused on awareness and sampling and we

distributed over 1.5 million free samples over the course of the year. These products allow consumers a credible option for a lower alcohol content adult beverage and Foster's Radler delivered strong performance with 22% sales growth in 2014.



drinkaware.co.uk for the facts

Alcohol education

Effective alcohol education is important to ensure that young people understand responsible consumption from an early age.

We continue to provide core funding to Drinkaware and use our marketing, packaging and sponsorship to drive traffic to drinkaware.co.uk. The Drinkaware logo is on all of our marketing materials – from our TV adverts, brand websites, secondary

packaging to our festival activation. In 2014 the Drinkaware website attracted an average of 23,000 unique visitors per day, a total of 8.3 million unique visitors over the course of the year. There were 43% more visitors to the Drinkaware website in 2014 than in the prior year, and almost four times as many than in 2010. We also use our internal communications channels to engage colleagues in Drinkaware's own campaigns. Our Corporate

Induction for new colleagues has a dedicated session to raising units awareness using a range of Drinkaware resources including the unit measure cups and calculators.

We're also one of five funders of the Lifeskills Education and Alcohol Foundation (LEAF) which will evaluate the most effective programmes for educating children about alcohol. LEAF is a blind trust funded by the industry but wholly independent.

addaction



Our Addaction partnership

Next year we'll have been in partnership with Addaction for ten years. Working together, we pilot new ways of encouraging responsible alcohol consumption and reducing the harm caused by misuse. By evaluating the impact of these projects, Addaction is then able to seek more sustainable funding and ultimately roll out successful initiatives to communities across the UK. A great example of how this approach works is Addaction's Over 50s Project. In 2009 we supported the charity to establish a pilot programme which helped older people in West Glasgow who were both isolated and suffering from their abuse of alcohol. Addaction demonstrated how effective the programme is and in 2014 were granted £25million from the Big Lottery Fund to roll out 'Drink Wise, Age Well' throughout the UK.

Right Turn

In 2014, we supported Addaction establish a pilot service in Sheffield supporting veterans struggling with alcohol and substance misuse. Levels of harmful drinking are higher in the Armed Forces community compared to the general population, but despite this obvious need, members of the Armed Forces community accessing misuse services are believed to be under-represented. Our support enabled Addaction to launch an awareness campaign to overcome the current barriers and reach more veterans earlier by setting up a regional network of ten Armed Forces peer support groups.

Mutual Aid Partnership

We've been supporting and funding the nationwide rollout of Addaction's Mutual Aid Partnership (MAP) programme which we first funded in 2010. Mutual aid provides social, emotional and informational support by and to members of a group at every stage of their recovery. People help each other to make lasting behavioural change, sharing experiences and learning to help prevent relapse back into alcohol or drug use.

In 2014 we supported Addaction to establish a MAP programme specifically for young people. Project 3D was developed and launched to provide a supportive environment for young people to maintain positive behaviours.



4th September was our HEINEKEN global 'Enjoy Responsibly Day' and all UK colleagues engaged in activity to give them the tools to become ambassadors for responsible drinking and to champion moderation.



Claire Matthews
Corporate Responsibility Manager



Alcohol misuse is the biggest sustainability challenge we face. We're working really hard, through a number of approaches and partnerships, to address the harm caused by alcohol abuse. Our most crucial partnership is with Addaction. Working with the UK's largest specialist alcohol abuse charity has informed our business practice in many important ways. But we believed we could go even further by putting our colleagues at the heart of our commitment to tackling alcohol harm.

"Launching 'Act for Addaction' brought our whole business together in support of Addaction's goals to increase their unrestricted funding and support them with skills and development for their staff.

The response was overwhelming, with our 'Act for Addaction' week in June acting as a springboard for a series of volunteering and fundraising events throughout the rest of the year. In total, colleagues raised over £178,000 and volunteered 1,148 hours, with activities ranging from teams refurbishing Addaction service centres to setting up mentoring programmes with the charity's staff. 'Act for Addaction' has not only enabled us to underline our commitment to tackling alcohol misuse, but crucially, it has increased our colleagues' understanding of the issues and our business approach to tackling them. It helped us make big strides on our journey to creating colleagues as ambassadors for responsible consumption.

We're really looking forward to doing it all again in 2015!"

Hear from the veterans our colleagues are supporting through Act for Addaction by visiting:

www.actforaddaction.co.uk

Promoting health & safety



Catherine Dent
UK Health, Safety & Wellbeing Manager

“As a colleague responsible for health and safety in the UK I was delighted that our ‘Brewing a Better World’ strategy recognised its importance and created a new pillar.”

I’ve worked in manufacturing for nearly 25 years and the last five have been in health and safety for HEINEKEN in the UK. I love the diversity of my role and I’m directly responsible for occupational health across the whole business and safety within commercial and office functions. To verify the effectiveness of our management systems I have the privilege of visiting all the UK locations to evaluate compliance to our rules, standards and procedures. We have a great team who are very committed to improving our safety and health performance and it’s great to talk to them and see the improvements they have made.

Ensuring the health, safety and wellbeing of all colleagues is essential and this starts on induction around responsible consumption through ‘Cool@Work’ compliance. In 2014 we were awarded special recognition for our Driver Risk Reduction Programme, which goes from strength to strength. For me though it doesn’t stop there and next year I’ll be ensuring compliance against our safe driving policy. Nearly 75% of HEINEKEN fatalities globally are related to road transport and we have 650 colleagues who regularly drive on business in the UK so it’s a key area.”

Our priorities

- Safety is our number one priority.
- Put the wellbeing of every colleague at the heart of everything we do.
- Make HEINEKEN an accident-free environment.



Actions and results:

Health and safety is a priority

Health and safety was one of two new areas embodied in the ‘Brewing a Better World’ strategy this year. All our colleagues have the right to work in safe and healthy conditions, irrespective of their role or seniority, and this is a key area for us. Our goal is to make HEINEKEN an accident-free workplace and to empower everyone to help deliver this.



To mark World Day for Safety and Health, Mark Stewart from our Hereford ciderie created a fun and engaging way to ensure colleagues wear personal protection equipment (PPE). They could be photographed inside a specially commissioned booth and become a real life ‘Safety Figurine’.

Accident frequency

Cases/100 FTE, HEINEKEN UK
Production Units



Accident severity

Lost calendar days/FTE, HEINEKEN UK
Production Units



Driving down accidents

A new area of activity in 2014 was a focus on company car drivers to ensure they drive in a safe manner. We collaborated with Eurofleeting who manage our company car fleet to assess the risk of each driver and to up skill them in safe driving. Firstly they were risk assessed according to age, driving endorsements and number of recent accidents. Once their level of risk was understood each driver undertook road traffic safety e-learning modules and in person training, according to their risk level. Results were significant with high risk drivers’ risk rating levels reducing by 5% and medium risk drivers by 2%.

Growing with communities



Maria Carter
Orchard Leader



“We’re helping local people come together to create or restore 100 community orchards by 2017 by launching a unique partnership and one which is already bearing fruit!”

Orchards can be magical places and as a company whose ciders contain 30% of all apples grown in the UK, it’s fitting that HEINEKEN is sharing that magic around the country through our new partnership, Helping Britain Blossom.

When HEINEKEN gave colleagues the opportunity to volunteer to become Orchard Leaders I jumped at the chance. I thought it was a great chance to give something back to the local community and make it a better place to live and work. It was daunting at first but with the support of the HBB team I’ve been playing my part in helping to establish a site for an orchard near my home in West Lothian. The exciting news is – we are working with the local council and other community groups and are on course to become the first new Helping Britain Blossom community orchard in Scotland.

It’s been a fantastic opportunity to learn new skills and meet new people. I’m thrilled that the company I work for has provided me with that opportunity – as well as the support to make the most of it.”

Our priorities

- Be at the heart of the communities around our production sites and offices
- Bring the benefits of green space to communities around the UK
- Help to create long term benefits for those who need it
- Play our part in supporting the great British pub at the heart of communities



Actions and results:

New Communities pillar

Whilst ‘Brewing a Better World’ formally added the pillar of ‘Growing with communities’, this has been an area of passion for our colleagues for many years. We’ve core funded the

Bulmer Foundation since it was founded in 2001, and long supported local charities and our colleagues in their fundraising activities, but the addition of this pillar is a hugely positive step as it embeds support for communities into the heart of business strategy. In 2014 this was

instrumental in allowing us to form an innovative new partnership, Helping Britain Blossom. We are also helping develop skills for young people and energise sustainable development through our Bulmer Foundation activity.



in partnership with



Helping Britain Blossom

Helping Britain Blossom is a new partnership launched on ‘Apple Day’, 21st October, between The Urban Orchard Project, the Bulmer Foundation and ourselves.

Orchards are at the heart of our business and we wanted to share the many benefits that we know they bring with communities across the country. We turned to The Urban Orchard Project, a small charity based in London and the experts in community orchards, for advice and support and together with the Bulmer Foundation we established Helping Britain Blossom.

Through collaboration and core funding, we’ve been able to bring scale to two important charities and jointly create, restore and give access to orchards across the UK.

In creating or restoring 100 community orchards by 2017, we’re aiming to make local areas better places to live, work and enjoy.

Research and our own experience tells us that orchards not only create and improve green spaces, but they bring a host of benefits to individuals and communities. From building community cohesion by reducing social isolation by providing a reason for people to come together to teaching new skills enhancing the

local environment and biodiversity, Helping Britain Blossom aims to create healthier, happier and more sustainable communities.

Share the magic of orchards in your community:



Having worked in countryside management for almost 18 years following a post-grad in Conservation Management, sustainability is something that I've been interested in for a long time - but I didn't appreciate quite how interested I was until embarking on the Masters in Sustainable Development Advocacy."

"My course is part funded by HEINEKEN and run by the Bulmer Foundation in partnership with the University of Worcester. It was created to train graduates to become experts in sustainable development - with a view to applying that thinking to the world of business, policy making or in the community.

The collaboration between the university and the Bulmer Foundation is excellent and provides an innovative mix of learning and work experience. What I'm especially looking forward to is a forthcoming placement with the Helping Britain Blossom project, having recently studied the role of bees in our apple orchards as part of the course.

While fitting my studies around my day job and family life can be challenging, I'm really enjoying the opportunity to broaden my skills and I'm hoping that when I complete the course in 2016 I'll be in a stronger position to make sustainability a central part of my future."

Jo Miskin
SDA MASDA Student



Supporting the aims of the Bulmer Foundation

Brewing a Better World means taking a holistic approach to sustainability and taking action at the macro and micro levels. Herefordshire is the home of our cider business and the 10,000 acres of apple orchards that are crucial to our business. Here our ambitions on sustainable sourcing and supporting communities come together. Small, but perfectly formed, the County offers the opportunity to trial new approaches to sustainability. With a population circa 186,500 and a geography bounded by Shropshire, Worcestershire, Gloucestershire, Monmouthshire & Powys, Herefordshire is a large county but a manageable size to make a real difference.

Originally formed by the Bulmers company, the Bulmer Foundation is

today an independent charity with a mission to improve sustainability in Herefordshire but with the ambition that the county becomes a Beacon for change in the rest of the UK. HEINEKEN remains heavily involved in the work of the Foundation with a seat on the board of trustees, and with long term funding that allows the charity to play an important role in bringing together local stakeholders to address complex issues. The Foundation is not a grant giving body. Instead it provides an even more important resource - time and expertise from its staff and associates who have a wide and deep range of sustainability knowledge.

This long term approach is brought to life by two significant projects: the Masters in Sustainable Development Advocacy (MASDA); and the Sustainable Route Map.

The first is collaboration with the UK's second highest rated university for Sustainability - the University of Worcester and the Bulmer Foundation. Put simply the MASDA is helping train tomorrow's sustainability leaders today. The course sees students from a range of backgrounds undertake full and part time study backed up with real world placements in industry and beyond.

The sustainable route map is a major project which is mapping the key sustainability drivers and indicators in Herefordshire to improve decision making in the county and to allow progress to be tracked. Led by the Bulmer Foundation, the project is a major collaboration with dozens of local stakeholders. The aim is to create a publicly available resource to guide sustainable development in the county for years to come.

Pubs provide IT help for older people

Andy Tennant and John Hawke from the Boot & Slipper in Yorkshire already ran a well attended coffee morning for senior citizens. A topic regularly discussed was the internet and its use in keeping in touch with family and friends and in shopping. Along with support from East Riding of Yorkshire Council, they set up 'Boot IT' now attended by 25 people every week. Skype is the next topic to be targeted! We provide the free wifi and refreshments through our Star Pubs and Bars group."



Tackling underage drinking in communities

Community Alcohol Partnerships (CAP) tackle underage drinking and associated anti social behaviour in local communities through co-operation between alcohol retailers/licensees and local stakeholders. By providing advice, guidance and resources, CAP support communities in developing their own capacity to deliver a co-ordinated, localised response to underage alcohol misuse. We've funded of Community Alcohol Partnerships since 2011 and the last year nine new local partnerships were established. 88 CAPs have now been set up across the UK.

"Collaborative working between a wide range of local stakeholders with a clear focus on shared aims and objectives is at the heart of the success of CAP. I want to help CAP to build on its impressive track record and harness its full potential to improve communities up and down the country that are blighted by underage drinking and its consequences."

Derek Lewis, Chairman of CAP



Support for the Licensed Trade Charity

The LTC helps people in the pub trade who've fallen on hard times and HEINEKEN is a long-term supporter. It provides practical, financial and emotional support for a wide-range of issues including money problems, housing issues, health concerns and family matters. Access to this information can often be a challenge and so in 2014 we helped to fund a new support and care website and free helpline. Already the feedback is that this has been a crucial step in getting advice to those who need it most.

Our Colleagues

Rob Chance
Graduate Engineer



“Since joining HEINEKEN in September as a Graduate Engineer I’ve been given a huge amount of autonomy and responsibility.”

“I finished my Masters in Chemical Engineering at the University of Bath earlier this year and wanted to work for a company who would allow me to use my initiative and give me some real ‘on the job’ experience. I’d previously worked for HEINEKEN in the last year of my Masters course and I was keen to get back inside the company. On the graduate scheme I’ve a two year contract which gives you the opportunity to rotate roles and sites. This increases your exposure, improves your experience at a variety of sites and allows you to interact with different people.

I started in ‘Utilities’ at Manchester Brewery, the home of Foster’s, which means I’m part of the team responsible for delivering efficient and uninterrupted supply of all utilities, and contribute to the production of the ‘amber nectar’! I’ve also been the acting Utilities Manager and had to make business decisions and react to production critical breakdowns. I help to deliver on our sustainability goals relating to energy consumption.

My next step in 2015 will be to choose a role from project engineer, shift manager or maintenance development engineer. I’d like to stay in engineering for the short term to continue to learn but perhaps in a different area, whether it’s packaging or brewing.

I’d recommend taking a graduate engineer position, as there’s great opportunity to learn and move about within the company. It also helps to be a part of creating a product that you can really enjoy!”



Our two year graduate scheme combines on-the-job learning with structured training through placements with real ownership to make a difference. It runs across both Head Office and Production sites, with time spent in a number of different areas of the business. Since we started the scheme four years ago, 37 graduates have joined our business, with 90% of them staying on in permanent employment at the end of the programme.

Our colleagues charitable giving **CAF** Charities Aid Foundation

Act for Addaction was our big focus in 2014, and we recognise the valuable time and effort many of our colleagues give to a wide range of causes. We help make their efforts go further through match funding, sponsored challenge events and Give As You Earn.

Supporting our lessees

Our support for colleagues doesn’t stop at the brewery or office gates. In 2014 we launched a guide to help our Star Pubs & Bars lessees to sell alcohol responsibly. Called the ‘Leading a vibrant pub industry together – responsible retailing in your outlet’, this guide provides support and guidance on how to run promotions responsibly, how to ensure bar staff know how to handle drunk customers and a call to action to get involved with best practice initiatives, such as ‘Best Bar None’. Feedback has been hugely positive.

We also changed our structure of Business Development Managers so that they could visit their pubs more often to provide support. Lessees can also give feedback on them through the ‘HEINEKEN On Track’ system every month and this two way communication was a key focus in 2014. We also invested more than ever before by providing £18.5m of capital expenditure and committed over £230k on our first year support packages to help lessees establish businesses. In 2014 we had our highest recruitment levels ever and a 4% increase in lessees confident to take on longer leases.

Charlotte Wilde
Supply Chain Graduate



Chris Henbrey
Brand Manager
Desperados & Sol



Joanne McCallum
E-Commerce Manager



Ross O’Hara
Brewing Operations
Graduate



James Lynch
Regional Sales Manager



Our colleagues make HEINEKEN a great place to work. We’re driven by our mission and values in three key areas:

Enjoyment

- Put a smile on consumers’ faces.
- Sponsor music, art and events to bring people together in enjoyment.
- At work getting the job done but have some fun along the way!

Respect

- Respect ourselves, our customers and consumers.
- Promote responsible alcohol consumption.
- Make a positive different to communities.
- Embrace diversity.
- Aim to be the greenest brewer in the industry.

Quality

- Passionate about making great cider and beer.
- Delight our consumers, day in and day out.
- Committed to making HEINEKEN a great place to work and investing in our people.

Empowering sustainability

“Empowering sustainability is crucial to our success. Having great targets wrapped up in a holistic strategy is important but embedding it and empowering colleagues is critical.”

All our Senior Managers and Directors have the delivery of sustainability goals hard-wired into their own performance metrics. In fact 20% of Senior Managers' bonus is dependent on this performance. This empowers action and importantly also spreads responsibility and accountability.

Our unique monitoring tool, Green Gauge, is also reviewed and monitored by the Board every quarter and actions driven from this. This executive sponsorship is important to ensure support at all levels of the business.

Every production facility also has dedicated safety, environment and energy support. But engaging colleagues at all levels is crucial to making progress. We enable this through the LEAN process tool, called Total Performance Management (TPM), described below. By engaging all colleagues on the ground at our production sites, TPM is undoubtedly responsible for much of our sustainability performance, particularly around environmental improvements.

Delivering Brewing a Better World is one of five key performance metrics for our leadership team and much of their annual bonus depends on activity being delivered.

Total Performance Management (TPM)

“TPM is a global HEINEKEN tool based on the Japanese LEAN management and continuous improvement model. Every colleague in our Supply Chain and Brewery Operations functions is required to use TPM in their day jobs.”

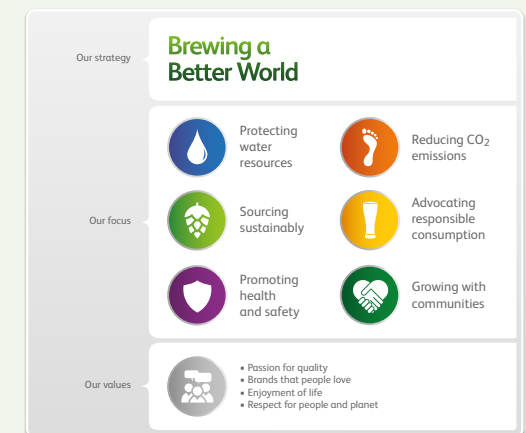


Every production site around the country uses TPM to identify continuous improvement across all aspects of production. This works particularly well for sustainability goals around CO₂ and water as it means that individual machine operators are empowered to take steps to improve that machine's performance. This is backed up by our 'Star' training facilities where we show colleagues how to strip and

maintain machinery and how to spot potential for improvement.

From a management perspective, strategic activity is led by 'kaizens', or rapid reaction teams, who will focus on an area of opportunity for an intense short period of time. The Site Manager often provides leadership for two or three key 'kaizens' each year at their site.

Every production facility has dedicated energy, environment and health & safety leads who are the local custodian of the 'Brewing a Better World' strategy.



Where next

Jeremy Beadles
Corporate Relations Director



“Our theme for 2015 is ‘Collaborating for Good’ and, as this says, we’ll be continuing to open up our business to scrutiny from our stakeholders and customers with a view to accelerating delivery against our Brewing a Better World goals.”

In 2015 we will again be collaborating with Addaction on our highly successful ‘Act for Addaction’ internal campaign to engage all our colleagues in responsible alcohol consumption. On sourcing – we will be driving improvements with our barley farmers through the Farmer Sustainability Group and with our apple growers through the self-assessment toolkit. Whilst we made good progress against our Brewing a Better World targets in 2014 I know we will need to remain focused to continue this progress next year, especially around water efficiency. On renewable energy we have plans to extend this in 2015 to use more self-generated biogas and to use wind power. The business environment is expected to again be tough but this will not lessen our resolve to be a company leading the agenda on ‘doing the right things right’.

I know it will be a busy year and I’d like to end by asking you to take the time to give feedback to us. Details on how to do so are on the next page.”

Our partners

“Partnership is at the heart of our approach. We’d like to thank the following organisations for their support and advice in 2014.”



We're passionate about engaging with everyone and opening up our business. We want your views on this report and our priorities.

In 2014 we spent considerable time and effort to engage widely across all our stakeholders, customers, consumers, colleagues and communities. We believe this has made us a stronger company. This year again we look forward to your views. Please get in touch.



@heineken_UKCorp #BABW



www.heineken.co.uk



BABW@heineken.co.uk

HEINEKEN UK

Heineken UK Limited
3 – 4 Broadway Park
South Gyle Broadway
Edinburgh
EH12 9JZ



For the HEINEKEN global Sustainability Report 2014, visit:
www.theheinekencompany.com/sustainability
