



Our Sustainability Story 2016 2017






This is our story of sustainable cider, beer and pubs.

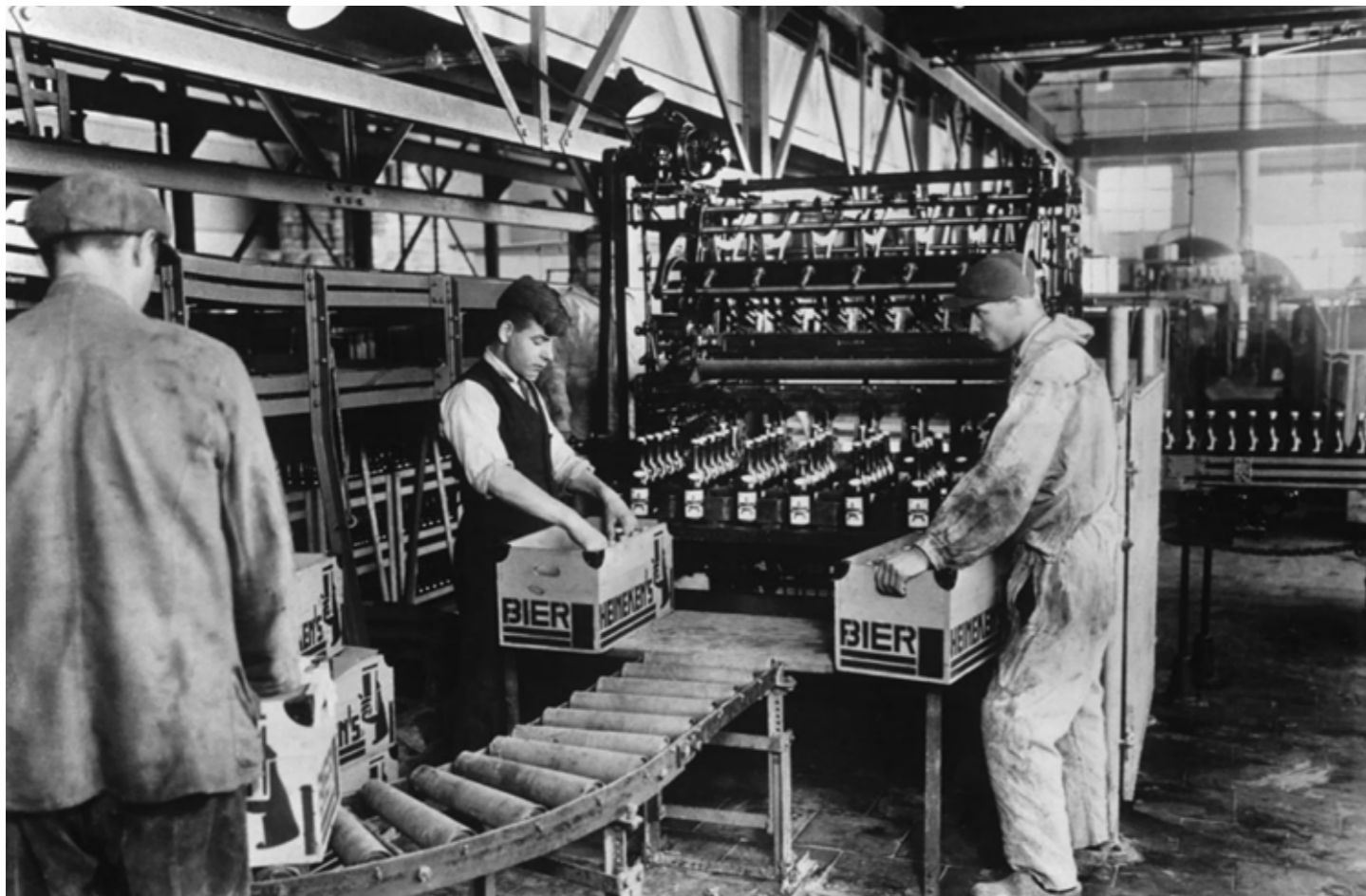
First we'll introduce you to Gerard Heineken to find out how our story began. Then we'll take you on a tour from apple orchards to barley fields to bar, to uncover how sustainability is part of everything we do as a business.

Underpinning our story is our global sustainability strategy – Brewing a Better World – which sets out our priorities and 2020 commitments. You can find out how we're doing against our commitments by reading our performance scorecard on page 65.

If you spot the  icon, this means you can click through to read our full story. Our Storybook is ideally read with a chilled beer or cider. Enjoy!

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Packaging Heineken® bottles in Amsterdam for export, 1947.

Chapter 1

About us



How it all began

In 1864 Gerard Heineken, a 22 year old budding entrepreneur with a passion for beer, buys a small brewery called the Haystack in Amsterdam. From Paris, to Malaysia, to America, over the next 150 (and a bit) years, HEINEKEN grows into the world's most international brewer while remaining a family owned business. Today, around 73,000 people work for us. We've got more than 165 breweries, malteries and cider plants. Wherever you are in the world, you'll be able to enjoy one of our brands. We own, market or sell 250 of them in over 190 countries.

► Find out more about our defining moments in history.



Brands that set us apart

Our brands set us apart. From a malty Heineken® to a crisp Strongbow, to a zesty Maltsmiths. Our unrivalled UK portfolio of over 50 quality beers and ciders are perfect for every occasion.

As well as being the UK's number one cider and beer company, we're also strong supporters of the great British pub industry, owning around 1,050 pubs as part of our company, Star Pubs & Bars.






#BrewingGood Cheer lunch at Star Pubs & Bars pub, Bird I'th Hand with charities, Start in Salford & Wythenshawe Good Neighbours.

What sustainability means to us

Business has a big role to play in being a positive force of change. For us, this is what being a sustainable company is all about. It's about stepping up to the challenge, and making a difference in society. It's no easy task, so to help us get there, we're channelling the influence of our brands, people, pubs and partners to take on three big social issues in the UK: mental health, social exclusion and alcohol harm. All difficult issues that don't sit comfortably with us – a business that's all about enjoyment of life.


On mental health, we've taken the Time To Change pledge to end the stigma surrounding mental health issues, and trained 30 mental health champions. Our #BrewingGood Cheer campaign saw pubs and charities up and down the country bringing together 200 socially isolated people for a chat over a festive lunch. And, to help stop harmful drinking, we've been working with the UK's leading behaviour change charity, Addaction, for over twelve years – most recently supporting war veterans with alcohol issues.



'WORLDS APART'

Heineken's® social experiment to find out if people with strongly opposing views could find common ground.

Power of brands to drive social change

Our brands are on board too. With millions of people enjoying our ciders and beers every day, we've an incredible opportunity to connect with them in a meaningful way. Heineken's® Worlds Apart campaign is a great example of the power of brands to positively influence behaviour. We wanted to #OpenYourWorld by getting people to focus on the things that unite, rather than divide us. At a time when people feel openness and tolerance in society is under threat, this social experiment resonated with millions of people – not only in the UK – but across the globe, and went viral. 



Chapter 2


The story of sustainable cider



Our cider apple farmers in the orchards in Herefordshire.

Supporting sustainable British orchards

Walking through the beautiful orchards in Herefordshire where our cider apples grow is magical. Orcharding is a quintessentially British industry that we're proud to support. We use around 30% of the apples grown in the UK.

Meet our apple farmers. We've been working with some of their families for over 100 years. Orchards take years of nurturing to produce fruit. It's a labour of love. For the last three years, we've been working with our growers to make orcharding more sustainable by signing them up to our Sustainable Cider Apple Scheme. To join the Scheme, farmers have to meet our high standards on a range of topics, from sustainable harvesting to waste to health and safety. Last year, 79% of our cider apples were from sustainable farms. 

Once harvested, our apples travel a few miles down the road to our mill in Ledbury. Washed, chopped and pressed, we get juice and pomace. The latter goes to a local farm where it's turned into biogas, used to create green electricity. The juice goes to Hereford to begin the cider making process.



Hereford site manager, Alexander Brinkerink, visiting new cider plant.

The global home of cider

Our Hereford site is steeped in cider-making history that goes back to 1887 when Percy Bulmer started his cider business. Today, we still use traditional methods to make our ciders, but they've been refined and perfected so we can make quality cider at scale.

Our ciders have history, authenticity and natural roots. Cider's popularity, especially in the US, is growing like craft beer, but supercharged! Strongbow is now the number one cider globally – and all UK Strongbow is made in Herefordshire.

At our Hereford site we've just finished a massive £58 million project to install a state-of-the-art and highly-efficient cider plant. This has allowed us to scale up production and offer a fantastic range of modern ciders – Old Mout and Blind Pig included – as demand grows. Our site is now a world-class cider production facility that's establishing Herefordshire as the global home of cider.

Look out for our new range of Bulmer's, Orchard Pioneers, that's been produced with two of our apple farmers – Kier and Sarah.




Community group, Friends of Wigton Moor, planting their Helping Britain Blossom orchard in Leeds.

Bringing community orchards to cities



As the biggest cider maker in the UK, we're passionate about orchards. Green space, fresh air, trees, fruit, wildlife. Few things are more wonderful. But it's something that lots of people, especially in cities, aren't able to enjoy.

That's why we're planting and restoring orchards in places that could really benefit from green space. Hospitals, schools, housing estates in seven regions across the UK now have places where people in the community can come together to socialise and learn new skills. Planted by over 2,200 local volunteers, 150 communities are now the proud owners of their own orchards which they'll look after and benefit from for years to come. 

► Visit the [Helping Britain Blossom website](#) for more.



Chapter 3

The story of sustainable beer




Farmers from the Sustainable Futures initiative visit sustainable barley trial site in Yorkshire.

Safe-guarding UK barley farming



Beer needs barley like wine needs grapes. The different colours, flavours and roastiness all affect the beer. So, to make great beer, we need a quality supply of this golden grain – and we need it for years to come.



Back in 2015, we started working with our barley farmers, grain buyers & our maltster to trial new barley growing techniques that lessen the environmental impact of farming. Together we're trialling simple and natural things, like planting clover in between the 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 went well and so far around 140 farmers are on board. Now it's all about putting these new techniques into practice and monitoring the impact. ► **Read more about the Sustainable Futures initiative.** 

Once the barley leaves the farms, it makes its way to our maltster, Muntons in East Anglia. Soaked and roasted for hours, it's turned into the malted barley which we will then brew with hops, yeast and water and nothing else.



Brewing the best beer with less water and energy

Brewing is an art. Our beer recipes have taken years to perfect. We're a big brewer for sure, around 2 billion pints were brewed last year, and quality is everything to us. Making sure each pint is perfect requires skill, passion, experience.

To brew quality beer, day in day out sustainably, we need to innovate. We've invested millions into creating modern, efficient sites over the last two years. By installing new equipment and changing the ways we do things, we can brew more with less water, waste and energy. Today, for every litre of beer we produce, we use 9% less water,  23% less energy and 50% less CO₂ than we did four years ago. Our sites are powered on 84% renewable electricity. All our sites are zero waste to landfill. 

From our Victorian craft brewery that produces 19 million pints a year, to our largest brewery, Manchester, that produces around 800 million pints a year, we're expert and passionate brewers.



Open fired copper kettle at The Caledonian Brewery boils beer wort and hops.

Historic brewing with a modern twist

Brewing ale with Victorian open fired coppers, by hand. It doesn't get more traditional than our Caledonian Brewery in Edinburgh. Our flagship ales are Deuchars IPA, Flying Scotsman and Edinburgh Castle.


Moving with the times, the Caledonian Brewery has been gearing up to brew craft. More has been invested than ever before. Old equipment is still in use, but we're adapting it so we can add modern beers, as well as ales, to our repertoire.

There's some new additions too. Like Wee George – our pilot brewery and craft testing ground. Wee George allows us to experiment, trial and perfect new recipes. Our new flavoursome Maltsmith's IPA and Pilsner for the 'beer curious' were born here.



Solar panels at Tadcaster produce 15 million solar pints a year.

Brewing in Tadcaster since 1758

Our Tadcaster brewery has been making beer since 1758. It's the home of John Smith's, Amstel and Sol. We're proud of its heritage, and we're working hard to make Tadcaster an efficient brewery of the future. Solar panels line the roof. These give enough energy to brew around 15 million pints a year. An anaerobic digestion plant generates biogas from waste, which is turned into electricity. The big win last year was cutting the site's thermal energy use by a massive 15% and saving £200,000. 

The brewery's also a cornerstone of the local community. On Boxing Day 2015, flooding hit the town hard. Homes and businesses were devastated and the Tadcaster bridge collapsed, leaving the town divided. The brewery was on hand to support with manpower and funds to re-connect the town. To boost morale, we recognised local heroes who went above and beyond to support their neighbours. More than a year on, the bridge reopened! And we partied with those in our community to celebrate the town getting back on its feet.




Fermentation tanks at the Manchester brewery.

Manchester gets slicker, faster, safer

Manchester is our biggest UK brewery and it's getting slicker, faster and safer! A finely tuned powerhouse of some of our biggest brands, Foster's and Kronenbourg 1664.

A huge investment of £50 million has transformed the site. A new keg line and cleaning system are just some of the kit that have helped Manchester become a modern brewing marvel.

As beer volumes go up, water use per pint brewed at Manchester is going down – and has been year on year. The site uses 15% less water than it did in 2014. It's also making enormous energy savings. Eight energy saving projects were on the go in early 2017. Today, it takes around 25% less energy to brew a pint of beer at Manchester than it did before the investment, just three years ago. 



HEINEKEN UK Management Team proudly signing the Time to Change pledge to tackle the stigma of mental health.


Chapter 4

People at the heart of our business



Living safe behaviour every day

Keeping our colleagues safe is our number one priority. Whoever you are, whatever job you do, no job is worth doing if it can't be done safely. This is the message we've been working tirelessly to convey at HEINEKEN.

From regular safety training, to giving out 3,000 safety kits, to launching a video safety campaign, to crisis simulations that give people a real-life experience of what to do if an incident occurs – we're using every tactic to put safety at the forefront of colleagues' minds and create a culture where safe behaviour is lived every day. 




Colleagues crossing the finishing line of 52 mile HEINEKEN Race to the Tower raising money and awareness for Mind.

A great place to work

HEINEKEN is all about enjoyment of life. Giving people an incredible experience is what our brands and pubs are all about. So making sure our own people are happy and healthy means everything to us.

Getting our colleagues active has been a big focus this year. Over 200 took part in the HEINEKEN Race to the Tower – a 52 mile walk, run or jog through the Cotswolds. No mean feat! We're incredibly proud of our people for being up for such a massive challenge.

We're also taking a stand on mental health. It can affect anyone at any time, and it's something people find hard to open up about. So we joined Time to Change, a public declaration of our commitment to get colleagues talking about mental health. So far we've trained 30 colleague champions to provide emotional support to anyone who's feeling low. We also launched a campaign – Take 10. The ask was simple – if someone you know is acting differently, step in. Have a chat. Be there for your colleagues. 



it's not about ideas.
it's about making ideas happen.



Sparkling ideas to help tackle climate change

Our colleagues' ingenious ideas are helping us become a cleaner, greener business too!

Back in 2015, over 169 countries agreed in Paris to do what's needed to keep global warming below 2°C. Companies have a big role to play in this. It's no easy task, but change is possible. It just needs some great ideas and hard work to make them happen.

So we turned to our colleagues – tapping into the intellect and creativity of them across the world to spark ingenious ideas to help us 'Drop the C' and reduce our carbon footprint.

From beer self-service, to solar fridges, to cereal bars made from waste grains, over 2,600 ideas from over 28 countries came flooding in. Four ideas made the semifinals. All were pro-typed and tested in market. Now the winning idea from HEINEKEN Malaysia, Tiger Eco, which is a six can pack made from coconut waste will be turned into a reality!



Chapter 5

Lowering our customers' environmental footprint



SmartDispense units delivering quality beer with less water, energy and waste.

Lowering our customers' water and energy use

New ideas. New products. Challenging the status quo. Our focus on innovation is what keeps HEINEKEN fresh and relevant. It gives us an unrivalled cider and beer portfolio, ground-breaking marketing campaigns and world-class sponsorship. And this innovative thinking went into our totally unique beer dispenser, SmartDispense which is helping pubs, hotels, restaurants and stadiums save money, water and energy, all while pouring a better pint.

SmartDispense's main feature is that it cools beer as it leaves the barrel, rather than wastefully refrigerating the entire cellar. On top of this, it reduces the need to clean beer lines from once a week to every four – cutting water and chemical use by a massive 75%. [fs](#)

Today SmartDispense is installed in almost 4,500 outlets, including almost half of our pub estate. Our plan is to install 10,000 units by 2020 – that's one in 20% of all pubs in the UK. This is significant because as installs go up, water and energy of the hospitality sector goes down. This year alone, SmartDispense will have saved the sector 35 million pints of water.

► **Find out more about SmartDispense.**



Chapter 6

Safeguarding the great British pub and communities they serve




Star Pubs & Bars' licensees review £180,000 joint investment plans to refurbish their second Star pub, The White Lion, Nottinghamshire.

Reviving the great British pub

Alehouses, inns and bars.... we love the great British pub! They're not just a place to have a drink. Pubs are centres of community life. They bring people from all walks of life together. They provide jobs for local people.

Pubs have had a hard time lately. Beer tax, credit crunch and changing drinking habits have all had an impact on business. But like everything else, the best pubs evolve to keep up with the changing times. People today aren't just looking for a cool pint, they want a warm, family-friendly space with good food and great coffee. And we agree!

So over the last five years, we've invested £100 million into helping our licensees revamp their businesses. We spend around £160,000 on the average refurb. Some just need a freshen up while others get a complete overhaul. And our investment isn't just of value to the licensee but to the wider community because good businesses create new jobs. By the end of 2017 around 780 additional people will be employed by our pubs. 



Colleagues chat to guests from Craigshill Good Neighbours charity at #BrewingGood Cheer pub lunch at The Fork & Field, Edinburgh.

#BrewingGood in our communities

Forget Facebook, Twitter, Instagram or Snapchat. Pubs are the original social network, a hub for all ages and backgrounds.

Lots of British people don't feel very connected to friends or family. Many are elderly and live alone. Some just don't have a good network nearby. And not getting face-to-face time isn't good for us! We're social creatures and interaction with other people is good for our hearts and minds.

So we've launched a nationwide campaign to get pubs up and down the country to open their doors and put on a festive lunch for people in need of companionship. We called it #BrewingGood Cheer. From The White Horse, London, to The Fork & Field, Edinburgh, pubs across the UK joined our campaign to bring people together. Once on board, we connected each pub with a local charity that supported isolated people so we could reach those most in need.

Then, counting-down to Christmas, pubs and charities came together. Our colleagues donned festive jumpers and got down to their nearby #BrewingGood Cheer pub. Christmas music played. People chatted. And roast turkey and all the trimmings was served up to over 200 local people who might otherwise be spending Christmas alone.

► Watch our film: [#BrewingGood in Manchester.](#) 




The School of Hard Knocks uses the principles of rugby to help unemployed people get back into work.

Sponsorships for good

Our brands are playing an important role in communities too. More and more, we're exploring how our sports sponsorships can be a force for good, by raising awareness and helping tackle difficult social issues.

Earlier this year, Heineken® dedicated its sponsorship of the 2017 European Professional Cup Rugby to social inclusion charity, School of Hard Knocks (SOHK).

To raise money for the charity we challenged two rugby legends to go head-to-head in a coin toss to decide who'd face a bungee jump in front of thousands of fans during the rugby finals. The more the fans donated, the higher the bungee jump was.

The partnership is helping SOHK get 100 long-term unemployed people in Edinburgh back to work, using rugby as a confidence booster. 



Heineken's® third ad to make drinking less and staying in control cool.

Chapter 7

Enjoying our ciders and beers responsibly



Friends catching up over a drink in The Kilderkin, a Star Pubs & Bars pub in Edinburgh.

Alcohol in society

Beer's much more than a drink. There's expertise, love and creativity in every pint. It's rich in nutrients and all natural – hops, barely, yeast, water – and nothing else! Beer also has a place in our culture. Whether toasting at celebrations, partying at a festival, or watching the football down your local pub, it's been a part of social occasions for decades.

Most people in the UK enjoy a beer or cider without overdoing it. People are actually drinking less today than 10 years ago, especially millennials. But harmful drinking still affects around 20% of people which causes real problems for families, communities and society.

There's no silver bullet to dealing with alcohol misuse because it's such a complex problem, so we take a holistic approach. Our iconic Heineken® brand, with its unrivalled global reach, is leading the charge on advertising to change drinking behaviours. We're brewing great tasting low and no alcohol beer so people have more options when they want to cut back. And we tackle alcohol harm head on – working in partnership with police, schools, government and charities to educate and offer targeted support to people who need it most.



Heineken® 0.0 giving people a great tasting no alcohol beer.

Great tasting zero alcohol beer

After 153 years of brewing our flagship Heineken® lager, we introduced an alcohol-free variant, Heineken® 0.0. It's twice brewed and fermented with Heineken's® unique A-yeast, with gentle alcohol removal, to achieve a fruity and slightly malty flavour. Great taste. All natural. Zero alcohol. And only 66 calories! Millions of people in 16 countries (so far) can now opt for a great tasting no alcohol beer.

► Visit Heineken® 0.0 website for more.






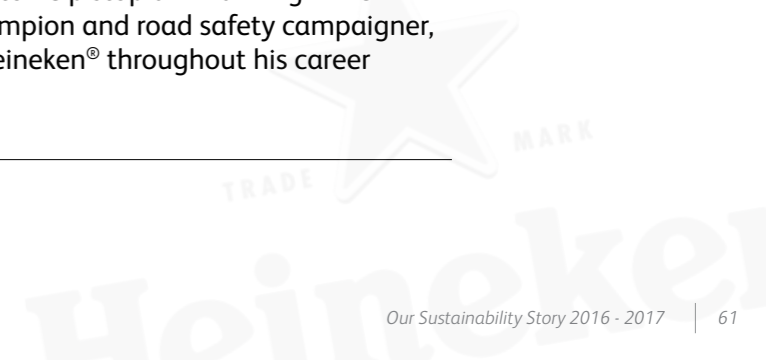
Heineken's® ad to urge people to stop drink driving, launched at Milan Gran Prix 2016 as part of our Formula 1 sponsorship.

Advertising to make moderation cool

Heineken's® using its marketing prowess to make drinking less and staying in control 'cool'. We use our flagship brand because of its unrivalled global reach and ability to connect with consumers.

At least 10% of Heineken's® marketing spend is on ads that actively promote moderation. Surprisingly, the ads often show people choosing not to drink our beer. A bold move for a beer brand. But by being bold, we're making people stop and think.

Once again we've pushed the boundaries on responsible advertising. This time, we used our sponsorship of the Grand Prix to help stop drink driving. When You Drive, Never Drink stars Formula 1 champion and road safety campaigner, Jackie Stewart, again – refusing to drink Heineken® throughout his career because he'd be driving. 






Army veteran supported by Addaction's Right Turn project.

Tackling harmful drinking

Harmful drinking – whether it be binge drinking, underage drinking, or alcohol addiction – is without doubt one of the most challenging social issues we face.

For over 12 years we've confronted alcohol addiction head on by working closely with the UK's leading behaviour change charity, Addaction. We help them provide specialist support to people who are alcohol dependent to beat their addiction. The latest being Right Turn, a pioneering programme for ex-military people dealing with addiction and mental health issues.

Our work with Addaction is the cornerstone of how we tackle alcohol harm, and has a powerful influence on our business. Back in 2010, it was with Addaction we made the move to stop producing all high-strength white ciders, as we realised their link to alcohol abuse. A multi-million pound cost to our business, but the right decision for society. 










Chapter 8








Brewing a Better World performance scorecard 2016

Performance scorecard 2016

We've told you our story, shared our priorities and highlighted some of our proudest achievements in the last year. Now, here's our performance in numbers.

	2020 commitment	What we've done globally in 2016	What we've done in the UK in 2016	Progress indicator (UK)
Sourcing 	At least 50% of our main raw materials from sustainable sources. ¹	17% of main raw materials came from sustainable sources.	Sustainably sourced; barley: 100% apples: 79%	
	In Africa, source 60% of agricultural inputs from within the continent. ²	In Africa and the Middle East 49% of agricultural raw materials were sourced locally – as in 2015.	N/A	N/A
	Ongoing compliance with our Supplier Code.	Compliance to our four-step supplier code was 78% across 70 countries.	94% compliance.	
Carbon 	Reduce CO ₂ emissions in production by 40% ³	Reduced emissions from brewing by 37% vs 2008 (i.e. 6.5 kg CO ₂ -eq/hl in 2016). Volumes were up 52% higher but emissions 5% less.	Reduced by 60% vs 2008 (by 32% vs 2015) to 4kg CO ₂ -eq/hl in 2016.	
	Reduce CO ₂ emissions in distribution by 20% in Europe and the Americas. ⁴	In Europe, CO ₂ emissions in distribution were down 13% vs 2010. Americas were down 8%.	Reduced by 0.5%.	
	Reduce CO ₂ emissions of our fridges by 50%. ⁵	In cooling, CO ₂ emissions were down 46% vs 2010. 100% of over 125,000 fridges purchased were 'green'.	100% of fridges purchased were 'green'.	

¹ In scope are barley, hops, cider apples, fruit concentrates, sugar, rice, sorghum, wheat, maize. ² Based upon tonnage. With local sourcing we refer to sourcing within the region of Africa & Middle East
³ Baseline 2008. ⁴ Baseline 2010/2011, scope is Europe and Americas, 24 of our largest operations: Belgium, Bulgaria, France, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, UK, Austria, Belarus, Croatia, Czech Republic, Greece, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Brazil, Mexico, USA. ⁵ Baseline 2010 ⁶ Baseline 2008.

	2020 commitment	What we've done globally in 2016	What we've done in the UK in 2016	Progress indicator (UK)
Water 	Reduce water use by 30% to 3.5 hl/hl ⁶ & average of 3.3 hl/hl for breweries areas of water scarcity.	Reduced water used to brew our beers and ciders by 28% vs 2008 (to 3.6 hl/hl).	Reduced water use by 3% vs 2015 and 21% vs 2008 (to 3.3hl/hl).	
	Our sites achieve significant water balancing in water-scarce areas.	13 of 23 production sites in water-stressed areas have started implementing a water-balancing plan.	N/A	
Responsible consumption 	Make responsible consumption aspirational through Heineken® – invest at least 10% of Heineken's media spend on responsible drinking campaigns. ⁷	Invested over 10% of Heineken's® media spend in dedicated responsible consumption campaigns (representing more than 50% of Heineken's® global volume).	Invested 9.49% of UK's Heineken® media spend activating the 'Dance More, Drink Slow' campaign.	
	Every market in scope has and reports publicly on a measurable partnership aimed at addressing alcohol abuse.	51 operating companies in 50 markets have a partnership in place to address alcohol-related harm. Of these, 69% have met all our partnership criteria (81% of the beer volume in scope).	Partnered with alcohol addiction charity Addaction to tackle alcohol harm since 2005.	
	Deliver global industry commitments ⁸ by end of 2017 and report in 2018.	Taking action on five areas: Under-age drinking, marketing codes of practice, consumer information and product innovation, drinking and driving, and retailer support. e.g. Low- and no-alcohol options made up 6% of our total global volume. See progress report on these commitments (July 2016).	N/A	

⁷ Applies in our main markets (representing 50% of the Heineken® global volume). Out of scope are markets where we are unable to run our responsible consumption campaign due to local (legal and religious) restrictions on alcohol advertising. ⁸ The aim of the global commitments (2013-2017) is to contribute as an industry to the global target set by the World Health Organization (WHO), of "at least a 10% relative reduction in the harmful use of alcohol" by 2025



To be continued...

Visit www.heineken.co.uk/sustainability for more.

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