



BREW A BETTER WORLD


RAISE THE BAR 2030

Our strategy

April 2021



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Our sustainability journey

For over 150 years, we've been passionate about making a positive impact on the world. We know that we can only thrive if our people, planet and the communities around us thrive.

Since Brew a Better World was launched in 2009, it has become embedded in everything we do – from the planting of a barley seed to the moment a glass of cool beer is served on the bar. We've made solid progress and we've learned a lot along the way.

A decade later, we know the world is facing even more pressing social and environmental challenges requiring decisive and collective action. From addressing climate change to water scarcity and creating a more equal, healthy and fair society, we are

determined to play a part in helping to address these challenges.

Our 2030 Brew a Better World commitments are woven into the fabric of our new balanced growth strategy, EverGreen, putting sustainability and responsibility front and centre as we write our next growth chapter.

I want to thank all our employees and partners for their continued passion for doing what is right for our business and for society. Together, we are raising the bar and we will brew a better world.

Dolf van den Brink

CEO and Chairman of the Executive Board



Raising the bar – a Decade of Action

The UN Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015.

Progress has been made in many areas but, overall, the action needed to meet the Goals is not yet advancing at the speed or scale required. The Decade of Action calls for accelerating sustainable solutions to all the world's biggest challenges — ranging from poverty and gender to climate change and inequality.

Building on the past 10 years of Brew a Better World, we are raising the bar on our support for the SDGs as we look ahead to a decade in which more ambitious collective action is the only way forward. Our revised strategy will raise our ambitions on climate action.

We will accelerate our efforts to support the social agenda and be even more ambitious and bold in promoting moderate consumption of alcohol. Building brands that deliver on our sustainability ambitions will become a fundamental priority for the decade ahead.



A strategy that fits on a coaster

In close alignment with our external and internal stakeholders, we have developed a strategy that fits on the back of a coaster.

Three pillars, nine ambition areas.
Each ambition area containing one or more concrete and measurable commitments.

‘Brew a Better World’ remains our foundation and the task we set for ourselves and in working with others.

‘Raise the Bar 2030’ reflects the increased ambition of our new action plan.

The iconic circle is the footprint of our Heineken® bottle. It reminds us every day to leave our mark by limiting our potential negative impacts and maximising our positive contribution. It also reminds us – in a playful way – of the planet we depend on, the path to circular business and our (imperfect) journey to create a better world.



CARBON NEUTRAL • CIRCULARITY • HEALTHY WATERSHEDS

ENVIRONMENTAL

 **HEINEKEN**





ENVIRONMENTAL

Reach carbon neutrality

Climate change is one of the biggest global threats to humanity and it will shape the way we do business, now and in the coming decades. According to the UN's Intergovernmental Panel on Climate Change, all governments, industries and organisations need to step up their game if we are going to keep temperature increase to within 1.5°C.

Since 2008, we have reduced carbon emissions per hectolitre in our breweries by 51%. In 2018, we committed to considerably increase renewable energy in production, including renewable electricity (solar, wind, hydro) and renewable thermal energy (biogas, waste heat recovery, sustainable biomass).

We will now raise the bar by aiming for **net zero emissions by 2030** for all our production sites, in line with the Paris Climate ambition to meet the 1.5°C

goal. This means we need to further reduce emissions through energy efficiency and accelerate the transition to renewable energy in more than 60 countries. In practice, we will see more and more HEINEKEN breweries becoming 'net zero', like the ones in Austria and Spain have already done.

The biggest part of our carbon footprint is, however, in other parts our value chain. Agriculture, packaging, distribution and cooling represent 90% of our emissions outside our breweries. We must work closely with our suppliers and partners to help them to set science-based commitments, share knowledge on renewable energy and pilot innovative solutions that will benefit the entire industry.



We have set an ambitious goal to operate in a **carbon neutral value chain by 2040** – with an interim target of **30% absolute reduction by 2030**.

This is 10 years ahead of the 2050 Paris Climate goal and we are the first global brewer to set this commitment on this timeline. We encourage every other brewer in the world to set a similar target and join forces to decarbonise the industry by driving efficiency, shifting to renewables and piloting new technologies.

Our third goal within this ambition area is **100% sustainable barley and hops by 2030**. Sustainable sourcing is a key lever for achieving our carbon reduction targets and it will help improve other environmental and social conditions – from water use to labour practices. By end of 2020, 62% of our barley

originated from sustainable sources. We aim to close the gap and reach 100% by 2030.

We can do a lot, but we don't have all the answers yet. This means we must work with suppliers, peers and partners to create a pipeline of innovations and research projects. As a large group, we will use our voice to influence public policy and help drive the transition to a low-carbon future.

HEINEKEN is proud to join The Climate Group's *RE100 initiative*, *We Mean Business Coalition* and the *Race to Zero* movement. We have also signed the *Business Ambition for 1.5C*, the *Climate Pledge* and are working with the Science Based Target initiative to validate our new commitment.





ENVIRONMENTAL

Maximise circularity

The world we live in has seen unprecedented population growth: it has quadrupled over the past 100 years and is forecast to exceed nine billion by 2050. This has rapidly increased demand for raw materials, while their availability is declining.

At the same time, the world's economy is still more than 90% still linear: we take resources from the earth to make products which we use and throw away when we no longer want them. This is putting a huge pressure on the environment and ecosystems. The current linear system is no longer working and we must all switch to a circular economy if we are to ensure there is enough food, water and prosperity in 2050.

Our ambition is to maximise the circularity of our products and give a second life to our input and output materials. In other words, move from “take-make-waste” to “reduce-reuse-recycle”. We already do a lot. We reuse spent grains for animal and human feed, recover biogas and organic fertilizer through our wastewater, turn alcohol into sanitisers, recycle water within our breweries and we are increasing the use of returnable bottles. But there is so much more we can and must do.

We have committed to become **zero waste to landfill for all our production facilities worldwide by 2025**. By 2020, 118 of our 166 production sites were already landfill free. In volume, this means 98% of our total waste was reused or recycled. Our aim is to close the gap in all locations

as landfill is a local issue that should be avoided where possible.

In 2021, we will develop a dedicated strategy and goals to accelerate our journey towards **closing material loops and turning waste into value** for other stages of the value chain. Our quest will be to find solutions to design out waste and pollution, keep products and materials in use and regenerate natural systems. This is in line with the principles of the Ellen MacArthur Foundation, of which HEINEKEN is a member.

It will take time and effort, but we believe a circular approach will deliver more efficient use of resources, have significant environmental benefits and provide new commercial opportunities.



ENVIRONMENTAL


Towards healthy watersheds

Water is essential to life and a basic human right – we cannot live without it. But fresh water ecosystems are under increasing pressure from the competing demands of agriculture, business and communities. Globally, over 70% of freshwater resources are devoted to crop and livestock production. Population growth, economic development and urbanisation are driving up demand and pressure on water quality. At the same time, one of the primary effects of climate change is disruption of the water cycle. Changing weather patterns – known as “drought and deluge” – are making some places wetter and others much drier. In many parts of the world, water is becoming a scarce resource. Without significant changes in how we consume water, water demand could outstrip supply by 40% in 2030.

Over the past decade, we have worked hard to reduce our water use by almost a third and to treat our wastewater before we return it to nature. However, it has become clear that, in water-stressed areas, this is no longer enough. We must look at our water impact more contextually and – quite literally – think outside the walls of our own breweries.

That is why we launched our 2030 water strategy – ‘Every Drop’ – in 2019. It looks beyond traditional water efficiency and puts the health of local watersheds front and centre. Our aim is to make a positive contribution to support the health of the watersheds that sustain our operations in parts of the world that are water stressed.





To realise this vision, we developed a water triangle which comprises three key focus areas for our breweries in water-stressed areas:

The most impactful contribution we can make is through *water stewardship*: our commitment is to **100% balance the water we use in water-stressed areas**. This means we aim to return to the local watershed every litre of water that goes into our product and is not given back to nature. We do this through projects that replenish water in the same watershed as our operation. These projects range from nature-based solutions, like restoring wetlands and reforestation, to repairing infrastructure and enabling farmers to use less water. We are not starting from scratch: by end of 2020, twelve of our breweries in water-stressed areas already replenished 6 billion litres of water.

The second part of our water triangle is *water circularity*: we have committed to treat wastewater and reuse water, making sure **100% of our wastewater is being treated worldwide**. In areas that are water-stressed, our aim is to **reuse as much water as possible**. This means enabling the recovery, reuse and recycling of treated wastewater for use by others, including nearby industries, farmers and nature.

We will continue our focus on *water efficiency*: as part of our commitment to using as little water as possible, we have increased our ambition for 2030 to reduce average water intake to **2.9 litres per litre beer globally**, and **2.6 litres in water-stressed areas**.

However, our own efforts alone will not be enough. Many different users tap into shared water resources and maintaining the health of the watershed requires **collective action**. We actively participate in several local water funds and alliances around the world and we joined the launch of the Water Resilience Coalition, a global partnership between the UN, companies and NGOs.



**BE
WORLD**

RAISE THE BAR 2030

DIVERSITY • FAIR & SAFE • SOCIAL • COMMUNITY IMPACT





SOCIAL

Embrace Inclusion & Diversity

Embracing Inclusion & Diversity (I&D) is not only the right thing to do for people, but also essential to be successful as a business. A diverse workforce brings diverse viewpoints and perspectives to the company. It leads to better decision-making, a deeper understanding of diverse consumers and customers, more innovation and increased performance. As the world's most international brewer, we aim to reflect the world around us to brew enjoyment of life for all.

Diversity can only soar with a truly inclusive culture where people from all backgrounds feel included and can bring their whole self to work. Inclusivity is the key to maintaining as well as creating diversity in the workplace. We want to ensure every HEINEKEN employee feels a strong sense of belonging and psychological safety. It enables all of us

to speak up and contribute to the future of our organisation.

Since 2018, there has been a strong focus on I&D at HEINEKEN. We have built a global I&D community of 100+ ambassadors who are driving our global strategy in local contexts across the business. This network leads change on relevant topics for their local realities, including gender balance, race and ethnicity and LGBT+. We launched the Women's Interactive Network programme (WIN) to support top female talent in their development and career, created the Heineken Open & Proud network (HOP), developed workshops on Inclusive Leadership and Unconscious Bias, and much more.





Now, we are raising the bar by setting external targets on I&D for the first time. We are aiming for **gender balance across senior management**. In 2011, 11% of our senior managers were female. This percentage increased to 23% by 2020. Our commitment is to have **30% women in senior management roles by 2025 and 40% by 2030**.

We also want to embrace cultural diversity, notably in our leadership. Our ambition is to balance the cultural diversity of our leadership teams in the countries where we operate. **By 2023, across each region, at least 65% of country leadership teams will be made up of regional nationals**.

In practice, for a specific region this means the management teams of operating companies will be made up of 65% regional nationalities and 35% nationals from outside this region.

Our third goal is to have **100% of our managers trained in inclusive leadership by 2023**.

We will continue to focus on building a culture where people feel they belong, including fair and progressive recruitment, equal pay for equal work (see next page) and listening and dialogue sessions. Progress will be measured through our global I&D dashboard, people plans and employee climate survey.





SOCIAL


A fair & safe workplace

Since our company began in Amsterdam in 1864, we have tried to take care of our employees and committed to positive impact - from fair wages and affordable housing to guaranteeing pensions ahead of social systems and providing healthcare. We have always believed in fairness, human connection and the joy of bringing people together.

That remains true today for our global family of more than 80,000 colleagues, even though our operational context and reach has changed dramatically. Today, we live in a world still beset by income inequality and injustice, with many people struggling to afford a decent standard of living. We believe paying a fair wage is a first and practical step to help to break the cycle of poverty and support economic inclusion.

Our commitment is to ensure that **all our employees worldwide will earn at least a fair wage by 2023**, with a focus on the most vulnerable communities. A fair wage is often higher than the minimum wage. It should be sufficient for a decent standard of living, covering the basic needs for the employee and his or her family – from food, housing and education to healthcare, transportation and some discretionary income and savings. We have chosen the word ‘fair’ instead of ‘living’ to underline the importance of a fair and transparent process. It ensures that the amount needed to afford a decent standard of living is guaranteed and is not dependent on variable factors like working overtime or incentives.





We are raising the bar by committing to **equal pay for equal work** (or work of equal value) between female and male colleagues. By **2023, ongoing assessments and actions will be in place to close any gaps**. These action plans will focus on equal pay and also on representation, opportunity for promotion and gender balance in management teams. It will be an important instrument for our Inclusion & Diversity ambition.

Looking beyond our direct employees, we continue our work to **ensure fair living and working standards for third party employees and brand promoters**, in line with our commitment to the Consumer Goods Forum Human Rights Coalition and actions we are taking to ensure safe working conditions for brand promoters around the world. Third party employees are all

workers globally who are not directly employed or paid by HEINEKEN but who work on our premises (for example canteen and security personnel) or deliver services on behalf of HEINEKEN (for example brand ambassadors and drivers). They are an important part of the company and we will continue steps to be sure that they work reasonable hours in a safe, healthy and decent work environment and earn a fair wage.

Last but not least, we continue to put Safety First. We have significantly reduced the accident frequency in our operations over the last decade but we still see fatalities as a result of our business. We must continue to do our utmost to ensure our colleagues and contractors return home safely to their families at the end of the day. Our goal is to **create leadership capacity to drive zero fatal accidents and serious**

injuries at work. We will shift our focus from an accident-based approach to building the capacity of identifying and mitigating potential risks. The HEINEKEN Life Saving Rules will remain key to preventing serious and fatal accidents.

As a global company operating in over 70 countries, we have sometimes learned the hard way and we cannot rule out the possibility of missteps ahead. What we can guarantee is that if we encounter injustice or inequality, we will right any wrongs. We will acknowledge mistakes, learn from them and commit to resolving issues with transparency and openness.





SOCIAL

Positive impact in our communities

With operations that span the globe, we have an opportunity and a responsibility to use our business as a positive force for change. We are committed to making a positive contribution to the communities where we source, live, work and sell our products.

As a major employer and purchaser of raw materials, our biggest contribution to the social and economic wellbeing of communities is through our core business – the jobs we create, the businesses we support and the taxes we pay. In 2020 alone, we contributed almost 11 billion EURO in taxes, including excises.

Our regional sourcing projects in Africa have created jobs, supported the sustainable development of the agricultural sector and improved the lives of rural communities. Over the last decade, our approach has evolved

from a CSR initiative to a business led programme spanning 35 value chains across 12 operating companies and providing market access to more than 140,000 farmer households. We have learned that creating stable, viable markets and value chains is not an easy journey – especially where they do not already exist – and we will further expand our long-term role in providing a reliable and stable market for local crops. Moving forward, **we will continue our commitment to local sourcing of agricultural ingredients in Africa, aiming for a 50% increase in volume by 2025** compared to 2020.

A new commitment is that **100% of our markets will have a social impact initiative every year**. These initiatives should support one of more of the UN SDGs, relevant for that specific community. Projects may vary

from access to water to addressing unemployment and inequality. In 2021, we will develop strategic guidelines for our operations to achieve this commitment.

The HEINEKEN Africa Foundation will continue to support the health and wellbeing of communities in sub-Saharan Africa by providing vital access to healthcare and clean water, which is particularly relevant in times of COVID-19.



WORLDWIDE

RAISE THE BAR 2030

RESPONSIBLE

ALWAYS A CHOICE • ADDRESS HARMFUL USE • MODERATION





RESPONSIBLE

Always a choice

Beer is a natural fermented drink that, when enjoyed in moderation, can be part of a balanced lifestyle. However, when alcohol is not consumed responsibly there are clear health and behavioural risks. For some people and on some occasions it is better not to drink at all. That is why we have always been committed to advocating responsible consumption and supporting efforts to decrease harmful consumption.

In parallel, in markets around the world the number of adults who don't drink alcohol or who wish to reduce their alcohol consumption continues to grow. This is where we can make a real impact with our products and brands. We aim to empower consumers and make it easier to select the right beverage for the right occasion, everywhere and at any time of day.

Our ambition is to serve **0.0 always, everywhere**, ensuring our consumers always have a choice. By end of 2020, Heineken 0.0[®] was available in 84 markets. Building on this success, we had over 130 non-alcoholic line extensions in 2020. We will continue to build the category and develop outstanding 0.0 beverages, ensuring that in the longer term, wherever we sell beverages, a non-alcoholic alternative is also available. As a commitment, we will aim for **a zero alcohol option for two strategic brands in the majority of our markets (accounting for 90% of our business) by 2023.**

Providing a choice is also about having the right information at hand. We will roll out new global labelling standards **to ensure consumers have full transparency about our products.** We have made good progress in the last

five years and are ahead of industry and regulations. Our commitment is that **100% of our products should contain clear and transparent information by 2023** about ingredients, nutrition, calories, alcohol by volume and allergens, as well as responsible drinking symbols. We will take steps to provide consumers with further information about alcohol consumption and their health.



RESPONSIBLE

Address harmful use

Harmful drinking is damaging to individuals and the people around them as well as society, our industry and our reputation. We realise that alcohol abuse is a complex societal issue without simple solutions or a one-size-fits-all approach. Different regions have their own cultural attitudes towards alcohol and accompanying challenges.

This requires more than just producers taking action. It demands a concerted effort involving multiple players. Governments, NGOs, consumer groups, police forces, legislators, retailers, hotel, bar and restaurant owners and community groups all have a valuable role to play in encouraging responsible consumption.

Since the start of Brew a Better World, we have actively set up partnerships around the world to address issues like drink driving, under-age drinking, excessive consumption, drinking while pregnant and alcohol addiction. This will remain a priority and we have committed that **100% of markets in scope have a partnership in place to address alcohol-related harm.**

Because it is complex to achieve and measure impact, we will explore ways to improve this for our partnerships. We hope to learn from pilot projects and to put these learnings in practice for other partnerships.

We will also continue to participate in the International Alliance for Responsible Drinking (IARD), a not-for-profit organisation dedicated to reducing harmful drinking and promoting understanding of responsible drinking. Leading global beer, wine and spirits producers work together for a common purpose – to be part of the solution in combating harmful drinking. To advance this shared mission, IARD works and partners with public sector, civil society and private stakeholders.



RESPONSIBLE

Make moderation cool

We have a long history of encouraging responsible consumption through our brands and we aim to make moderate, responsible consumption cool. We use the strength of our brands – particularly our global Heineken® brand – to ensure this message resonates with consumers by creating campaigns that lead the debate.

With ground-breaking and award winning campaigns like ‘Sunrise belongs to Moderate Drinkers’, ‘Moderate Drinkers Wanted’, ‘Dance More, Drink Slow’ and ‘When You Drive, Never Drink’, we have tried to change habits by advocating positive behaviour rather than criticising bad behaviour. What we have learnt has laid a solid foundation for the coming decade.

Our ambition is to remain the undisputed leader in responsible alcohol communication and activation. We want to prove Heineken® is the most progressive beer brand and dares to be bold and straightforward in making moderation cool and aspirational.

We are raising the bar by setting a target to **reach 1 billion unique consumers yearly** with a refreshed responsible consumption message in which Heineken 0.0® will play a central role as one of the practical solutions to reduce alcohol related harm and encourage responsible behaviour. We will accomplish this by investing **10% of the global Heineken® media budget** via globally managed digital advertising.



Foundation: Our ways of working

Three pillars. Nine ambition areas.
Twenty-two commitments...
...it's an ambitious agenda for the
coming years!

We can only be successful if we lead
with integrity and fairness, with respect
for the law and in line with our values.

Our **responsible business conduct**
principles guide us through our day-to-
day work when acting for, or on behalf
of, HEINEKEN. They follow the principles
of the UN Global Compact and the
OECD Guidelines for Multinational
Enterprises. As a multinational company
operating in more than 70 countries,
we pay special attention to potential
exposure to bribery and corruption. Our
principle is never to engage in bribery in
any place, at any time. Our **anti-bribery
framework** aims to prevent, detect
and respond to bribery and corruption

threats. The framework includes risk-
based third party due diligence and
training.

Transparency and trust are crucial to
our culture and values. We actively
encourage everyone to **Speak Up**
about concerns they may have,
particularly in relation to suspected
misconduct. Multiple Speak Up
channels are available to enable
employees and external parties to
quickly and easily raise questions and
concerns, in confidence and without
fear of retaliation. They include Trusted
Representatives and a Speak Up service
run by an independent third-party and
available 24/7, 365 days a year.

At HEINEKEN, we do business with
respect for people's fundamental dignity
and their **human rights**. We follow
the UN Guiding Principles on Business

and Human Rights. Our Human Rights
policy, Supplier Code and **due diligence**
process guides us to understand, avoid
and address our human rights related
risks in our own operations and across
the value chain. Our **Good Governance**
platform addresses human rights-
related topics relevant to a specific
region and drives us to set up initiatives
with experts and NGOs where needed
– from creating guidelines on how to
operate in volatile countries in Africa
to improving the working conditions of
brand promoters globally.



UN Sustainable Development Goals

Our ambitions and targets for this Decade of Action are in line with the benchmarks set by the UN Global Compact and we are determined to contribute to the UN SDGs to protect the planet, ensure prosperity and end poverty for all.

Path to zero impact



Path to an inclusive, fair and equitable world



Path to moderation and no harmful use



ENVIRONMENTAL

Reach carbon neutrality

- Net zero emissions in production by 2030
- Carbon neutral value chain by 2040, 30% absolute reduction by 2030
- 100% sustainable ingredients (hops, barley) by 2030

Maximise circularity

- Zero waste to landfill for all our production sites by 2025
- Turn waste into value and close material loops throughout the value chain – strategy & targets in development

Towards healthy watersheds

- Fully balance water used in our products in water-stressed areas by 2030
- Maximise reuse and recycling in water-stressed areas by 2030
- Treat 100% of wastewater of all breweries by 2023
- Reduce average water intake to 2.6 hl/hl in water-stressed areas, and 2.9 hl/hl worldwide by 2030

Foundation: our ways of working

SOCIAL

Embrace inclusion & diversity

- Gender balance across senior management: 30% women by 2025, 40% by 2030
- Cultural diversity: across each region at least 65% of country leadership teams are regional nationals by 2023
- 100% of our managers trained in inclusive leadership by 2023

A fair & safe workplace

- Fair wage for employees: close any gaps by 2023
- Equal pay for equal work: assessments and action by 2023
- Ensure fair living and working standards for third party employees and brand promoters
- Create leadership capacity to drive zero fatal accidents and serious injuries at work

Positive impact in our communities

- A social impact initiative in 100% of our markets every year
- Local sourcing of agricultural ingredients in Africa: 50% increase in volume by 2025

Responsible business conduct

- An effective Speak Up framework
- Zero tolerance to bribery and corruption

RESPONSIBLE

Always a choice

- A zero alcohol option for two strategic brands in the majority of our markets (accounting for 90% of our business) by 2023
- Clear and transparent consumer information on 100% of our products by 2023

Address harmful use

- 100% of markets in scope have a partnership to address alcohol-related harm

Make moderation cool

- 10% of Heineken® media spend invested every year in responsible consumption campaigns, reaching 1 Billion consumers



Our commitments

Respecting human rights

- Ongoing due diligence
- Good governance



Governance

While our ambitions inspire us, our actions define us. To raise the bar here too, we continuously evaluate and improve our ways of working, governance and transparent reporting.

We have refreshed our areas of focus for creating value – we call it our ‘Green Diamond’ – which now reflects sustainability and responsibility next to organic growth, profit and efficient capital location.

In December 2020, the Supervisory Board decided to set up a Sustainability and Responsibility Committee to increase the focus and oversight of performance against our new, more ambitious strategy. The Committee will help us guide and shape our approach. It will also make sure that all levels of leadership are actively involved in the sustainability & responsibility agenda.

Transparent reporting remains an important focus area and we closely follow the latest developments to refine our non-financial disclosures. We actively support the move to develop universal, comparable disclosures focused on people, planet, prosperity and governance that companies can report on, regardless of industry or region.





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