



Nigerian Breweries Plc
RC: 613

Sustainability Report 2011

Brewing a Better Future





Welcome to our Sustainability Report 2011

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Company profile

Nigerian Breweries Plc, the pioneer and largest brewing company in Nigeria, was incorporated sixty-six years ago and operates eight breweries (Lagos, Aba, Kaduna (Kakuri), Ibadan, Ama (Enugu), Ota, Kaduna (Kudenda) and Onitsha). In addition, the company operates two sorghum malting plants in Aba and Kaduna. However, the environmental and safety data captured in this report only cover five breweries and one malting plant as the breweries in Ota, Kaduna (Kudenda) and Onitsha and the malting plant in Kaduna acquired late in 2011 are not in scope.

The company has a rich portfolio of eleven high quality brands: Star Lager Beer, Gulder Lager Beer, Heineken Lager Beer, Legend Extra Stout, Goldberg Lager Beer, Life Lager Beer, Maltina, Amstel Malta, Malta Gold, Fayrouz, and Climax energy drink. In 2011, the company sold a total of 22 Stock Keeping Units (SKUs), employed 3,316 staff as well as external agency personnel, and achieved total revenue of N230.1 billion.

Nigerian Breweries Plc is a model corporate citizen with a vision to be a world-class company. It enjoys market leadership in the brewed and malt drinks segments of the beverage industry in Nigeria. Its successful operations are attributable to good product quality, efficient management and strategic market penetration. Through its 'Winning with Nigeria' philosophy, the company strives to impact national development.





Foreword

We made positive progress towards Brewing a Better Future

2011 was an outstanding year for our company, Nigerian Breweries Plc. We recorded significant improvements in our key performance indicators culminating in substantial volume growth and market share gains. We once again reinforced our market leadership position and placed ourselves on course to realize our ambition to be the best company in Nigeria and the number one operating company of HEINEKEN. We made great strides in spite of a very challenging business environment. I am extremely proud of our people whose determination, commitment and resilience made these possible.

The year was also outstanding as we recorded a significant milestone with the acquisition of Sona Systems (with breweries in Ota and Kaduna) and Life Breweries Limited, Onitsha. The acquisition improved our geographic footprints and brand portfolio as three brands, Goldberg Lager, Malta Gold and Life Continental Lager, joined our family.

Our sustainability agenda, as defined by the Brewing a Better Future programme, marked a full year of a focused journey towards achieving our sustainability goals. We took some positive steps to drive our commitments to Brewing a Better Future (BaBF).

Specifically, we recorded significant improvements in our water, electricity and thermal energy consumption as part of our commitment to continuously improve on the environmental impact of our operations. In the same vein, we increased the number of 'green fridges' in the trade with 95% of our fridges in compliance with the 'green fridge' guideline. A fridge is considered green when it has at least one of the following technologies: Hc refrigerant, LED illumination and EMS thermostat. In addition, we continued the implementation of the Supplier Code with 88% of our suppliers signing the Code. These are accountable for 98% of our total spend.

We also recorded consistent progress in all other initiatives implemented. You will find highlights of these and our performance in this report, among other things. The data presented in this report does not include the three new acquisitions made in the last quarter of 2011.

Overall, I am happy with the progress we have made on this strategic journey towards bringing our sustainability to life. But we are aware that there is still a lot to do. We remain fully committed to Brewing a Better Future and will continue to work with all our stakeholders on this journey.

Nicolaas A. Vervelde
Managing Director/Chief Executive

About Brewing a Better Future

Brewing a Better Future was introduced in April 2010 and born out of close discussion with our stakeholders. It has provided the Company with a road map and reflects our integrated and long-term ambition to become an even greener business.

We focus on three strategic imperatives:

1. Continuously IMPROVE the environmental impact of our brands and business
2. EMPOWER our people and the communities in which we operate
3. Positively IMPACT the role of beer in the society.



We have created 23 programme areas that by 2020 will bring our words 'Brewing a Better Future' to life with our people and our stakeholders and which cover our material impacts as well as our value based approach to people and society."

Governance

Nigerian Breweries Plc, as part of the HEINEKEN Company, remains fully committed to Brewing a Better Future (BaBF), an integrated and long-term Heineken global sustainability strategy. To underscore this commitment, the BaBF is governed at the company level by the Executive Committee, (Exco). Each Exco Member and Senior Manager has a BaBF target as part of his key performance indicators, KPIs. On a day-to-day basis, BaBF is governed by a Sustainability Committee with representatives drawn from various departments -Supply Chain, Commercial, Human Resource, Finance, and coordinated by Corporate Affairs. A three-year sustainability plan is integrated into the business strategy to achieve goal congruency and move from ambition to achievement.

Enabling our business priorities

In 2011, in order to respond more effectively to the increasing challenges in our operating environment and take advantage of the opportunities that exist, we identified the following key priorities to focus our efforts towards achieving our business goals and ambitions:

- **Drive market share growth** and ensure that we produce, sell and deliver our projected volumes.
- **Achieve our financial targets** as a key to our success as a business.
- **Improve Fixed Cost basis** by improving cost consciousness at all levels of the organisation.
- **Lead Human Asset development** with a continuous focus on the development of our people.
- **Brew a Better Future** by demonstrating our commitment to our sustainability agenda and ensuring full execution of the BaBF programme.

From barley to bar we target improvements throughout the value chain



What we said and what we've done

What we said we will do in 2011	What we've achieved in 2011*
Green Brewer	
Specific thermal energy consumption < 108.7 MJ/hl.	We achieved 107.4MJ/hl and are on target.
Specific electricity consumption <9.7 KWh/hl.	We achieved 9.3KWh/hl and are on target.
Average greenhouse gas emission <16.4 kg CO ₂ -eq/hl for breweries	We achieved 16.2kg CO ₂ -eq/hl and are on target
Specific water consumption < 5.6 hl/hl.	We achieved 5.2 hl/hl and are on target.
Green Commerce	
Lead industry in the reduction of carbon footprint throughout the value chain.	Environmental criteria were introduced into the decision-making process for new product launches.
Run pilots on the baseline carbon footprint model.	A global model was created based on the entire value chain.
Include Green Distribution reporting in the Logistics Star (reporting tool for Logistics KPIs).	We will commence reporting on Green Distribution in 2012.
Engaging Employees	
Accident frequency target for supply chain <1.2 accidents/100 FTEs.	We achieved 0.1 accidents/ 100 FTEs and are on target.
Introduce new Employees' and Human Rights policy.	Employees' and Human Right policy approved and introduced.
HEINEKEN Cares	
Increase local sourcing of materials to 55% of total material usage.	We increased local sourcing of raw and packaging materials to over 50%.
Fill identified gaps in healthcare delivery.	We addressed all gaps in our healthcare delivery and ensured free access to pre-defined basic healthcare by all employees both serving and retired as well as their dependents.

What we said we will do in 2011	What we've achieved in 2011
Responsible Consumption	
Publish revised Code of Business Conduct, Company Alcohol Policy and Cool@Work brochures and distribute to all employees.	The various brochures were revised and published, but distribution to employees was reserved for Q1 2012 as part of the refresher training.
Develop modules for future awareness creation/refresher training programmes.	Relevant training modules were developed in line with the Guideline for Implementation.
Partnerships for Progress	
Sustain the "Don't Drink & Drive" initiative in partnership with the Federal Road Safety Commission.	"Don't Drink & Drive" campaign rallies held in 4 locations in the country with improved stakeholder participation.
Collaborate with ICAP in the launch of Global Action on Harmful Drinking in the country.	ICAP formally launched the Global Action on Harmful Drinking in the country with the active participation of the Beer Sectoral Group of which we are members.
Enablers	
Fully implement the Heineken Supplier Code.	We implemented the Supplier Code with over 88% of our Suppliers who signed the Code, representing over 98% of our total spend.
	* The new acquisitions are not in scope for this year.



IMPROVE

Green Brewer

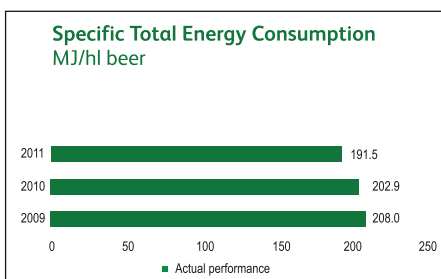
Nigerian Breweries is continuously improving its energy and water usage efficiency as well as carbon footprint in all our operations. In 2011, we achieved most of our key performance indicators on the environmental impact of our activities except on the discharge of organic load to surface water and non-recycled industrial waste. We are poised to surpass this performance in 2012 with our renewed focus on improving our operational efficiency.





In the last three years, we have consistently improved on energy and water efficiency without losing focus on our carbon footprint.”

Henk Wymenga
Technical Director



Efficiency in Energy Consumption

Nigerian Breweries reduced the total energy consumption from 202.9 MJ/hl in 2010 to 191.5 MJ/hl in 2011 due to increased production volumes and technical improvements. The target of 196.1 MJ/hl for 2011 was achieved.

Thermal energy consumption decreased from 115.4 MJ/hl in 2010 to 107.5 MJ/hl in 2011. This improvement was due to increased output, the installation of bigger tanks for condensate recovery, use of natural gas for steam production, and TPM improvement activities, among others.

Electricity consumption decreased from 9.7 kWh/hl in 2010 to 9.3 kWh/hl in 2011 due to increased output and technical improvements - more accurate metering, introduction of door and weather-controlled lighting, and optimization of electricity and ammonia consumption.

Improved Water Consumption

The company recorded impressive results in water usage efficiency as consumption reduced from 5.7 hl/hl in 2010 to 5.2 hl/hl in 2011. This improvement was attributable to improved recycling of cooling water to CO₂ and air compressors via a cooling tower, condensate recovery, use of recovered water for cleaning, toilet flushing and gardening, among others.

Reduction of Greenhouse Gas Emissions

Our performance in greenhouse gas emissions during the reporting year improved as well. Total direct and indirect CO₂ emissions from our operations decreased from 17.2 kg CO₂/hl in 2010 to 16.2 kg CO₂/hl in 2011, mainly due to the decrease in total specific energy consumption. Almost 10% of the direct CO₂ emissions in our operations is caused by losses of halogen-containing refrigerants.

Recycling of Waste

Non-recycled industrial waste decreased from 7.82 kg/hl in 2010 to 6.96 kg/hl in 2011 due to optimization in recycling measures, e.g. full recycling of spent grain and surplus yeast at some plants, and the decrease of waste production at the origin.



> Case Study: Conversion of organic waste to fertilizer

In Nigerian Breweries Plc, we are committed to continually improving the environmental impact of our activities and to reducing our CO₂ emissions. In 2011, we made good progress and are on target to achieve the goals we set for 2012.

In 2011, we commenced pilot work on the conversion of our organic waste to manure in partnership with Earthcare Nigeria Ltd in our Lagos brewery. This has ensured that 100% of the spent grain produced as a byproduct of the brewing process is currently recycled and not dumped in the environment.

Earthcare Nigeria has a joint venture agreement with Earthcare Technologies Inc (ECTI) of USA, which developed this technology that converts municipal solid waste to high grade fertilizer called compost. The company operates a composting plant in Ikorodu, Lagos with the capacity to process 1500 tonnes of waste per day.

In Lagos Brewery, all spent grain and spent yeast produced as byproducts of the brewing process are now recycled to organic manure through this partnership. The organic fertilizer produced is sold to farmers and is used as a replacement for chemical fertilizer. In 2011, the Brewery produced 27,914,740 tonnes of spent grain. The impact on the environment if dumped or used as landfill could be quite significant.

Some of the project key points are:

- 1. ENVIRONMENT:** It aids the global efforts in fighting the current climate change problems by curtailing methane emissions/mitigating the emissions of greenhouse gases (GHGs) from municipal solid waste dumped in landfills in the city of Lagos.
- 2. FOOD SECURITY:** It provides grade A organic fertilizer that is locally available and more economical to farmers. It can also be used to improve the soil quality and crop yield.
- 3. HEALTH SOLUTION:** It helps in solving the intractable waste problem in Nigeria and provides a clean and healthy environment for Nigerians.

Key Figures

5.8%
reduction in CO₂ emissions

8.8%
decrease in total water consumption

10.9%
decrease in our non-recycled industrial waste

Green Commerce

We have made commitment to continually reduce our total carbon footprint. The segment of the supply chain from brewery to consumer is an area where we can make a substantial difference: we estimate this is where the majority of our carbon footprint occurs.

Nigerian Breweries Plc is committed to leading the local brewing industry in the reduction of carbon footprint throughout the value chain. We will continue to focus more effectively on managing the relevant segments of our operations from the brewery to the consumer.





We will continue to anchor our sustainability initiatives on responding appropriately to market developments and stakeholder expectations, while collaborating with our suppliers and other business partners.”

Walter L. Drenth
Marketing Director



Packaging

In 2011, we recorded cost-saving benefits due to the introduction of cans during the previous year; there was increase in the recycled content, weight optimization; and reduction of energy consumption in the packaging process. This had a positive impact on our journey to become a 'Green Brewer', considering the fact that packaging accounts for a substantial part of the carbon footprint of our products. Working together with suppliers and other partners, we started to identify and implement opportunities to increase recycled content/recycling rate.

Cooling

To serve our consumers a refreshing beer, cooling is essential, but it also contributes to our carbon footprint. HEINEKEN was among the first brewers to commit to the global introduction of eco-friendly fridges. In line with the 'green fridge' guideline, Nigerian Breweries completed and introduced the Green Cooling Policy in 2011. By the end of the year, 95% of our fridges were in compliance with the 'green fridge' guideline, which stipulates among other things that a fridge must have at least one of the following technologies- Hc refrigerant, LED illumination and EMS thermostat.

Green Distribution

We did not commence KPI reporting on Green Distribution as planned. This will now be done in 2012.

Innovation

In 2011, we strengthened our capacity to drive innovation in all our processes to facilitate the achievement of our BaBF targets. The focal point of this drive was recycling.



> Case Study: Encouraging Sustainability through Innovation

Innovation remains a key driver of our sustainability improvements. In 2011, an Innovation Manager was appointed to champion our activities and initiatives in this area. One of the achievements recorded during the year was the market situation analysis of recycling. The report looked at the level of knowledge about recycling in the market, identified areas of improvement and potential partnerships in the area of recycling. This led to the initiative to partner with industry operators for PET recycling. Nigerian Breweries commenced discussions with established players in this area towards forming an industry coalition for the recycling of post-consumer PET in Nigeria. The main objective is to promote better waste management and recycling of post-consumer PET in Nigeria.

Concrete steps were taken during the year to create the necessary awareness about our packaging policy and innovation process through participation in the Innovation Workshop, Heineken Ideas Contest, involvement in multi-functional project teams, as well as engendering more focus on innovations in all our processes.

The three major innovation projects in 2011 were the launch of Heineken Magnum, Legend cans and Fayrouz PET. These were registered in the Innovation Community.

Key Figures: Energy saving

95%

of newly purchased fridges are 'green'

14%

of our products delivered in cans

Engaging Employees

In Nigerian Breweries Plc, we are unrelenting in our commitment to drive the provision of a safe, secure and motivating work environment that enables employees to succeed in delivering our business aspirations and the goals of Brewing a Better Future. As a result, we will continue to proactively engage and empower our employees to be good ambassadors of the company. Issues of integrity, health and safety, respect for human rights, work life balance as well as a competitive reward system that encourages excellence and engenders pride in our people will remain in focus.





In line with our “Brewing a Better Future” commitments, we are driving structures, systems and policies that foster a conducive work environment and a desired culture to enhance the performance of our people and their self esteem.”

Victor Famuyibo
Human Resources Director

Health and Safety

Nigerian Breweries' aim is to ensure that our employees operate in a safe and healthy environment. In 2011, various education and training programmes on safe systems of work (SSOW) were initiated to promote Occupational Health and Safety (OHS) in the workplace, resulting in enhanced safety consciousness among employees. Our great care in providing a safe environment in 2011 resulted in a zero fatality in all our production units and a very low accident frequency of 0.1% both within and outside our locations. The only fatality we recorded involved a third party outside our production location.

In 2012, we intend to create more OHS awareness in all the locations. We will also intensify efforts towards the certification of the following breweries: Lagos, Ama, Aba, Ibadan and Kaduna, to OHSAS 18001: 2007 and ISO 14001: 2004.

Employees' & Human Rights

In line with our respect for human rights, and to further consolidate on an open and fair work environment, Nigerian Breweries has welcomed the new HEINEKEN Employees and Human Rights Policy introduced in December 2011. Through this policy, we join HEINEKEN in endorsing the principles of the Universal Declaration of Human Rights and the Core Conventions of the International Labour Organisation (ILO). It covers 11 clear standards on employees' and human rights, including topics such as non-discrimination, freedom of association, forced labour and harassment, among others. The implementation of the policy will commence in 2012.

Corporate Integrity and Business Conduct

To ensure that integrity is embedded in the way we do our business, in 2011, we revised and published our Code of Business Conduct brochure. In 2012, we plan to conduct training workshops for all managers and staff to drive home the provisions of the Code of Business Conduct and the Whistle-blowing procedure. During the training programme, each employee will get a copy of the brochure to encourage full compliance to the Code.



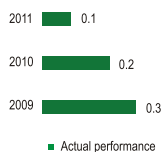
> Case Study: Driving Safety Awareness

In Nigerian Breweries, we are highly committed to the safety of our employees, contractors and visitors to our facilities. The trend of incidents and accidents has been on the decline since 2007. This was aided by the company's appointment of a dedicated Safety, Health and Environment Manager to coordinate the safety, health and environment (SHE) management system companywide, among other efforts. The steady decline in the rate of incidents over the past four years, and the target for 2012, are shown in the chart on this page.

In 2011, the new SHE policy was implemented. The SHE induction video for staff, contractors and visitors to the breweries across the country was rolled out in all the locations. In addition, the new personnel protective equipment (PPEs) specifications were introduced in all the locations to ensure uniformity.

In 2011, zero fatality was recorded at production units in the breweries, while two reportable accidents were recorded in Ibadan and Aba breweries. There was zero third party contractor accident in 2011 (except one that occurred outside our brewery location) compared to three recorded in 2010. In 2012, more emphasis will be laid on managing contractors on site through the effective implementation of the permit to work programme for dangerous work.

Accident Frequency (Cases/100 FTE for all sites)



Key Figures

0%

fatality in all our production units

0.1%

of accident frequency both within and outside locations

5

breweries to be OHSAS 18001: 2007 and ISO 14001: 2004 certified in 2012

Nigerian Breweries Cares

Being a responsible corporate citizen requires among other things, giving something back to the communities in which we operate. Nigerian Breweries Cares is our community involvement programme covering both direct support for the community, as well as our efforts to create a more sustainable business operation across our supply chain.





The Nigerian Breweries Cares programme is about how we respond to identified stakeholders' needs in a manner that supports sustainability of the society and our business."

Jasper C. Hamaker
Finance Director

Sustainable Agriculture

Through the Nigerian Breweries Cares programme, in 2011, we continued to drive our intervention in the sustainable development of sorghum. The sorghum supply chain network had been developed by the company to encourage local farmers to grow sorghum to reduce the company's dependence on imported malted barley. During the year, we increased the local sourcing of the grain. This has enabled increase in the use of sorghum in some of our product recipes.

The increase in the volume of the grain purchased from local farmers has had a positive impact on the financial empowerment of the communities through enhanced youth employment, revenue generation and poverty alleviation. During the year, over 12,500 rural farmers as well as their family members were directly or indirectly empowered by Nigerian Breweries intervention in the agricultural sector.

Local sourcing

We increased local sourcing of raw and packaging materials to over 50% in 2011, in line with HEINEKEN's goal of boosting the level of locally sourced raw materials to 60% in African operating companies by 2020. In order to reduce our carbon footprint and help the local economy, in 2012, we will more progressively increase the percentage of locally sourced materials in our production processes.

Fighting HIV/AIDS and Vesico Vaginal Fistula (VVF)

In 2011, Heineken Africa Foundation (HAF) complemented Nigeria's efforts in combating the HIV/AIDS epidemic with a new project called Pharm Access Africa Studies to Evaluate Resistance (PASER). This project was designed to monitor HIV drug resistance. Over 3,000 adults who receive anti-retroviral treatment (ART) were monitored. In addition, HAF, in collaboration with Nigerian Breweries, donated a fully built and equipped Vesico Vaginal Fistula (VVF) ward to the Hajia Gambo Sawaba General Hospital, Zaria, to alleviate the sufferings of women living with the disease.

In total, Nigerian Breweries spent about €1,720,000 as Corporate Social Investment (CSI) in 2011, in cash and kind donations, time and management costs.



> Case Study:

Giving Hope to Orphans and Vulnerable Children

As part of our initiatives to demonstrate care and support for communities where we operate, Nigerian Breweries partnered with the European Cooperative for Rural Development, EUCORD, to provide succour to children in various orphanages in Nigeria. Tagged Children of Hope Project (CH), the overall objective of the programme is to improve the quality of life of orphans and vulnerable children (OVC) and reduce the prevalence of HIV/AIDS in their communities. The CH project is being implemented through EUCORD partners, who are Indigenous Service Providers (ISPs), at the community level and it covers five states of Edo, Imo, Abia, Oyo and the FCT.

Nigerian Breweries committed to the provision of Maltina for the children for an initial period of one year. The multi-vitamins-enriched Maltina provided additional supplement and nourishment for the children and helped build, protect and vitalize them for better growth and development. 3,352 cases of Maltina (80,448 cans, ie 24 cans/case) were provided for this programme over the period. Specifically, 12,000 orphans and vulnerable children as well as 4,000 care givers were served with the drink.

According to the Project Report from EUCORD, "the Maltina drinks supplied has reduced the cost of providing refreshment to a large number of beneficiaries and this has helped CH to channel its resources towards funding of other services required for a comprehensive package of care and support." The Report noted that there was an increase in attendance at meetings by both the care givers and the children as the Maltina drinks were served as incentive during the programme.

Key Figures

12,500

rural farm households supported


50%

of raw and packaging materials sourced locally

Over 3,000

adult HIV/AIDS patients monitored under PASER

Responsible Consumption

A silhouette illustration in green and light blue. It shows a landscape with a tree on the left, two people sitting at a table in the middle, and two people standing near a building with a scalloped roof on the right. The background is a light blue sky with a few birds.

Beer is made from natural ingredients and is enjoyed by hundreds of millions of people around the world as part of a healthy balanced lifestyle.

We recognise that while many consumers enjoy our brands in moderation, there are others who misuse or abuse alcoholic beverages, which may cause harm to themselves and others. As a market leader, we have continued to champion the message of responsible behaviour among consumers.





“

We demonstrate our accountability to the public through the promotion of responsible behaviour towards our brands starting from our employees to millions of our consumers out there.”

Hubert I. Eze
Sales Director

Enjoy Our Brands Responsibly

Nigerian Breweries' alcoholic beverage brands are the most consumed in Nigeria owing to our market leadership position. As a result, any adverse impact of irresponsible consumption, particularly on operators' reputation, will affect the company most. The company, therefore, makes conscious effort to consistently encourage responsible consumption of its brands among consumers. Through the incorporation of "Drink Responsibly" message on all our product packaging and advertisements, we hope to enhance the level of awareness among our consumers on the need for responsible behaviour towards alcoholic beverages.

Information and Education Materials

We revised and updated our Company Alcohol Policy and Cool@Work brochures to refocus our internal responsible consumption campaign. New training materials were also developed for employee training in line with the guidelines. The roll out of the training and distribution of the brochures will take place in the first quarter of 2012 across the business.

Enlightenment of Commercial Vehicle Operators

The company continued its partnership with the Federal Road Safety Commission (FRSC), the road safety administration agency of the government, by hosting rallies for commercial motor and motorcycle operators under the "Don't Drink and Drive" campaign initiative. Whilst we retained the campaign theme, "Arrive Alive", which has been well received by stakeholders, we aligned the campaign to the United Nations' Decade of Action for Road Safety.



Key Figures

1,100

drivers/riders enlightened on Don't Drink & Drive

4

commercial cities hosted Don't Drink & Drive rallies

4,000

safety helmets distributed to motorcycle riders

Partnerships for Progress



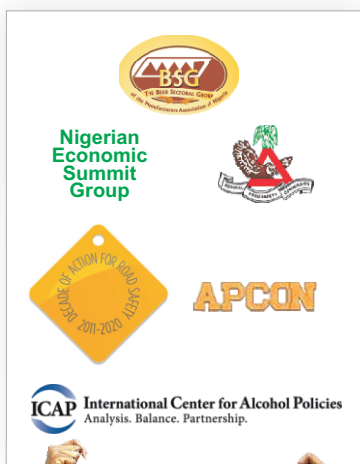
As an industry leader with eight breweries in Nigeria, we drive engagements with relevant institutions, including government agencies and civil society groups, as partners in promoting responsible consumption. We also collaborate with industry operators on responsible practices and codes of behaviour as part of our self-regulation efforts and commitments.





We cannot act alone but have to adopt a multi-stakeholder approach as we engage partners to proactively address the issue of harmful alcohol consumption."

Ageni Yusuf
Corporate Affairs Adviser



Promotion of Safety on the Roads

Nigerian Breweries sustained the sponsorship of the "Don't Drink and Drive" campaign, a public education and awareness programme, to promote safety on our roads. The programme, which is part of our self-regulation activities, is designed to prevent harmful use of alcohol. Public enlightenment workshops were held in two locations each in the major cities of Lagos and Abuja with the full and active participation of all major stakeholders in the transport sector. Safety helmets were distributed to motorcycle operators in the two cities. The programme was organised in partnership with the Federal Road Safety Commission, the federal government agency responsible for road safety and related issues in Nigeria.

Industry Cooperation: The Beer Sectoral Group

In 2011, we were very active in the Beer Sectoral Group (BSG), of the Manufacturers Association of Nigeria, which serves as an industry platform to drive common issues such as promoting self-regulation, reducing harmful use of alcohol, advocating for a favourable operating environment for the industry, among others. The BSG, is currently chaired by our Managing Director/Chief Executive Officer, and has remained a veritable platform for stakeholder engagement to build understanding of our efforts in promoting responsible drinking, among other issues of common interest.

Launch of the Global Action on Harmful Drinking in Nigeria

In 2011, we collaborated with the International Centre for Alcohol Policies (ICAP), the Federal Road Safety Commission (FRSC), Federal Ministry of Health, and the Beer Sectoral Group (BSG), to launch the Global Action on Harmful Drinking in Nigeria. This is designed to reduce alcohol-induced road crashes.



> Case Study: Partnership for Road Safety

In 2011, Nigerian Breweries in partnership with the Federal Road Safety Commission (FRSC) continued the organisation of the "Don't Drink and Drive" Campaign (DDD) rallies in selected cities in Nigeria. This enlightenment campaign programme, targeted primarily at commercial vehicle drivers, commercial motorcycle riders popularly called "okada" riders, and other road users, was designed to create and sustain top-of-mind awareness about the dangers of drinking and driving, and this way improve road safety. In 2011, the campaign materials were designed to support the United Nations Decade of Action for Road Safety (2011 - 2020).

Campaign rallies were held in two locations each in Lagos and Abuja. A total of 4,000 crash helmets were distributed to okada riders while about 1,100 stakeholders attended the enlightenment campaign rallies. Helmets which were not distributed during the rallies were later distributed by FRSC during their 'ember month' engagements with okada riders in December. The rallies were organised during the 'ember months', which usually attract higher festivities, inter-state traffic, alcohol consumption and road crashes.

Stakeholders in the road transport sector who participated in the campaign rallies included the National Union of Road Transport Workers (NURTW), Luxury Bus Drivers Association, Commercial Motorcycle Riders Unions, Non-Governmental Organisations and others.

Some FRSC commands especially in the North where the DDD campaign rallies have not been held are clamouring for an opportunity to host the rallies. We plan to reinvent the "Don't Drink and Drive" Campaign to further explore how to extend its usefulness in improving road safety, nationally.

Enabling our journey

Brewing a Better Future is a comprehensive, integrated strategy for creating a more sustainable company and future. With Nigerian Breweries market leadership position in the industry, operating from eight breweries in the country, and our distribution network covering a vast geographic space, we are a very visible company. That's why we take great care to ensure that our work culture and organisation can support our ambitions.

Implementation of our Supplier Code

In 2011, Nigerian Breweries continued the implementation of the Supplier Code with requirements in the areas of integrity, human rights and environmental management in our purchasing processes. The Code stressed the need for the company's vendors to support and promote greater environmental responsibility in their operations. It also stressed the monitoring and assessment of vendors that will follow this implementation to evaluate Nigerian Breweries' risk exposure as a result of noncompliance. About 88% of our suppliers signed the Code in 2011, representing over 98% of our total purchasing spend. We are working towards a 100% achievement and we are on track to achieving this in 2012.

Building sustainability into performance plans

In line with HEINEKEN's guidelines, for the last two years, sustainability criteria have been built into our senior managers' performance criteria. In 2011, BaBF targets were included as part of their performance objectives.

Local sustainability reports

As a major operating company of HEINEKEN, Nigerian Breweries was one of the six companies globally that issued a sustainability report for 2009, and one of the 27 that published a 2010 local sustainability report based on the global approach. Our reports can be viewed online on our website: www.nbplc.com as well as the HEINEKEN website: www.heineken.com.



Stakeholder dialogue

We engage stakeholders as key partners in our Brewing a Better Future journey. We remain committed to meeting the realistic expectations of the various stakeholder groups.

Stakeholder Engagement Process

We continue to engage our stakeholders through dialogue to enhance mutual understanding and cooperation in our quest to meet the needs of sustainable development. We adopt a multi-channel approach in our stakeholder engagement process. Our approach to engagement with each stakeholder group is defined by the nature of the group, the scope of their expectations from the company and what we hope to achieve. We adopt formal and informal meetings, briefing sessions, written communications, special visits etc. Such engagements have confirmed that stakeholders have a high level of trust in Nigerian Breweries. It has also helped us in managing their expectations proactively and professionally.

Career Guidance Initiative

In 2011, we partnered with the Lagos State Government towards developing the educational sector through the introduction of a career guidance initiative for secondary schools, known as 'Beyond the School'. The objective is to expose students to career options and build their understanding of key issues to consider when making a career decision. It featured career talks in public secondary schools and

donation of books to the schools. The programme was borne out of a series of dialogue sessions with relevant stakeholders in government, educational and school authorities, among others.

Collaboration with Supportive Organisations

During the year, we actively engaged a number of organisations that support our aims for both business and society. These include the Federal Road Safety Commission, International Centre for Alcohol Policy, the Lagos State Government, National Economic Summit Group and the (BSG), Beer Sectoral Group, of the Manufacturers Association of Nigeria, (MAN).



■ CSR/Sustainability Manager, Mr. Vivian Ikem, addressing Ama community leaders in Enugu.

Benchmarks and Achievements



In 2011, as part of our commitment to being a responsible corporate citizen as well as our excellent performance, **Nigerian Breweries** received awards and commendations from various institutions.

Local benchmarks and achievements

- The company won the Annual Pearl Award as the Pearl of Nigerian Stock Exchange and the Best Company in the Brewing Sector of the Exchange. Also during the year, our brewery in Lagos won an award as the Best Kept Industrial Premises in Lagos, in an award organised by the Manufacturers Association of Nigeria. We also received commendations from various regulatory agencies and authorities on our sustainability practices.



Global Reporting Guidelines (GRI)

HEINEKEN is an Organisational Stakeholder of the GRI. The company's full Sustainability Report has been prepared with reference to the 3.1 version of these reporting guidelines resulting in an Application Level: B+.

This Nigerian Breweries Sustainability Report has also been prepared with reference to the 3.1 version of these reporting guidelines.

Local benchmarks and achievements

Nigerian Breweries Portal won the Global HR Star Award for Operational Excellence in 2011.



(L-R) CEO, HEINEKEN, Mr. Jean-Francois van Boxmeer; Mr. D. Whitman, Regional HR Director, AME; Mr. V. Famuyibo, HR Director, NB Plc; Mr. J. Aina, HR Manager, Lagos; and Mr. O'Hare, Global HR Director; at the awards ceremony.

Let us know your thoughts!

Which aspects of Brewing a Better Future are working well?

Where do you think we could do better?

We'd love to hear from you, because your feedback will allow us to learn and improve.

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For HEINEKEN's global Sustainability Report 2011 (audited by KPMG), including detailed performance data please visit:
www.sustainabilityreport.heineken.com
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