



Sustainability Report 2014

HEINEKEN Italia

Brewing a Better World



Welcome to our Sustainability Report 2014

Sustainability has always been one of our business priorities, in order to create value for our company, for the stakeholders and the communities in which we are working, and for the entire planet.

Brewing a Better World. 5 years after the launch, HEINEKEN Italy reviews its global sustainability journey



In 5 years CO₂ emission have halved and water consumption reduced by one-third. Because of our efforts in 2014, 2015 also saw the release of the first beer in Italy brewed by the sun.

In 2014, we celebrated HEINEKEN's 40th year in Italy, as well as Partesa's 25th anniversary. At a global level, it was the 150th anniversary of the long voyage started by Gerard Adriaan Heineken in 1864 to create a winning and sustainable business.

A commitment that has continued successfully to this day: we are the only large brewery in the world that is still run by the founding family. That is why attention to people's needs and to protecting the environment is at the centre of our values. In recent years we have developed through Brewing a Better World, a global sustainability plan that started in 2010 and that will lead us to reach important goals by 2020.

2014 represented an essential moment in our plan. A turning point that marks the middle of our journey: a chance to take stock of what has been accomplished, but also to relaunch, with determination, the commitment to reaching the goals we have set for the next five years.

In the pages of our 2014 Sustainability Report, we present the results obtained by HEINEKEN Italia in this first phase. In the forefront are the social sustainability activities for the promotion of responsible alcohol consumption, in which we are pioneers, and which we continue to develop through campaigns and direct contact initiatives. Regarding the environment, I would like to mention one particular example that we are proud of: thanks to the installation of more than 8,000 photovoltaic panels in our breweries Comun Nuovo and Massafra, we were able to present Birra Moretti Baffo d'Oro - the first beer produced in Italy using solar energy - at EXPO Milano 2015.

2014 was an opportunity to renew our sustainability strategy and make it more incisive. A new name - Brewing a Better World - helps us stay on the right course: focusing on contributing "here and now" to build a better and more sustainable world.

We also wanted to make two of our priorities more "official". These are not new to us, in fact they form two pillars of our pursuit of sustainability: promoting safety and health and Growing with Communities.

I hope that reading this Report will help you get to know the HEINEKEN world better and make you understand the passion and sense of responsibility that guides our work every day.

A special thanks to those who make all this possible: the people who work with us and share our sustainability journey, leading characters and witnesses of our values: passion for quality, fun, respect for people and the environment, and a brand that people love.

Edwin Botterman
Managing Director
of HEINEKEN Italia

HEINEKEN

The number 1 beer producer in Italy

4 breweries
in the territory

5.2 million
hectolitres of beer
produced every year

29%
market share

2,000
people working directly for the
HEINEKEN Italia Group:
employees and collaborators

The other companies in the Group

> **PARTESA**
A distribution network with 46 depots, 1,000 employees, 40,000 clients and 20 million packages delivered every year.

> **DIBEVIT IMPORT**
Specialised in importing special beers from all around the world.

The main brands in Italy

Heineken®, Birra Moretti, Dreher, Ichnusa, Affligem and Desperados

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Present in Italy for over 40 years



A renewed commitment towards 2020

Our global sustainability plan - Brewing a Better World - continues the journey that will lead us to reach ambitious goals by 2020.

We feel that sustainability is a commitment that has deep roots in our history, in our DNA, and in our values. A commitment at the foundation of all our activities: from relations with suppliers to dialogue with the consumers that enjoy our beers every day.

SUSTAINABILITY IS NOW ONE OF OUR SIX MAIN BUSINESS PRIORITIES.

In 2014, we took a new step, changing the name of our strategic approach to sustainability from "Brewing a Better Future" to "Brewing a Better World". We believe that it gives a better idea of our will to contribute, today, to a more sustainable world and not only to prospective future goals.

We are committed to developing this objective in Italy, contributing to improve our impact on society and on the environment, as well as creating real growth opportunities for our business, for our stakeholders and for the country.

In 2010, we started a journey based on four intervention focus areas: protecting water resources, reducing CO₂ emissions, sustainable

sourcing of raw materials, and advocating responsible alcohol consumption. On these issues we have established precise goals to be reached by 2020, with 2015 as a milestone to measure and track our progress. This year, therefore, our Sustainability Report is an important assessment of this first phase.

TWO NEW FOCUS AREAS THAT WE HAVE ALWAYS CONSIDERED PRIORITIES: PROMOTING SAFETY AND HEALTH, AND GROWING WITH THE COMMUNITIES.

The health and safety of people who work for the HEINEKEN Group are primary priorities. Safety First is the approach that allowed us to constantly reduce the number and severity of injuries in the workplace, bringing us ever closer to the objective of "zero injuries".

HEINEKEN has been operating in Italy since 1974, and has grown with the community of a country that showed us trust by choosing our products. In return, we contributed to development in

terms of economy and employment, investing in Italy and developing increasingly solid relations with Italian suppliers.



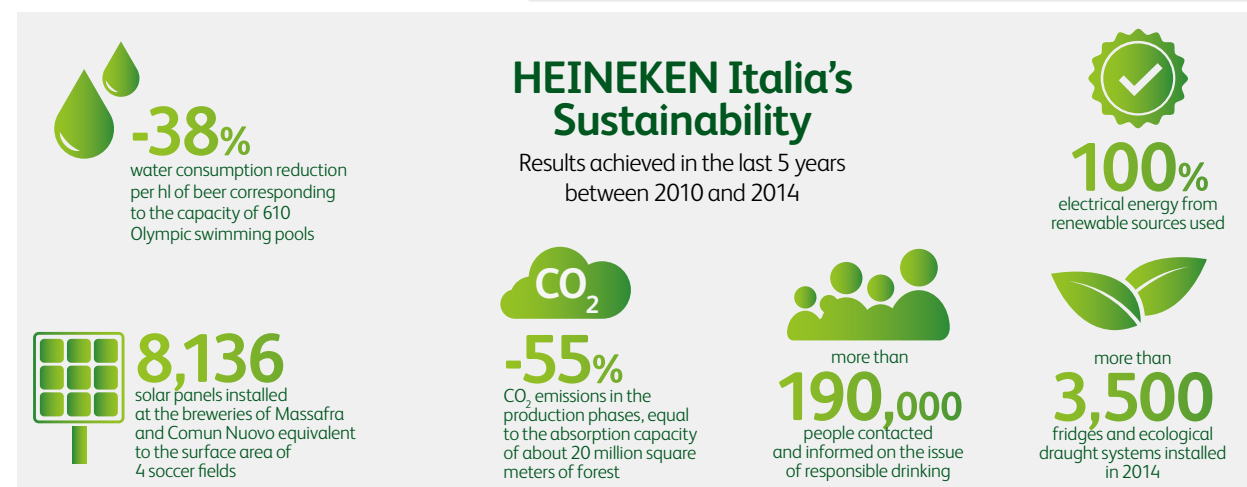
Integrating the sustainability culture

The goals concerning our six priorities are updated and integrated in the company strategy as a guide to transforming every operative activity into a sustainable activity.








The Sustainability Team - made up of representatives from all company departments - is responsible for measuring and managing sustainability plans.

Since 2010, sustainability goals have been a fundamental part of the results expected from our Senior Managers: we evaluate their performance levels on the basis of precise sustainability indicators.

Measuring the performance levels of our sustainability programmes takes place through the "Green Gauge" system, an online reporting system that allows us to check progress every three months, for each company department and in each of the focus areas.



What we said and what we've done

Focus area	What we said we will do by 2015	What we have done globally in 2014	What we did in Italy in 2014
	Reduce specific water consumption in our breweries to 3.9 hl/hl ⁽¹⁾	Achieved We achieved our 2015 target a year early and decreased water consumption to 3.9 hl/hl	Water consumption went from 4.5 to 4.4 hl/hl, with a 2% reduction compared to 2013 
	100% of our production units ⁽²⁾ in water-scarce and water-distressed areas will have a Source Water Protection Plan	On track Sixteen (70%) of our production units have drafted a Source Water Protection Plan By the end of 2015, each of the 23 'Priority One' sites should have a protection plan in place	Not applicable to HEINEKEN Italy 
	Reduce CO ₂ emissions in production by 27% ⁽³⁾ (resulting in 7.6 kg CO ₂ -eq/hl)	Achieved We passed our 2015 target a year early and achieved a 30% reduction compared with 2008, resulting in 7.2 kg CO ₂ -eq/hl in 2014	We passed our 2015 target two years early and achieved a 12% reduction compared with 2013, resulting in 4.1 Kg CO ₂ -eq/hl 
	Reduce the CO ₂ emissions from distribution by 10% ⁽⁵⁾ in Europe and the Americas	More to do Our overall emissions increased by 3.6%. This was caused by significant changes to distribution activities in two major markets – Brazil and Mexico. Excluding these two, our emissions in distribution actually fell by 5.9%	82% of transport among breweries and between breweries and warehouses is carried out using intermodal systems. This figure has made it possible to reduce greenhouse gas emissions by about 6% in the last 4 years, for a total of 683 tonnes of CO ₂ 
	Reduce the CO ₂ emissions of our fridges by 42% ⁽⁴⁾	Achieved We passed our 2015 target a year early. 99.8% of the 152,000 fridges that HEINEKEN purchased in 2014 were 'green'. The average reduction of CO ₂ emissions improved from 40% to 45% in 2014, compared with the baseline year 2010	More than 2,400 new fridges and more than 1,200 ecological draught systems - capable of reducing consumption by a further 15% - have been distributed 

1 Baseline 2008.









2 Twenty-three production units.

3 Baseline 2008.

4 Baseline 2010.

5 Baseline 2010/2011, scope is WE, CEE 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.

 Reached  Realisation in progress  Partially reached  Not reached

Focus area	What we said we will do by 2015	What we have done globally in 2014	What we did in Italy in 2014
	Aim for sustainable sourcing of raw materials for crop year 2015: 20% (barley), 40% (hops), 60% (bittersweet apples for cider) ⁽¹⁾	On track In 2014 we sourced sustainably: ▪ barley: 15% ▪ hops: 62% ▪ bittersweet apples for cider: 28%	Our malt supplier, Agroalimentare Sud, has agreed to participate in SAI, the Sustainable Agriculture Initiative, a partner of HEINEKEN in promoting sustainable agriculture 
	50% ⁽²⁾ of agricultural raw materials used in Africa to be locally sourced ⁽³⁾ within the continent	On track We increased our local sourcing from approximately 46% in 2013 to more than 48% in 2014	30% of malt and 100% of maize grits purchased from Italian suppliers to be used in our production 
	Four-step Supplier Code Procedure operational within all Operating Companies	On track Four-step Supplier Code Procedure operational in 25 Operating Companies. Rollout planned for all remaining Operating Companies in 2015	All HEINEKEN Italian suppliers have agreed to the Supplier Code Procedure 
	We commit to invest a minimum of 10% of our media spend ⁽⁴⁾ for Heineken® in supporting our dedicated responsible consumption campaign in at least 50% of our market volume ⁽⁵⁾	Achieved 'Dance More, Drink Slow' campaign activated in 44 markets. Investment supporting our dedicated responsible consumption campaign exceeded 10% of total media spend in our main markets, representing more than 50% of the Heineken® global volume	The global campaign "Dance More, Drink Slow" was launched in Italy. 10% of our Heineken® brand advertising budget spent on responsible consumption campaigns 
	Every market in scope ⁽⁶⁾ has a partnership to address alcohol-related harm. All partnerships meet HEINEKEN's seven-point partnership criteria	On track 50 markets are now in scope, an increase from 40 in 2013. Of these 48 have at least one partnership	The "Free Drink Water" initiative was launched and the "Scratch the Answer Operation" continued, reaching 190,000 people directly in 5 years 
	Precise goals for 2015 to be decided in conjunction with the industry via the International Alliance for Responsible Drinking (formerly known as ICAP and GAPG)	On track An implementation plan was developed for the Global commitments in 2013. In 2014, the signatory companies produced a Commitments Progress Report outlining our actions to date in implementing these	

1 Based on volume.

2 Based upon tonnage.

3 With local sourcing we refer to sourcing within the region of Africa & Middle East.

4 Investments dedicated to responsible consumption messaging with regards to Heineken® brand communication. This includes the 'Dance More Drink Slow' and 'Sunrise' campaign, UEFA® Champions League-specific responsible consumption boarding and other specific activations at festivals and events.

5 Market scope, covering in total at least 50% of Heineken® global volume. We focus our efforts on the larger markets where we can make the biggest impact; out of scope are those markets where we are unable to run our responsible consumption campaign due to local (legal and religious) restrictions on alcohol advertising.

6 Out of scope are Islamic markets and small export markets where we don't have staff or a presence.

The value chain

Our approach to sustainability covers the entire value chain of our business: “from barley to bar”.

From cultivating the raw materials to consuming beer, through to production and sales.

From barley to bar



Agriculture

Through the Local Sourcing programme, we continue to increase the amount of raw materials, particularly barley and maize, supplied from local farmers in order to contribute to the development of Italian agriculture and reduce CO₂ emissions generated by transport, by shortening the logistic paths from the fields to the breweries. In 2014, 100% of the maize grits and 30% of the malt were purchased in Italy. In 2014, we continued to increase the use of raw materials produced sustainably, also thanks to our partnership with SAI, the Sustainable Agriculture Initiative, an international organisation for the promotion of sustainability in agriculture.



Malting

We share with our suppliers the commitment to reducing energy and water consumption in the malting phases. In 2014, we took a further step towards a 100% sustainable production chain when Agroalimentare Sud, our malt supplier, joined SAI.



Fermentation

In our four Italian breweries we develop programmes to reduce the impact of our productive processes, decreasing water and energy consumption. In 2014, we decreased our CO₂ emissions in production by 12% compared to 2013, reducing our electrical and thermal energy consumption by 4% and using 100% electric energy from renewable sources.



Packaging

We favour local packaging suppliers in order to contribute to economic development in Italy and we work to reduce environmental impact in the production and disposal phases. In 2014, we purchased 90% of our bottles, 86.5% of our tops and 100% of our boxes from Italian suppliers. Our plant in Pollein has developed, and now produces for the whole world, THE TORP, the 100% recyclable PET refills for the domestic draught beer system called THE SUB.



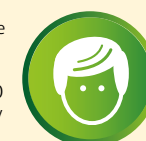
Distribution

In 2014, we made 82% of transport for the distribution of our products to warehouses or directly to clients using intermodal solutions that prioritised the use of ships and trains, thus reducing CO₂ emissions by 6%. We minimize the impact of road transport by holding “sustainable” driving courses for drivers and by improving the efficiency of the vehicles. Today, 50% of our vehicles meet Euro 5 and Euro 6 environmental standards.



Clients

We distribute thousands of fridges and draught systems to retail points in order to ensure that our beer is served at the right temperature. We are committed to replacing all these systems with eco-friendly models. In 2014 we distributed more than 2,400 fridges and 1,100 draught systems capable of ensuring a energy savings of 15% compared to the previous models.



Consumers

We have always promoted responsible alcohol consumption to make it a desirable type of behaviour. In 2014, we invested 10% of the Heineken® brand advertising budget in supporting this commitment. We have launched a new campaign to increase awareness, called “Dance More, Drink Slow”. We have also developed initiatives that allowed us to reach 190,000 people directly in the last 5 years.

Dialogue with our stakeholders

We collaborate and communicate with our stakeholders in order to constantly verify our objectives and share our commitment to sustainability with them.



We devote various channels and instruments to communicate with our stakeholders: the HEINEKEN Reputation Research, individual meetings, and the creation of newsletters dedicated to updates on our initiatives and shared projects, and YouTube channel "HEINEKEN Incontra" in which we tell our story with videos and interviews to our managers.

We consider this commitment to dialogue indispensable, and we believe that it helps us to stay on the right track in defining and verifying the goals to reach together, towards realising our Brewing a Better World plan.

Reputation Research

This is the tool we have applied since 2010 that allows us to directly reach the opinion of our stakeholders on HEINEKEN Italia and on the evolution of our path to sustainability (and much more). In recent years research has involved more than 200 stakeholders: institutions, non-governmental organisations, clients, suppliers and media.

The result of this research shows increasing trust in the company, and gives us challenging indications of room for potential improvement.

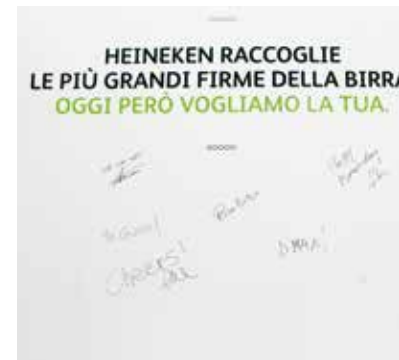


HEINEKEN Incontra

"HEINEKEN Incontra" is the yearly meeting between HEINEKEN Italia and its stakeholders. An opportunity to share the achieved results and anticipate future objectives in terms of sustainability, responsible alcohol consumption and innovation.

In 2014, the meeting took place on 14 October at the Diamond Tower in Milan, and 160 guests participated: clients, suppliers, employees, and representatives of the institutions, media, NGOs and industry associations.

The 2014 edition was also a chance to reflect on HEINEKEN Italia's contribution to the development of the economy and of employment in the Country during the company's fortieth year in Italy, as well as the partnership with EXPO Milano 2015.





Protecting water resources

Our 2020 global commitments

- Reduce specific water consumption in our breweries by 30%
- Protect our water resources in dry or at risk of drought territories
- Aim for significant water balancing in these areas

Actions and Results

Reducing water consumption in our breweries

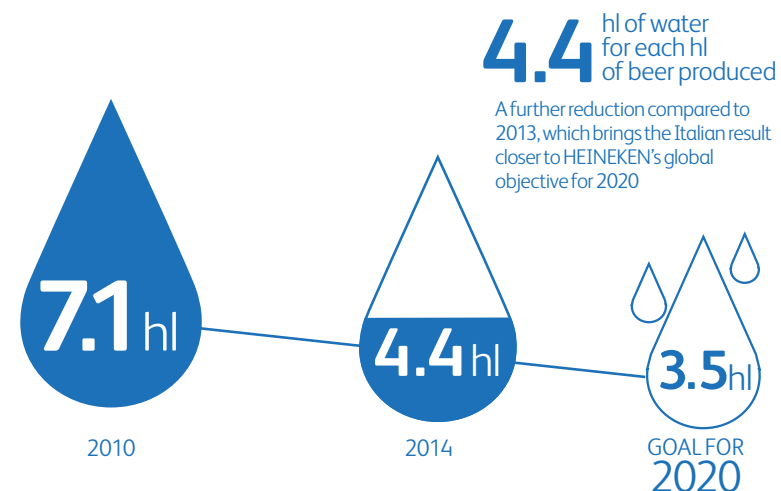
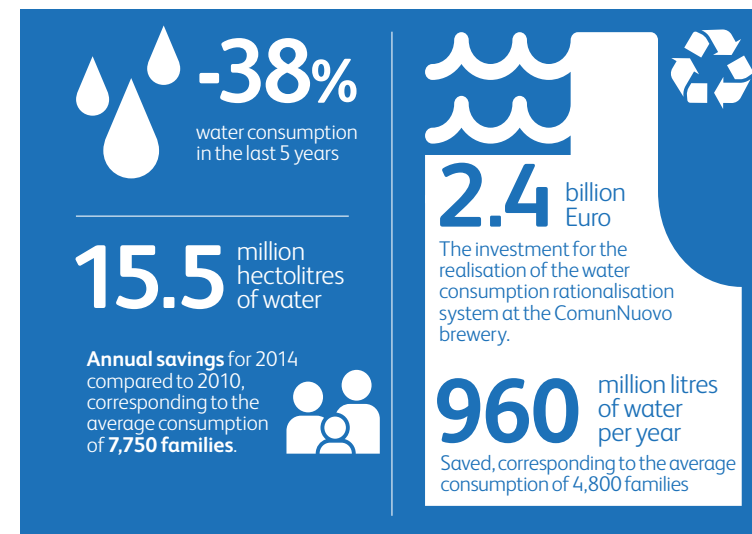
Our production activities require the use of large quantities of water. Aside from being one of the main ingredients in beer up to 95%, water is an essential resource in many industrial processes: cleaning systems, sterilisation, and cooling the beer during fermentation. We know that water is a precious resource - renewable, but not inexhaustible. That is why we are committed to constantly reducing our water consumption.

Since launching the HEINEKEN global sustainability project in 2010, in Italy we have reduced water consumption during production by 38%, saving a total of 15.5 million hectolitres of water.

A result achieved thanks to the significant contribution of the two evaporative condensers installed in our breweries in ComunNuovo and Pollein, which make it possible to recycle the water used in our cooling systems, which are used to cool the beer during fermentation.

In 2014 we used 4.4 hectolitres of water for every hectolitre of beer produced, compared to the 7.1 hectolitres measured in 2010.

Last year, our overall water consumption decreased by a further 2% compared to 2013, thanks to new initiatives to prevent waste.



Raw materials. Reducing the water footprint.

Activities for the cultivation of our raw materials, especially barley, make up 90% of our "water footprint consumption". However, barley farming is an activity with relatively low water consumption levels: in some areas, natural irrigation provided by the rain is sufficient to allow the plant to grow. HEINEKEN is

therefore committed, at a global level, to reducing water consumption in agriculture through collaboration with SAI, the Sustainable Agriculture Initiative, a non-profit organisation made up of more than 50 companies in the agricultural sector around the world.

Reducing CO₂ emissions

Our 2020 global commitments

- reduce emissions in production by 40%
- reduce emissions linked with the distribution phases in Europe and the Americas by 20%
- reduce emissions by our product refrigeration systems by 50%

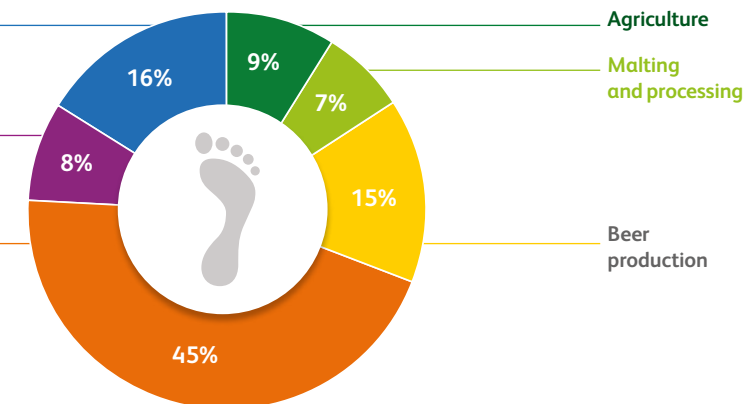
Actions and Results

HEINEKEN Italia Carbon Footprint¹

Cooling during the consumption phase

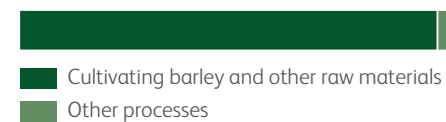
Distribution

Packaging
Material Production



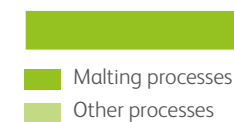
Agriculture

9%



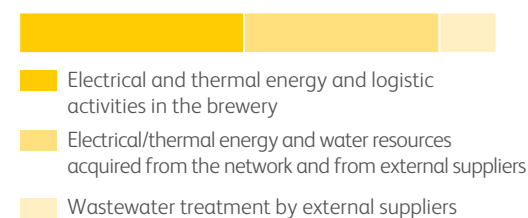
Malting and processing

7%



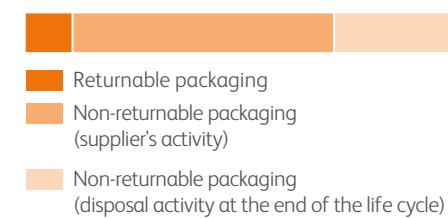
Beer production

15%



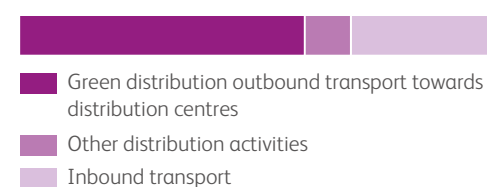
Packaging Material Production

45%



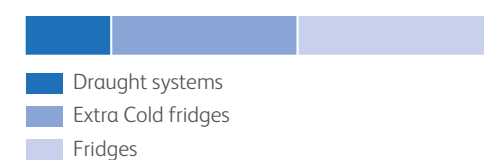
Distribution

8%



Cooling during the consumption phase

16%



1. Based on HEINEKEN Italia volume in 2012 (last update)



The Massafra brewery in the Province of Taranto (Puglia)

Reducing emissions in production

Between 2010 and 2014, we reduced CO₂ emissions in our production processes by 55%, thus avoiding emitting 27,942 tonnes of CO₂ into the atmosphere. Carbon dioxide emissions for every hectolitre of beer produced have dropped from 9.2 kilograms in 2010 to 4.1 kilograms in 2014.

This means that we have reached the global goal for 2015 early, and we are on track to reach the goal for 2020.

In five years, our emissions have more than halved. A significant contribution to this result came from the 12% reduction in 2014 compared to 2013.

These achievements were made possible by:

- USING 100% OF ELECTRICAL ENERGY FROM RENEWABLE SOURCES
- INSTALLING TWO LARGE PHOTOVOLTAIC SYSTEMS IN OUR BREWERIES IN COMUN NUOVO AND MASSAFRA
- REDUCING ELECTRICAL AND THERMAL ENERGY CONSUMPTION IN PRODUCTION

Direct and indirect CO₂ emissions for production in breweries
Kg CO₂/hl of beer

2014	4.1
2013	4.7
2012	8.9
2011	8.9
2010	9.2

-55%

CO₂ emissions in production between 2010 and 2014

27,942

tonnes of CO₂

Not emitted into the atmosphere

This quantity is equal to the absorption of about **20 million square meters of forest**, a surface area greater than that of the Apulia region.



Electrical and thermal energy

Beer production processes require the consumption of significant quantities of electrical and thermal energy - the latter particularly in the phases of cooking, sterilisation and pasteurisation.

In order to reach our goals in terms of reducing CO₂ emissions in production phases, we are working towards two goals:

- reducing the overall energy consumption through the use of increasingly more efficient systems
- keeping on using electrical energy from renewable sources only.

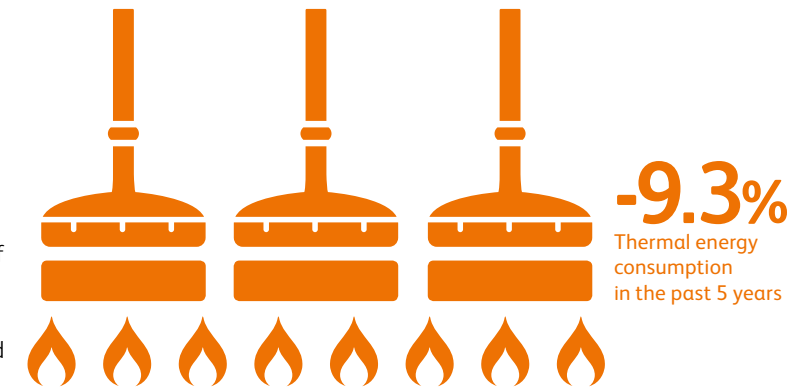
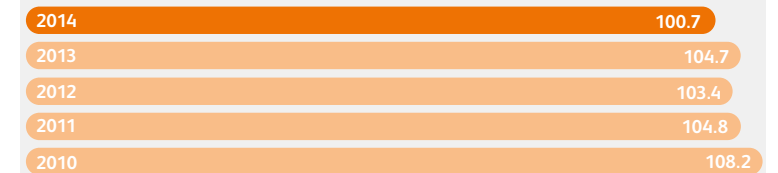
In 2014 we used an average of 100.7 MJ of energy for every hectolitre of beer produced, reducing the overall consumption of electrical and thermal energy consumption by 4% compared to the previous year and 7% compared to 2010, when the average consumption was 108.2 MJ per hectolitre.

In particular, the consumption of thermal energy in 2014 decreased by 5% compared to 2013, going from 73.5 MJ per hectolitre of beer produced to 69.6 MJ. Compared to 2010, when consumption was 76.7 MJ/hl, the decrease was 9.3%.

Electrical energy consumption, entirely from renewable sources, decreased from 8.8 KWh per hectolitre of beer produced to 8.6 KWh in the past 5 years.



Total consumption of electrical and thermal energy
Mega joules per hectolitre of beer produced



Energy Efficiency Certificates in ComunNuovo



Thanks to initiatives developed in recent years, our brewery in ComunNuovo, in the Province of Bergamo, has obtained the Energy Efficiency Titles (TEE). This acknowledgement certifies the achievement of energy savings through innovations to improve energy efficiency. This result was achieved thanks to the installation of a photovoltaic system in the establishment and to the realisation of multiple projects, including the "Evaporation Factor", which makes it possible to use 150,000 m³ less natural gas every year, and the "blower inverter", which allows an annual saving of 250,000 kWh of electrical energy.



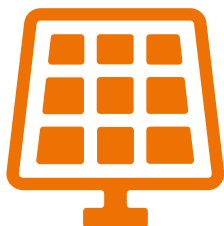
Electrical energy from renewable sources

For our industrial activities, we use electrical energy produced entirely from renewable sources:

- “Green Electricity”, purchased on the market and certified with “GO” Guaranteed Origin certificates, issued by GSE - the Energy Services Authority.

- Photovoltaic energy produced by the systems installed in our breweries in ComunNuovo (BG) and Massafra (TA)

In ComunNuovo and Massafra, 8,136 solar panels were installed in total, capable of producing 2.5 GWh of “clean” energy per year, avoiding the emission of over 1,000 tons of CO₂ into the atmosphere every year.



8,136

The solar panels installed in ComunNuovo and Massafra are equal to the surface area of **4 football fields**



Birra Moretti Baffo d'Oro. The first beer in Italy made with the sun.

Birra Moretti Baffo d'Oro is the first example - in Italy - of beer made entirely using photovoltaic energy. The necessary amount of electrical and thermal energy to produce it is supplied entirely by the solar panels installed at the breweries of Comun Nuovo and Massafra.

Considering the total equivalent electrical energy associated with the production of Birra Moretti Baffo d'Oro, Certiquality - the

Quality Certification Institute - has officially declared that Birra Moretti Baffo d'Oro is found to comply with requirements concerning Technical Document 78, which certifies the energy required to deliver a product and its compensation with an equivalent quantity of photovoltaic electrical energy.



100%
Electrical energy from certified renewable sources

Cooling. Low environmental impact cooling

We distribute thousands of fridges and draught systems to retailers all over Italy in order to offer a perfect experience of consuming our products.

This equipment guarantees the ideal temperature and the correct methods for serving beer, but they also lead to high levels of energy consumption, and the subsequent CO₂ emissions.

This is why, in 2011, we started to replace our fridges and draught systems with low-energy consumption and eco-friendly gas cooled models, which can be disposed of without endangering the environment at the end of the device's “life cycle”.



Fridges

Today **100% of new fridges installed** at the point of consumptions is **eco-friendly**. New fridges contain:

- EMS (Energy Management System) for automatically adjusting the temperature in accordance with the way the fridge is used
- Hydrocarbon coolants with low environmental impact during the disposal phase at the end of the life cycle

LED lighting
-15%

Energy consumption compared to fluorescent lighting



More than **2,400**
Ecological fridges distributed in 2014 to retailers



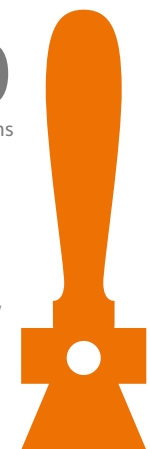
-20%
Energy consumption

Draught systems

In 2009, HEINEKEN Italia was the first to use David Green, the first 100% ecological draught system. To date, more than 7,000 have been installed.

More than **1,100**
New draught systems installed in 2014

-15%
The energy consumption of new and innovative draught systems compared to previous models





Green Distribution

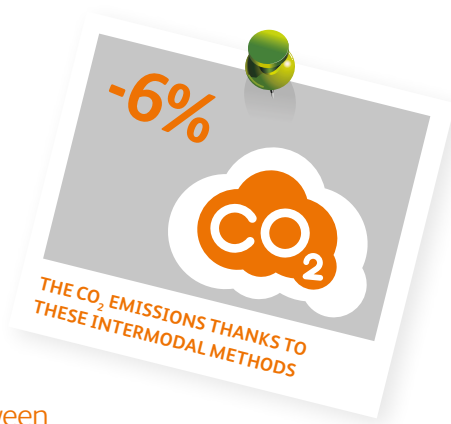
In 2014, we made 82% of transport among breweries and between breweries and depots with intermodal solutions.

This figure is increasing. It has allowed us to reduce greenhouse gas emissions derived from these logistical operations by about 6% over the last four years, for a total of 683 tonnes of CO₂ not emitted into the atmosphere - the equivalent of the CO₂ absorbed by 508,000 square meters of forests in Madagascar.



82%

Transport carried out with intermodal solutions among breweries and between breweries and depots



Distributing with electrical power

In 2014, we started - in collaboration with two Logistical Operators who are our partners - a pilot project for distribution with electric vehicles in the urban centres of Bergamo and Rome.



50%

Of the vehicles used by our logistical partners are Euro 5 or Euro 6.

Thanks to the constant mapping and renewal of the vehicle fleet, with the goal of reaching 90% by 2016.

A shipping service from Puglia to Sicily to reduce road transport

Starting from the first half of 2014, following our project to reduce transport by road from our brewery in Massafra (Puglia) to Sicily, has been implemented a new railway line from Bari to Catania, besides the use of sea transportation. This is done using a regular

shipping service that offers up to three weekly routes from Brindisi to Catania, where the product is distributed by road only for the final leg of the journey.

This project makes it possible to save emissions of 243 tonnes of CO₂ per year, as well as guaranteeing better speed and efficiency in distribution.

-243

Tonnes of CO₂ per year

Thanks to transport by sea between the brewery in Massafra and Sicily.

Packaging and waste

The production of packaging material represents the greatest source of CO₂ emissions in our production process.

This is why HEINEKEN has applied a specific method - the Ecodesign Packaging Procedure (EPP) - which requires the application of ecodesign principles in designing all new packaging.

In 2013, HEINEKEN Italia played a leading role in launching **THE SUB**, an innovative draught system for domestic beer consumption.

Our brewery in Pollein, in Aosta Valley, currently produces and distributes - throughout the world - THE TORP, two-litre PET refill packages for THE SUB. A reference point even for sustainability performance levels, THE SUB is certified A+.



Waste 99.9% recycled



In 2014, we started recycling 99.9% of the waste produced by our breweries.

Since 2010, we have reduced the quantity of non-recycled waste by 71%. Today non-recycled waste reaches 0.016 kilograms per hectolitre of beer produced: this is much less than HEINEKEN's overall average, which is 0.5 Kg/hl.

0.016 Kg

Per hectolitre of beer produced
Non-recycled waste

-5%

compared to 2013



Sustainable sourcing



Our 2020 global commitments

- At least 50% of our raw materials to be supplied from sustainable crops
- 60% of raw materials used in Africa to be locally sourced within the continent
- Ongoing compliance with our Supplier Code Procedure

Actions and Results

Supplier Code. A shared Code of Conduct

The Supplier Code is a code of conduct that commits our suppliers to share HEINEKEN's behaviour guidelines in terms of integrity, human rights and environmental protection. In order to guarantee global compliance with the Supplier Code, we developed EcoVadis, a procedure for the analysis and improvement of our suppliers' environmental and social performance levels. EcoVadis includes a route to supplier

compliance and control divided into four phases: signing of the Ethical Code by the Supplier, a risk analysis in order to identify situations of noncompliance with required parameters, monitoring any corrective actions, and a final audit which - in the case of insufficient compliance with requested changes in behaviour - may lead to an interruption in relations with the supplier.

100%
ALL 1,300 HEINEKEN ITALIA SUPPLIERS SIGNED THE SUPPLIER CODE



SAI. Our commitment to sustainable agriculture

In 2010 HEINEKEN was the first brewery group to become a member of SAI (the Sustainable Agriculture Initiative), the non-profit organisation combining more than 50 global companies in the agroindustrial sector and committed to developing a shared system of principles and practices to promote sustainable agriculture. In order to define the sustainability parameters for cultivation activities, SAI has applied the Farm Sustainability Assessment (FSA), a protocol that provides three levels in the development of sustainability in agriculture (Bronze, Silver and Gold). HEINEKEN considers Bronze to be the minimum requirement for starting a collaboration with a supplier of raw materials. In Italy in 2014, AgroalimentareSud - HEINEKEN Italia's malt supplier - also joined SAI, contributing to the creation of an "Italian way" to 100% sustainable agriculture.

Local Sourcing. Creating wealth, reducing emissions

In 2014, we continued to develop our relations with the Italian agriculture sector, in order to further increase the quantity of raw materials purchased in Italy, with two important objectives: creating value for the agroindustrial sector in our country, and decreasing CO₂ emissions by reducing transport distances from our suppliers to our breweries.

Italian packaging

In 2014, we purchased the following in Italy:

 **90%** of the bottles for our beers. More than 744 million

 **86.5%** of bottle tops. More than 843 million

 **100%** of cardboard for secondary packaging .52 million

The raw materials for our breweries

For several years the brand Birra Moretti started a process to use Italian raw materials. Since 2010, the entire production of Birra Moretti Baffo d'Oro is guaranteed with malts from spring barley of Italian origin. From 2014 also Birra Moretti La Rossa and Doppio Malto rely on a chain of Italian barley malt. In 2014 were born new Birra Moretti Radler: drinks with beer and 100% Italian citrus juice (Sicilian lemons, bitter oranges of Savona and Calabrian lemons). And in the year of Expo introduced the new range Birra Moretti "Le Regionali" (Tuscany, Piedmont, Friuli, Siciyl), produced with a selection of ingredients typical of these territories.

Africa, Growing Together

In Africa in 2014, HEINEKEN reached the goal of 48% of raw materials locally supplied in 11 countries in Africa and the Middle East. This project currently involves 120,000 farmers, bringing substantial benefits to more than 840,000 of their family members. The next goals are to reach 50% local sourcing by 2015 and 60% by 2020.



120,000
Farmers

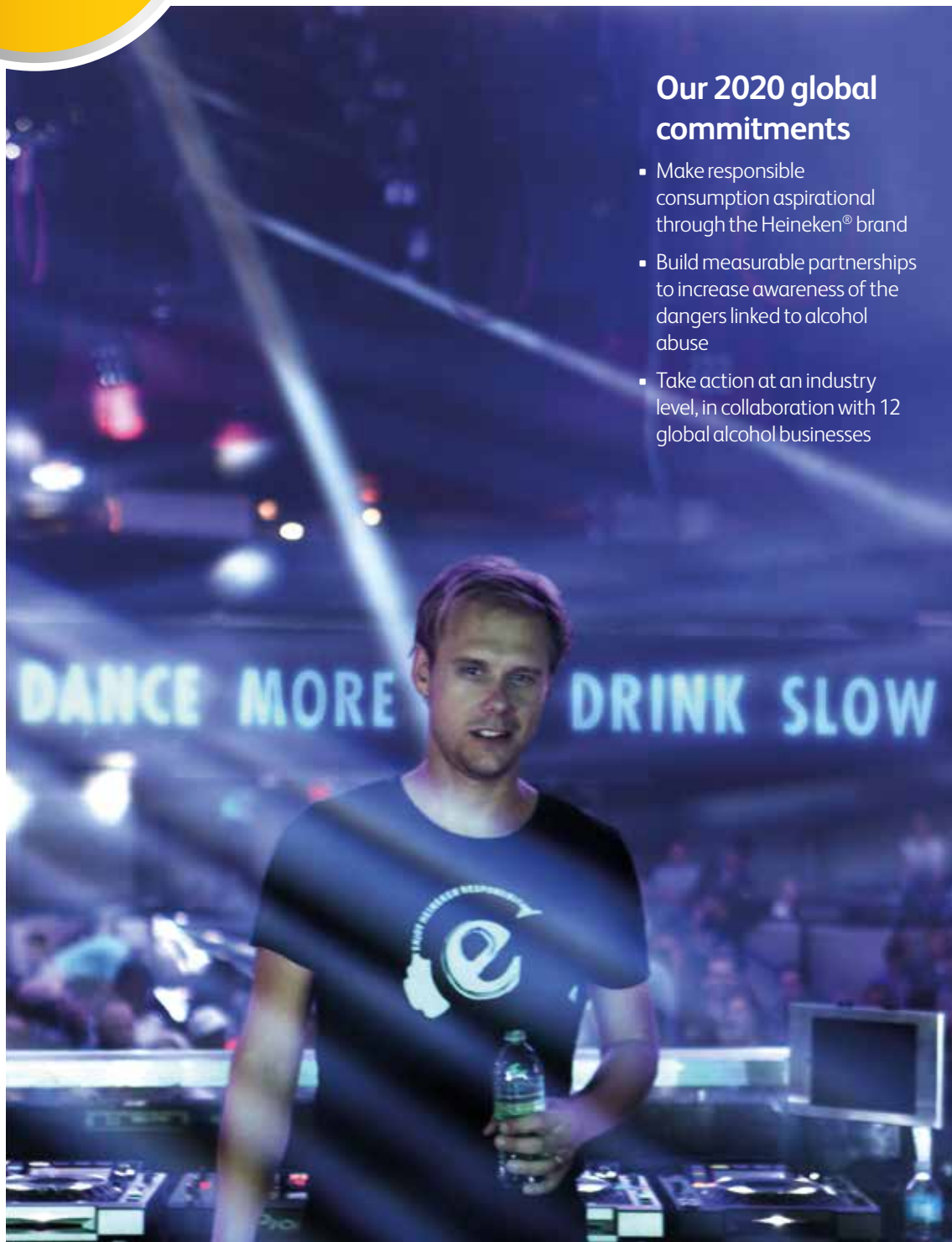
IN 11 COUNTRIES IN AFRICA AND THE MIDDLE EAST



Advocating responsible consumption

Our 2020 global commitments

- Make responsible consumption aspirational through the Heineken® brand
- Build measurable partnerships to increase awareness of the dangers linked to alcohol abuse
- Take action at an industry level, in collaboration with 12 global alcohol businesses



Actions and Results

We are one of the largest beer producers in the world and we are aware of the problems linked to alcohol abuse.

That is why we continue spreading a culture of responsible drinking, a fundamental commitment for our business.

HEINEKEN WAS A PIONEER IN PROMOTING RESPONSIBLE DRINKING.



10% of the advertising budget for the Heineken® brand invested in campaigns for responsible drinking



FOR OVER TEN YEARS WE HAVE BEEN LAUNCHING CAMPAIGNS TO INCREASE AWARENESS ON THE ISSUE OF RESPONSIBLE ALCOHOL CONSUMPTION, WITH THE GOAL OF MAKING THE BEHAVIOUR OF THOSE WHO DRINK MODERATELY ASPIRATIONAL.

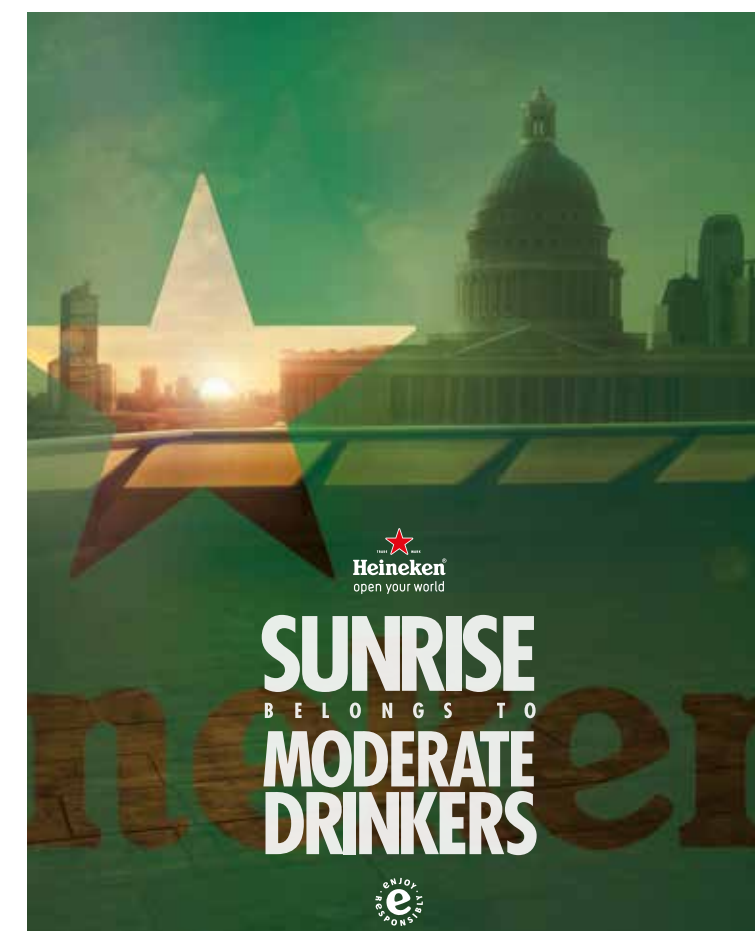
Dance More, Drink Slow. A new global campaign

After "Sunrise belongs to moderate drinkers" - the advertisement in which the main character enjoys every instant of the night by drinking in moderation and choosing a bottle of water over a Heineken® - in 2014 we launched "Dance More, Drink Slow" in Italy and all over the World. This new campaign, in a direct and cool style, is intended to make responsible consumption aspirational.

Created in collaboration with Armin van Buuren - a world famous DJ - "Dance More, Drink Slow" was developed mainly online with The Experiment, footage filmed in clubs to show how if the DJ plays the right music, the crowd's attention focuses on dancing rather than drinking. The soundtrack in the film is van Buuren's "Save the night", which invites listeners to drink moderately.

DANCE MORE, DRINK SLOW.

A simple and direct message: when music creates the right atmosphere, people dance more and drink slowly.



The "Sunrise belongs to moderate drinkers" campaign was launched globally in 2012.



Partnerships. Sharing commitments.

For several years, we have launched local initiatives to promote responsible consumption in collaboration with NGOs specialised in alcohol abuse issues, as well as consumer associations, institutions and universities with the purpose of opening a direct dialogue with the consumers.



THE INITIATIVES DEVELOPED IN RECENT YEARS:

"...Non me la bevo!" is a competition to increase awareness among university students on the dangers of alcohol, in collaboration with the Permanent Observatory of Young Editors, which involved 17 universities.

Good Morning Milano, created in collaboration with ATM (the public transport company in Milan), the Municipality of Milan and the Consumer Movement to promote the use of public transport at night in Milan, with the distribution of 100,000 maps of the special ATM lines available at night time on the weekend.

GOOD MORNING MLANO

FREE DRINK WATER

Created under the patronage of the Municipality of Milan and in collaboration with ALA Milano Onlus - an association specialised in public contact on social issues - Free Drink Water involved the "people of the night" in Milan with the distribution of Free Drink

coupons which allowed them to get a free bottle of water from the clubs participating in the initiative. In order to make the operation more attractive and effective - with an ironic style rather than a commanding one - participants were given the chance to wear special glasses that simulated the effect of alcohol, and to try a series of simple balancing exercises, for a "true" experience of the dangers of alcohol abuse and the boundaries that are not to be passed. Flyers were also distributed, containing suggestions for responsible drinking, as well as disposable breathalysers. The initiative was endorsed by Marco

...Operazione gratta la risposta...

Started in 2011, the "Scratch the Answer Operation" was created in collaboration with the Consumer Movement experts. The initiative is based on the offer of a Quiz Card as a fun way to verify the level of awareness on the issue of responsible consumption, as well as on the distribution of disposable breathalysers. In 2014, it was a main attraction in the piazzas in Milan, where the FIFA World Cup matches were shown, as well as at Mondo Ichnusa, the music festival sponsored by the Sardinian beer.



Granelli, the head of Safety and Social Cohesion of the Municipality of Milan. Club owners in the Colonne di San Lorenzo and Arco della Pace areas were also involved, as they deal with young customers on a daily basis.



ALTERNATE ALCOHOL CONSUMPTION WITH WATER

ALCOHOL FREE AND LOW ALCOHOL BEERS

With Birra Moretti Zero, we were the first in Italy to distribute an alcohol free beer.

Between 2013 and 2014, we launched four Radler labels in Italy. A Radler is a drink made with beer and lemon juice. Birra Moretti Radler, Ichnusa Limone Radler, and Dreher Lemon Radler with low alcohol content, as well as alcohol free Dreher Lemon Radler 0.0%.

-50%
Radler less alcoholic than a lager beer



WE ARE AMBASSADORS OF RESPONSIBLE CONSUMPTION

We would like to be ambassadors of the HEINEKEN values. This goes for balanced personal alcohol consumption as well. That is why we launched Cool@Work - an information, education and prevention programme dedicated to all people who work for HEINEKEN. Based on the issues of alcohol consumption in the workplace, it aims to improve safety levels and keep our employees healthy.



part with activities in the field. The employees took part by wearing the special glasses that simulate the perception of inebriation, and by participating in a contest to elect the 10 Best Ambassadors of Responsible Consumption.

On 4 September 2014, the HEINEKEN world came to a stop, to launch a day entirely dedicated to the issue of responsible drinking - across 45 nations and involving all employees.

In Italy, the initiative started in Milan. From there, a tour set off to visit all the breweries and Partesa, the Group's distribution company. The days were developed in two parts: an educational part in the classroom, involving experts, doctors, and associations, and an experiential



Promoting health and safety



Actions and Results

People are our most important resource. That is why we consider the safety and health of those who work for us an absolute priority and an irrefutable value.

and in any potentially dangerous situation.

That is why, in 2014, we supplied more than 26,000 hours of training, with the participation of employees from the head offices in Milan, the breweries, and the distribution and sales network, as well as events dedicated to promoting health and safety that also involved families.

MORE THAN
26,000

HOURS DEDICATED
TO TRAINING
IN 2014



Safety first



-16%
Injuries in the
last year



-82%
Medications
compared to 2013

The activities involved e-learning instruments, courses in the classroom and practical tests “in the field”, which also concerned first aid training, safe driving, anti-suffocation manoeuvres for children and courses to prevent domestic accidents.

Over the year, four new e-learning modules were activated, specifically dedicated to newly hired staff (My Safety), distribution partners, the commercial network and to preventing falls, a primary cause of accidents, not only in the workplace.

Training. The “zero injury” goal and the health culture

We know that promoting safety and health means developing a concrete and personal commitment not only in the workplace, but throughout the day, in the company and at home.

We are aware of the importance of training in prevention and developing a correct culture in terms of health and diet, and learning to behave safely in the workplace, behind the wheel,



Behaviour-Based Safety is the scientific method applied by HEINEKEN which:

- identifies “safe” behaviour in the various work situations with precise protocols
- awards those who do the “right thing”, rather than punishing those who make mistakes
- involves all employees in identifying and reporting dangerous situations, in order to constantly improve the work environment



5 years
without injuries

Assemini. 5 years without injuries

In 2015, the brewery in Assemini in the province of Cagliari reached the milestone of 5 years without injuries, corresponding to 691,500 man-hours. A significant result, also achieved thanks to the thousands of hours of training and concrete actions to improve the environment and behaviour.



The brewery in Assemini in the province of Cagliari and the safety mascot Mr. Ajò



270
SYSTEM
IMPROVEMENTS

2,100
OBSERVATIONS
OF SAFETY BEHAVIOUR

210
REPORTS OF POTENTIALLY
DANGEROUS SITUATIONS

6
TEAMS DEDICATED
TO REDUCING
OPERATIONAL RISKS

ComunNuovo. A workplace that promotes health

For the fourth consecutive year the brewery in Comun Nuovo, in the province of Bergamo, has obtained the acknowledgement as a "Workplace that promotes health", in the WHP (WorkPlace Health Promotion) project promoted by Confindustria and ASL Bergamo. The project involved all the employees and their families in

different initiatives concerning health and safety, such as activities to conquer the smoking habit together, the application of colour codes in the cafeteria in order to get to know the nutritional value of different foods, and agreements with local gyms to promote physical activity.

Regione Lombardia
ASL Bergamo



Facile come Camminare

Preventing the risk of falling

In general, falls cause more injuries than car accidents. Preventing the risk of falling in the workplace is therefore essential to reach the objective of "zero injuries". That is why in 2014 all employees at the Comun Nuovo brewery participated in the project called "Facile come camminare" ("As easy as walking").

A path developed in two ways: acquiring the habit of behaving the right way to prevent falls and identifying "fall risk" situations in the plant, in order to get rid of them. This started a real "trap hunt", which made it possible to collect 200 reports and initiate the subsequent improving actions.



Safety Day

On 29 September 2014, the activities and plants in Comun Nuovo stopped for a day entirely dedicated to the "Facile come Camminare" project, which involved all employees.

awareness among people working in the brewery of all potentially dangerous situations, that are often underestimated but sometimes cause injury.

A moment for training and sharing on the issue of health and safety, which included practical and

theoretical sessions of safe driving, in order to remind employees that there are also dangerous situations that require attention outside the brewery.

There were also postural exercise lessons in order to learn to keep one's balance and prevent falls, as well as a course to get to know the fire extinguisher, as well as more information on fires and on how to behave if one occurs.

Even the day's menu was created with particular attention to health, in collaboration with the Bergamo ASL nutritionists, to learn to "Eat well to stay healthy and in shape".





Growing with the communities

DA 40 ANNI VOGLIAMO BENE ALL'ITALIA,
DA 40 ANNI L'ITALIA CI VUOLE BERE.



Siamo arrivati in Italia 40 anni fa e abbiamo subito capito che saremmo stati bene. Abbiamo investito, rilanciato aziende, creato occupazione. Oggi abbiamo 4 birrifici, occupiamo 2.000 persone e produciamo 5 milioni di ettolitri all'anno. Ma non facciamo solo dell'ottima birra: ne diffondiamo la cultura, investiamo in modo sostenibile e promuoviamo il consumo responsabile.

HEINEKEN



Creating value for Italy

IN 2014, WE CELEBRATED OUR 40TH YEAR OF ACTIVITY IN ITALY. SINCE 1974, WE HAVE BEEN PART OF A COUNTRY FULL OF TALENT. WE HAVE INVESTED, MADE ITALIAN BRANDS GROW, AND CREATED EMPLOYMENT.

HEINEKEN is the only international brewery company still led by the founding family: the passion and responsibility with which we contribute to the well-being of the countries we work in, is part of our culture.

Thanks to the trust and enthusiasm that Italian consumers have always shown us, we are currently the top beer company in Italy, with a 29% market shares, about 6.7 million hectolitres of beverages sold, and a turnover of 943 million Euro in 2014. This success creates value for the company and for the country.

In terms of employment, we currently employ a total of 3,000 people: 2,000 directly and a further 1,000 among our suppliers in Italy, of which more than 80% are Italian.

In 2014 HEINEKEN Italia was the most innovative beverage producer in the country, creating 30% of innovation in the entire beverage sector and 53% in the beer sector (*).

(*) Source: IRI, data referring to Canale Moderno

A commitment that contributes to maintaining employment through investments in new productive lines and marketing the launch of new products, product categories and consumption methods. Activities and initiatives are aimed at extending the beer market and developing increasingly sustainable solutions and technology. We measure our ability to innovate

with the Innovation Rate, a calculation based on the turnover from innovative products in the first three years after launching.

In Italy in 2014, our Innovation Rate reached 6%: a result that was also achieved thanks to the 65 million Euro invested in innovation over the last five years.



3,000 **People** working for the HEINEKEN Italia Group directly and indirectly.

81% **Italian suppliers**

6% **Innovation Rate in 2014**



Our social commitment

Free Drink Water and Pane Quotidiano

During "Free Drink Water", the project to promote responsible drinking, the clubs in Milan that participated in the initiative chose, with the support of HEINEKEN Italia, to donate the value of the distributed bottles of water to Pane Quotidiano. The historic association, established in Milan in 1898, distributes an average of 3,500 free meals every day to whoever needs one.



Affligem for the Fondazione Ricerca Fibrosi Cistica

Affligem, a brand belonging to the HEINEKEN Group, chose to support the activity of the Fondazione Ricerca Fibrosi Cistica (Cystic Fibrosis Research Foundation), becoming a partner in the National Campaign for Cystic Fibrosis Research in October 2014. In Italy, about 200 new cases are diagnosed each year, with an average of 4 every week. Thanks to research, children that are born with this illness now have a life expectancy of more than 40 years, while 50 years ago they were not expected to live past their childhood.



Ichnusa. Solidarity for Sardinia

On 18 November 2013, Cyclone Cleopatra hit the central and northern areas of Sardinia, causing 17 victims and serious damage to the territory and local economy. Ichnusa, which has always been a part of the history and tradition of the island, participated in the chain of solidarity promoted by Confindustria Sardegna Meridionale to collect funds for activities to support the affected population, workers and productive systems.



A day at Exodus

On 23 October 2014, the HEINEKEN Italia Management Group took part in a day in direct contact with the Don Mazzi Exodus Community, which has been a reference point in the fight against drug addiction since 1985.

A day to learn, while working and sharing moments of daily life with those who have made responsibility to others their daily commitment.

A school without teachers, that taught us that business does not mean only objectives to be reached, but also the ability to reach them "responsibly", applying the values of attention and respect for other people and their needs to everyday life.



Values and behaviours

Code of Business Conduct

As a large international company, we are aware that we have a responsibility that binds us to behave, both individually and collectively, in accordance with ethical values of fairness, integrity, and respect for the law.

That is why in 2013 we launched a global Code of Business Conduct, an ethical code that promptly and fairly defines the behaviour and fundamental principles to apply HEINEKEN's values to daily life, build transparent and trusting relationships with our stakeholders, and contribute to maintaining the company's reputation at excellent levels.

Together with the global initiatives, in 2014, we developed online and classroom training initiatives to spread the awareness and application of the Code of Business Conduct, which involved all the employees of HEINEKEN Italia, at all levels - offices, breweries, Business Units and sales forces.

A specific initiative concerned the employees called to cover particularly "sensitive" roles, in relation to the issues of conflict of interest and managing confidential data and information.



The Code of Business Conduct was translated into

34
different
languages

Speak Up Policy

In order to guarantee the effect of the Code of Business Conduct, the rules of application require every employee to have the opportunity to report any violations or behaviour not in line with the ethical code, confidentially, but also in an open and fair manner. That is why a policy was defined, precisely indicating the procedures and reference personnel in the company to whom reports may be made.

Employees and human rights

Since 2013, we have applied – both globally and locally- the "Employees' and Human Rights Policy" (EHRP), the document at the basis of the Code of Business Conduct, which defines HEINEKEN's commitment to respect for human rights and for the workers' rights. The EHRP is based on the principles of the Universal Declaration of Human Rights and on the Core Conventions of the International Labour Organization (ILO).



For more information on

HEINEKEN Italia and sustainability, visit:

<http://rapportodisostenibilita.heinekenitalia.it>

www.enjoyheinekenresponsibly.com

heineken.com/it



<http://www.theheinekencompany.com/sustainability>



<http://rapportodisostenibilita.heinekenitalia.it>



The video of the HEINEKEN Italia Sustainability Report 2014
is available here

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