



# Sustainability Report 2014

## HEINEKEN Hrvatska

Brewing a Better World



## Our Sustainability Report 2014

HEINEKEN Hrvatska is a part of the HEINEKEN Company. It holds a strong number two position on the Croatian beer market. Sustainability is one of our core business priorities, and Brewing a Better World is our strategic focus.

# 329

Employees

# 7

Brands

### Our mission:

Our rich tradition and respect for the highest standards of quality create innovative beer brands that deliver unique experiences and contribute to the enjoyment of life. By respecting safety rules and being responsible towards our consumers, customers, employees and the local community, we ensure the sustainability of our business.

### Our vision:

We want to lead the market focusing on value and sustainability through exceptional brand experiences, beer category vision and engaged and safe employees.

### Our values:

Winning Spirit  
Passion for Quality  
Teamwork  
Responsibility  
Customer Satisfaction  
Respect  
Integrity  
Enjoyment of Life

### Contents

- 01 GM Foreword
- The big picture**
  - 02 Brewing a Better World
  - 03 Our 2020 commitments
  - 04 From barley to bar
  - 06 What we said and what we've done
- Our focus areas**
  - 08 Protecting water resources
  - 10 Reducing CO<sub>2</sub> emissions
  - 12 Sourcing sustainably
  - 14 Advocating responsible consumption
  - 16 Promoting health and safety
  - 18 Growing with communities
- Our ways of working**
  - 18 Values and behaviours
- Other information**
  - 20 HEINEKEN's global benchmarks and achievements



For the global Sustainability Report 2014, including detailed performance data and moving images visit:  
[www.theheinekencompany.com/sustainability](http://www.theheinekencompany.com/sustainability)

## GM Foreword



**Branka Slaveska**  
Managing Director of HEINEKEN Hrvatska

We want to produce beer for the next 160 years, so we put a lot of effort to make our business and all our operations sustainable.

In 2014 we celebrated the 160<sup>th</sup> anniversary of producing high quality beer in our brewery in Karlovac. We are proud of our rich brewing tradition and at the same time, we are focused on the future. We want to produce beer for the next 160 years, so we put a lot of effort to make our business and all our operations sustainable.

One of the biggest risks for our business is harmful and excessive consumption of alcohol. While most people enjoy our products responsibly, a minority do not. However, no one wins from excessive drinking. There is nothing to be gained: not for our business, not for individuals, not for society.

Beer can be a part of a healthy and balanced lifestyle if consumed moderately, and we want to see our brands consumed in a positive way. We actively promote responsible consumption externally throughout projects I'm 18+ and For Responsible

Youth as well as internally among our employees with the initiative Enjoy Responsibly Day. Each one of us influences this issue by what we do, what we say and who we say it to. Let's choose to make that influence a positive one.

We are part of a global company but we take care of our local community as well. In 2014 we have taken an important step forward in sourcing sustainably: we launched a project to ensure that we use Croatian barley for our Karlovačko. We want to support Croatian agriculture because we believe in its potential and its capability to produce high quality raw materials. This is just a start of a wider plan for the company's future business – to further increase the amount of locally sourced materials in our beer production.

Furthermore, we constantly try to decrease the negative impact of our operations on the environment. Due

to technical improvements and investments, in 2014 we decreased the specific water consumption by 9%, the specific thermal energy consumption by 8% and the total specific energy consumption by 5%. The specific direct and indirect CO<sub>2</sub> emission was slightly higher: 1% in comparison with 2013 while the specific electric consumption increased by 6%.

Looking forward to the future in which we will contribute to brew a better world!

**Branka Slaveska**  
Managing Director of HEINEKEN Hrvatska

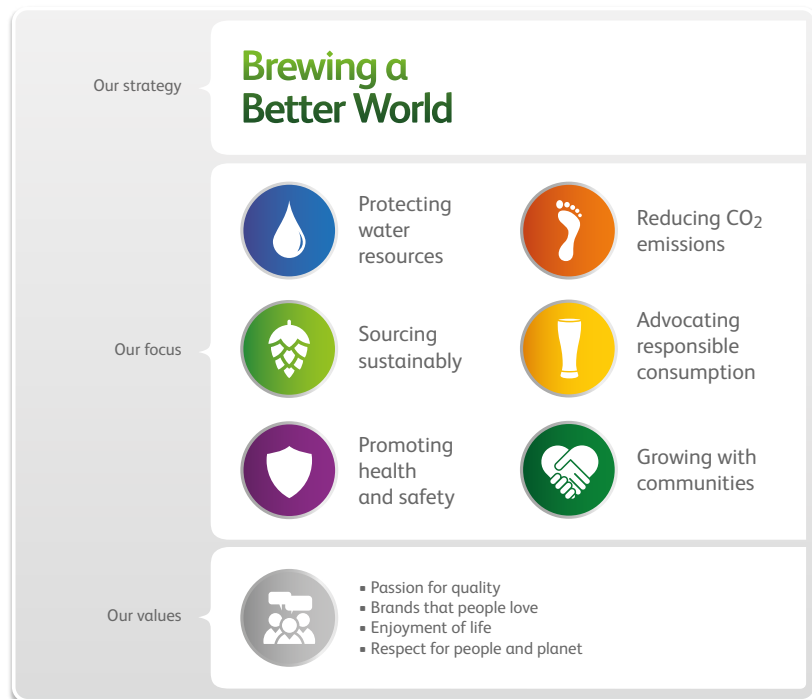
## Brewing a Better World

Brewing a Better World is HEINEKEN's long-term approach to sustainability and one of our key operational priorities for the business.

Over the last few years HEINEKEN has taken some important steps to make sustainability a business imperative rather than something that lies outside normal business operations. Today, it is one of HEINEKEN's six key business priorities. In 2014, the company took another,

seemingly small but philosophically important step and changed the name of its sustainability approach from 'Brewing a Better Future' to 'Brewing a Better World'. The company feels that this better reflects that the work HEINEKEN is doing has a global impact today and not just for some of the world at

some point in the future. Furthermore, HEINEKEN added two new focus areas Promoting health and safety and Growing with communities to its four existing commitment areas: Protecting water resources, Reducing CO<sub>2</sub> emissions, Sourcing sustainably and Advocating responsible consumption.



## HEINEKEN's 2020 commitments

Each focus area is underpinned by clear commitments that state HEINEKEN's ambitions for 2020, with three-year milestones to be achieved by 2015.



### Protecting water resources

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



### Reducing CO<sub>2</sub> emissions

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



### Sourcing sustainably

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



### Advocating responsible consumption

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



### Promoting health and safety (2015 targets)

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



### Growing with communities

- Supporting communities in which we operate to foster 'inclusive growth'
- Bottom-up philosophy with local targets where applicable.

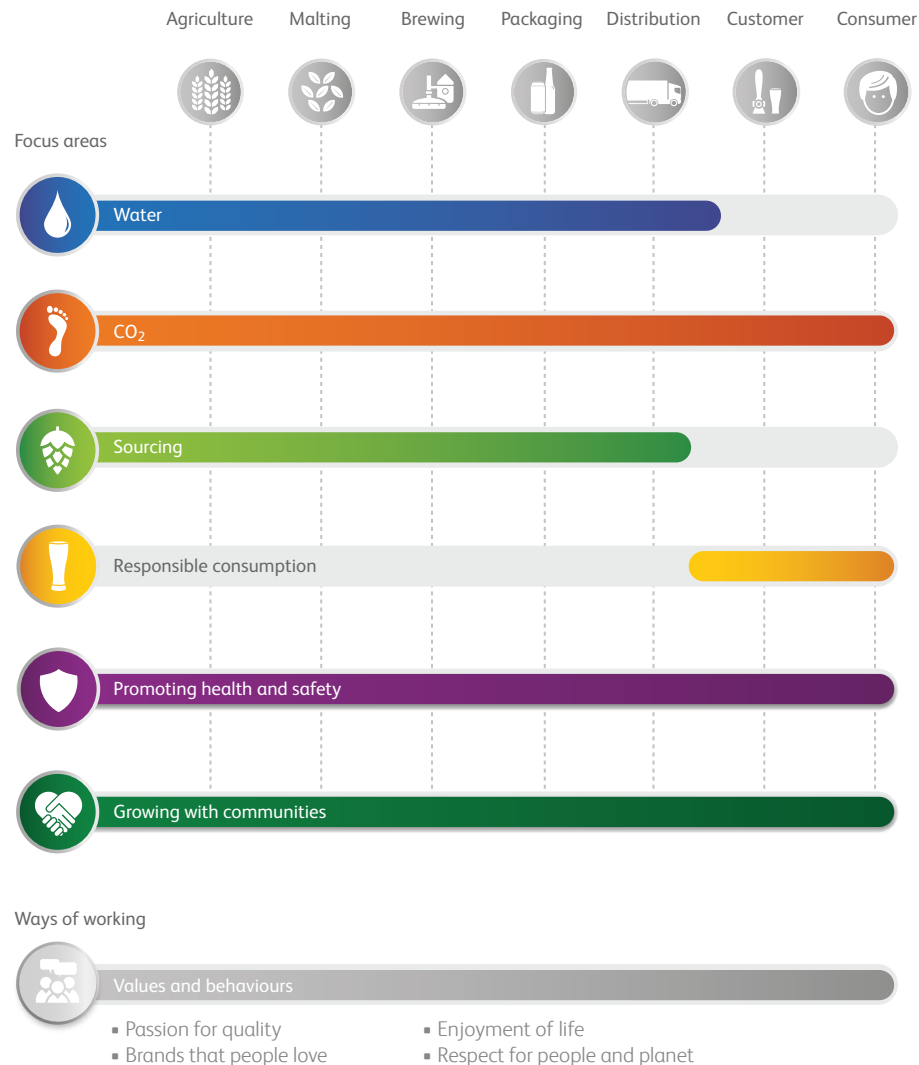
<sup>1</sup>Baseline 2008

<sup>2</sup>Baseline 2010

<sup>3</sup>Baseline 2011

# From barley to bar

HEINEKEN's approach to sustainability covers the entire value chain.



## Agriculture

On the global level, HEINEKEN began auditing its supplier sustainability practices with SGS, an external audit company. It continued to work with the Sustainable Agriculture Initiative (SAI) and the Cool Farm Alliance. HEINEKEN Hrvatska started a local project of using Croatian barley for Karlovačko beer production. With Slavonija slad, Poljoprivredno prehrambeni kompleks (PPK) and the Osijek Agricultural Institute as project partners, the company is committed to purchasing and encouraging the use of barley that comes from Croatian fields.



## Malting

HEINEKEN malts barley in its own malteries and also buys malt from third parties. The company focuses on energy and water reduction programmes and continues to engage suppliers in discussions related to these topics. In 2014, energy consumption per ton of produced malt on global level was more than 10% lower compared with 2008. For water consumption, the improvement was even larger: 26%.



## Brewing

HEINEKEN continues to expand the use of power from on-site generated biogas and the use of renewables through projects such as Solar Electricity in Tadcaster, UK. In addition, the company continued to reduce its specific energy and water consumption in brewing.



## Packaging material

HEINEKEN continues to innovate, and encourages innovation from our suppliers. The company launched THE SUB®, an energy-efficient home draught beer system complete with TORP®, a fully recyclable 2-litre PET keg.



## Distribution

Wherever HEINEKEN can, the company optimises its distribution by changing the form of transport, training drivers, using more efficient engines, improved design of vehicles and re-assessment of distribution

networks. HEINEKEN devises innovative solutions such as electric-powered delivery trucks in the Netherlands, and the company is increasing the share of lightweight trailers in its contracted fleet.



## Customers

Most of our beers and ciders are enjoyed cold and are cooled by fridges or draught equipment at the point of sale. HEINEKEN continues to strengthen the green standards for our cooling equipment, which not only reduces energy consumption but also costs. In 2014, our customers globally saved a total of EUR19.91 million in electricity charges, equal to the annual electricity consumption of 46,000 households in the Netherlands.



## Consumers

HEINEKEN continues to advocate responsible consumption through campaigns such as 'Dance More, Drink Slow' and we expand our partnerships with NGOs, governments and other parties to address alcohol-related harm.

## What we said and what we've done

Focus area	Our global commitment for 2015	What we've done globally in 2014	What we've done in Croatia in 2014	Local progress indicator
	Reduce our specific water consumption in the breweries to 3.9 hl/hl <sup>1</sup>	We achieved our 2015 target a year early and decreased water consumption to 3.9 hl/hl	Water consumption decreased to 4.2 hl/hl. This is a decrease of 9% compared to last year	
	100% of our production units <sup>2</sup> in water-scarce and distressed areas will have a Source Water Protection Plan	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	<i>Not applicable for Croatia</i>	
	Reduce CO <sub>2</sub> emissions in production by 27% <sup>3</sup> (resulting in 7.6 CO <sub>2</sub> -eq/hl)	We passed our 2015 target a year early and achieved a 30% reduction compared with 2008, resulting in 7.2 kg CO <sub>2</sub> -eq/hl in 2014	The specific direct and indirect CO <sub>2</sub> emissions increased from 9.0 kg CO <sub>2</sub> -eq/hl to 9.1 kg CO <sub>2</sub> -eq/hl. This is an increase of 1% compared to last year	
	Reduce the CO <sub>2</sub> emissions of our fridges by 42% <sup>4</sup>	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 <sub>2</sub> emissions improved from 40% to 45% in 2014, compared with the baseline year 2010	HEINEKEN Hrvatska purchased 510 refrigerators in 2014 and all newly purchased refrigerators were green	
	Reduce the CO <sub>2</sub> emissions from distribution by 10% <sup>5</sup> in Europe and the Americas	Our overall emissions increased by 3.6%. This was caused by significant changes to the distribution activities in two major markets – Brazil and Mexico. Excluding these two, our emissions in distribution actually fell by 5.9%	The CO <sub>2</sub> emissions from distribution decreased in 2014 by 3.6% in comparison with 2013 (from 2.43 kg CO <sub>2</sub> /hl traded in 2013 to 2.34 kg CO <sub>2</sub> /hl traded) vs. target of 3.4% vs FY 2013. This represents a 7% decrease compared with the baseline year 2011.	

<sup>1</sup>Baseline 2008. <sup>2</sup>Twenty-three production units. <sup>3</sup>Baseline 2008. <sup>4</sup>Baseline 2010. <sup>5</sup>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

 Achieved  On track  More to do  Not on track

Focus area	Our global commitment for 2015	What we've done globally in 2014	What we've done in Croatia in 2014	Local progress indicator
	Aim for sustainable sourcing of raw materials for crop year 2015: 20% (barley), 40% (hops), 60% (bittersweet apples for cider) <sup>1</sup>	In 2014 we sourced sustainably: - barley: 15% - hops: 62% - bittersweet apples for cider: 28%	HEINEKEN Hrvatska sourced 92% of agricultural raw materials locally. Specifically, 88% of malt and 100% of corn grit for our beer was purchased in Croatia.	
	50% <sup>2</sup> of agricultural raw materials used in Africa to be locally sourced <sup>3</sup> within the continent	We increased our local sourcing from approximately 46% in 2013 to more than 48% in 2014	<i>Not applicable for Croatia</i>	
	Four-step Supplier Code Procedure operational within all Operating Companies	The four-step Supplier Code Procedure operational in 25 Operating Companies. Rollout planned for all remaining Operational Companies in 2015.	In total, 100% of registered suppliers in HEINEKEN Hrvatska's vendor master database had signed the Code (448)	
	We commit to invest a minimum of 10% of our media spend for Heineken® in supporting the dedicated responsible consumption campaign in at least 50% of its market volume <sup>5</sup>	The 'Dance More, Drink Slow' campaign activated in 44 markets. Investment supporting our dedicated responsible consumption campaign exceeded 10% of the total media spend in our main markets, representing more than 50% of the Heineken® global volume	<i>Not applicable for Croatia</i>	
	Every market in scope <sup>6</sup> has a partnership to address alcohol-related harm. All partnerships meet HEINEKEN's seven-point partnership criteria	50 markets are now in scope, an increase from 40 in 2013. Of these, 48 have at least one partnership	HEINEKEN Hrvatska continued its partnership to address minors' alcohol abuse (project: For Responsible Youth).	
	Global industry commitments: precise goals for 2015 to be decided in conjunction with industry via ICAP and GAPG organisations	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	<i>Not applicable for Croatia</i>	

<sup>1</sup>Based on volume. <sup>2</sup>Based upon tonnage. <sup>3</sup>By local sourcing, we refer to sourcing within the region of Africa & Middle East. <sup>4</sup>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. <sup>5</sup>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. <sup>6</sup>Out of scope are Islamic markets and small export markets where we don't have staff or a presence.

## Protecting water resources



### Our priorities:

- Sustainable usage and protection of water to safeguard this precious resource
- Reducing specific water consumption

### Actions and results:

#### Reducing water consumption

In 2014, the specific water consumption of HEINEKEN Hrvatska decreased from 4.6 hl/hl to 4.2 hl/hl. This decrease of 9% compared to last year is a result of technological investments and improvements. We conducted a project for the improvement of water usage in the brewing and packaging process. We also started to recuperate hot water in the brewhouse and re-used it for washing in the filling department. This also contributed to the savings of thermal energy consumption.

Although HEINEKEN Hrvatska has been making reductions in water consumption in its production and Supply Chain in the past two years, it is still higher than the HEINEKEN company average of 3.9 hl/hl, so we will continue to work on further improvements and decreasing water consumption.

Specific water consumption  
hl/hl beer + soft drink + cider + water

# 4.2 hl/hl



### Protecting water resources

Water is vital for life and critical for the well-being of the communities and ecosystems in which HEINEKEN operates. We use water in our finished product and throughout our Supply Chain.

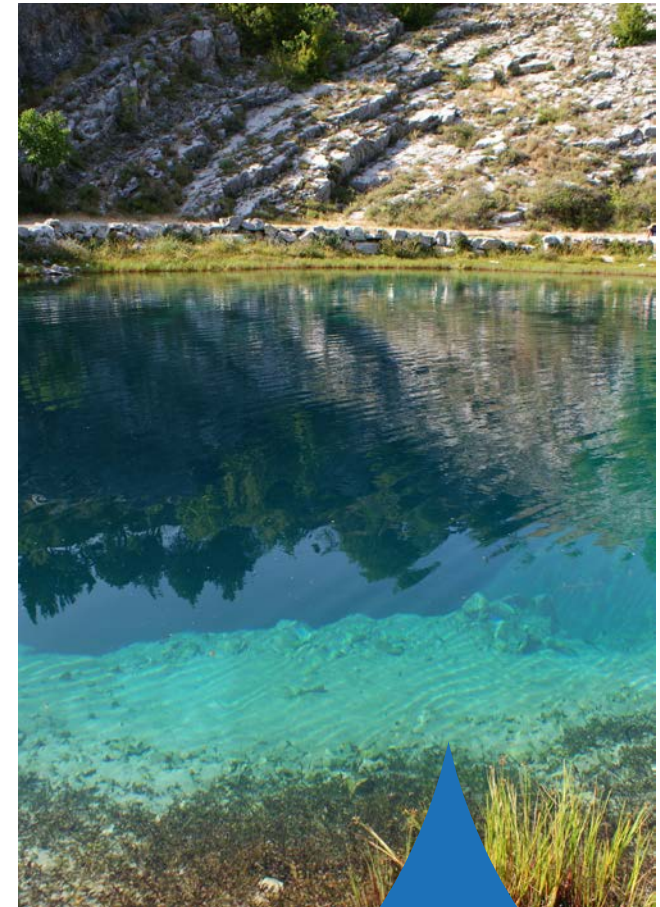
Besides activities related to reducing water consumption, we put a lot of effort into water resources protection. Our waste water treatment plant works at full capacity. All measurements of waste water quality conducted in 2014 showed that our waste water is completely in line with the parameters defined in the environmental licence provided to company by Ministry of Environment and Nature Protection. We ensure that effluent from our production units is properly treated before discharge into the communal sewage system.

### Water balancing

Demand for water on a global level has doubled in the past 50 years and it is expected to increase a further 40% by 2030. Balancing the needs of the community with our needs is at the heart of HEINEKEN's approach to water usage.

# +40%

Demand for water has doubled during the past 50 years and is expected to increase a further 40% by 2030



19% reduction in water consumption compared to 2010

HEINEKEN Hrvatska is committed to reducing the amount of water used in production

# 19%

reduction in water consumption compared to 2010

# Reducing CO<sub>2</sub> emissions



## Our priorities:

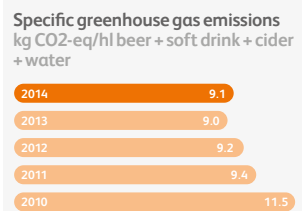
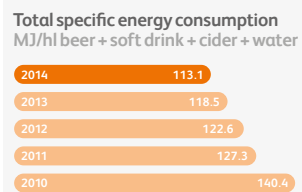
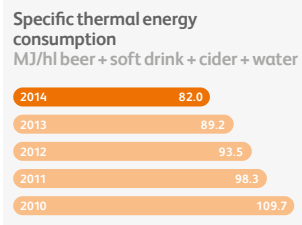
- Decrease CO<sub>2</sub> emissions to prevent climate change and rising temperatures and sea levels
- Reduction of CO<sub>2</sub> across the value chain
- Set ambitious targets for CO<sub>2</sub> emission within brewing, cooling and distribution

## Actions and results:

### Energy savings in production

The specific total energy consumption of HEINEKEN Hrvatska decreased from 118.5 MJ/hl to 113.1 MJ/hl. This is a decrease of 5% compared to the year before. This was mainly achieved due to specific thermal energy savings: the consumption decreased from 89.2 MJ/hl in 2013 to 82 MJ/hl in 2014. This significant decrease of 8% is mostly related to the impact of the increased efficiency of the filling process as one segment was moved from the old filling line to the new one that is more effective (using less energy than the old one). Also the insulation on machines and pipes in the plant was improved and the project of hot water recuperation also contributed to thermal energy savings.

When talking about specific electricity consumption, it increased



by 6% to 8.6 kWh per hectolitre of produced beer. It should be noted that the total electricity consumption actually decreased slightly in 2014, but given the relatively larger decrease in beverage production, more electricity was consumed per volume produced. Also, all parts of the waste water treatment plant, as well as the CO<sub>2</sub> recovery plant, worked in full capacity so this contributed to the increased electricity consumption as well.

### CO<sub>2</sub> emissions in production

Taking into consideration HEINEKEN's global goals, HEINEKEN Hrvatska continued with efforts in reducing its CO<sub>2</sub> emissions in 2014. Our focus is to continue the positive trend recorded in the past several years.

In 2014 we remained within the results achieved in 2013. There was a minor increase in the total (direct and indirect) CO<sub>2</sub> emissions, reaching 9.1 kg CO<sub>2</sub>e/hl and the main reason is the increased specific electricity consumption.

### Cooling

Cooling is essential to our consumers' enjoyment of our beer. To reduce the total carbon footprint, HEINEKEN globally continued to install 'green' fridges. For a fridge to be classified as 'green', it has to have four 'green' characteristics<sup>3</sup>. In total, 99.8% of the more than 152,000 fridges that HEINEKEN bought in 2014 had one or more 'green' characteristics and 66% were compliant with all four. The average energy saving improved from 40% to 45% in 2014, compared with the baseline year 2010. HEINEKEN Hrvatska also contributed to these savings. In 2014 we purchased 510 fridges and all of them were green fridges.

### Waste

HEINEKEN Hrvatska also made significant progress with non-recycled industrial waste. It decreased from 0.21 kg/hl in 2013 to 0.16 kg/hl in 2014, which is 23% less compared to the year before. This was mostly achieved through improved waste separation in the packaging department. It is worth pointing out

that HEINEKEN Hrvatska has a lower specific non-recycled industrial waste production than the HEINEKEN N.V. average of 0.5 kg/hl.



<sup>3</sup>These four are: 1. use of hydrocarbon refrigerant, 2. LED illumination, 3. an energy management system, and 4. energy-efficient fans.

### Case Study:

**In 2014 HEINEKEN Hrvatska received an internal recognition on the improvement in the Total Productive Management program. After eight years of implementation, we met the strict criteria for Bronze Award certification and became the 38<sup>th</sup> HEINEKEN's brewery (of some 200 in total) that has reached this stage of development.**

This award requires a multi-year development and improvement of all business processes and results in beer production: especially in terms of product quality, workers safety and overall efficiency. One of the most important criteria for obtaining this certificate is the involvement of the workers in this process. It also represents continuous and consistent efforts to eliminate of all types of losses (such as quality, energy, beer and productivity losses).



## Sourcing sustainably



### Our priorities:

- Support local agriculture through projects and partnerships in order to ensure Croatian raw materials for Karlovačko production
- On-going compliance with our Supplier Code Procedure

### Actions and results:

#### Sustainable sourcing of agricultural materials

Responsible agriculture and sourcing sustainability is one of the key issues facing the beer industry on a global level. The question is: how to increase productivity in a more sustainable way to meet the rising demand for food? We want to operate in a way that improves the quality of life for local individuals and communities, helps the environment and ensures a consistent supply of our raw materials, contributing at the same time to local economy growth and food security.

#### Local sourcing

By managing local sourcing, we want to give full support to domestic agriculture and contribute to the sustainability of home cultivation of raw materials. We believe the Croatian producers can provide high quality raw materials like barley, which we use for the production of

**92%**  
of all raw materials

**88%**  
of malt

**100%**  
of corn grit

**locally  
sourced in  
2014**

our beer. Having a sufficient amount in the vicinity of our brewery is not just a positive transport-related impact on the environment, but also eliminates import duties. In 2014 HEINEKEN Hrvatska sourced 92% of agricultural raw materials locally. Specifically, 88% of malt and 100% of corn grit for our beer was purchased in Croatia.

#### Croatian barley for production of Karlovačko beer

In July 2014, HEINEKEN Hrvatska has launched an initiative of Croatian barley for the production of Karlovačko beer in cooperation with Slavonija slad and Poljoprivredno prehrambeni kompleks (PPK), our long-time partners, as well as with the Osijek Agricultural Institute. With this project, we have committed to use barley that is of Croatian origins, from Croatian fields. After signing the letter of intent for cooperation between project partners, the first Karlovačko beer with Croatian barley was launched on the market in February

2015. With this project, we wanted to ensure the sustainable domestic production of the key ingredient in order to influence the development and support of the local economy. Furthermore, we wanted to have direct supervision of quality and participate in control, but also to improve the supply process.

#### Supplier Code governance

Our suppliers are very valuable in helping us achieve our sourcing commitments. We are working together to ensure that we implement the right practices throughout our value chain, and we ask them to respect and abide by the values expressed in our Supplier Code such as key elements of integrity, the environment and human rights. In total 100% (448 suppliers) of the registered suppliers in HEINEKEN Hrvatska's vendor master database have signed the Code.

A total of  
**100%**  
suppliers  
signed our  
**Supplier  
Code**



## Advocating responsible consumption



### Our priorities:

- Promoting and encouraging responsible consumption internally and externally
- Maintaining the existing and building new partnerships aimed at addressing alcohol-related harm
- Taking action at the industry level by collaborating with other Croatian breweries

### Actions and results:

#### Making responsible consumption aspirational

Beer is a natural product enjoyed by hundreds of millions of people around the world. When consumed in moderation, it can be part of a healthy balanced lifestyle. Responsible alcohol consumption is a strategic determinant of the HEINEKEN company and its most challenging commitment, which is, at the same time, the most important for the sustainability of the industry. Within this project, HEINEKEN's commitment to responsible alcohol consumption was extended to a zero tolerance attitude towards underage drinking. As a response to the problem of irresponsible alcohol consumption and its consumption among minors, HEINEKEN Hrvatska conducted several projects in 2014.

#### Enjoy Responsibly Day in numbers

5

workshops

5

different cities

75%

of employees participated

### For Responsible Youth

During 2014, HEINEKEN Hrvatska continued its project 'For Responsible Youth' that was launched in December 2013, addressing the underage drinking problem, in cooperation with the TESA psychological centre and the portal žena.hr. A specialized microsite on the portal žena.hr was created and it served as a place to publish informative articles on relationships and communication with teenagers, for online counselling with psychologists, for exchange of experiences through live chat and as a platform for conducting research among parents. The company also organized a panel discussion on this issue. Participants included project partners' representatives, and relevant experts in the domain of health. The ambassador of the project was Daniela Trbović, a popular TV presenter who is also a mother of a teenager. Over the course of the year, the microsite attracted 92,613 users and had 177,557 page views. User feedback showed that visitors appreciated and read the informative content, but only a small

number asked for advice via the microsite. The main challenge for similar future projects will be to address this passivity, which is culturally influenced. In general, however, stakeholders indicated that initiatives of this kind to tackle alcohol consumption among minors are welcomed.

### I am 18+

Originally launched on Beer Days 2013, the I am 18+ initiative was conducted on Beer Days again in 2014 at Karlovačko Korner, a traditional football platform. Bracelets with the inscription 'I'm 18+' were given to adults after they showed their ID. The bracelet helped waiters easily identify minors and avoid the sale of beer to that group.

### Enjoy Responsibly Day

'Enjoy Responsibly Day' was marked in Croatia on 4<sup>th</sup> of September with lectures on responsible consumption in four regional offices - Osijek, Split, Zagreb and Rijeka, and at the headquarters in Karlovac. Employees had the opportunity to hear about the importance of responsible

consumption and the Cool@Work corporate policy, while special guests (psychologists Sanja Jagarić Nola and Sonja Jarebica) spoke about the effects and risks of excessive alcohol consumption and alcoholism. At the same time, in Karlovac, a workshop for employees who are parents of teenagers was organized to teach them how to talk with their children about alcohol.

### Ultra Europe

For the second year in a row, Heineken has been the official beer of the biggest international music event in Croatia – Ultra Europe. This popular electronic music festival was visited by more than 150,000 music fans from over 125 countries. We took this opportunity to send a responsibility message: as Armin Van Buuren performed, we used 'The Experiment', a video that demonstrates the positive influence that a DJ and his music can have on young adults to change their behaviour, dance more and consequently drink slow. The video was used for a viral campaign on Facebook and digital media. This video is a part of the global responsibility campaign *Dance More, Drink Slow*.

#### Case Study:

**According to the Croatian Ministry of Science, Education and Sports, 93 percent of children up to 18 years of age have consumed alcohol at least once, while one quarter of boys and more than 20 percent of girls have consumed a few drinks in a row more than once a month.**

HEINEKEN Hrvatska's project 'For Responsible Youth' was supported by the popular TV host Daniela Trbović. 'As a mother of teenager, I am aware that children are exposed from an early age to many influences that are not always positive. The prohibitions are not effective, but if we want to protect them from temptation and peer pressure, we should empower them and encourage them to be responsible and careful', said Daniela during panel discussion organized within the project.



## Promoting health and safety



### Our priorities:

- Decrease the number of injuries and fatal accidents at work to zero
- Raise the awareness of employees about the importance of respecting the rules of conduct and engage all parts of the organization
- Build knowledge and positively influence employee behaviour related to workplace safety

### Actions and results:

#### Improving safety

We follow clear and strict rules on protective clothing and equipment inside our production plants, as well as in logistic areas. Every visitor at the brewery's entrance receives a safety induction and a leaflet with safety rules. Also, a short film on safe behaviour for visitors is screened at the entrance of the brewery.

Although safety is a priority in HEINEKEN Hrvatska, the number of accidents at work in 2014 increased from one to four compared to 2013. Two accidents occurred in the Sales department – those were traffic accidents (our employees did not cause those accidents). Another two accidents occurred in the Packaging department. The largest contributing factor to accidents was lack of workers safety risk awareness and personal behaviour.

#### Safety campaign in numbers

10

workshops held

280

hours of trainings on safety

30

safety champions engaged

750

flyers printed

15

posters placed in the brewery and all sales areas

The increase in the number of accidents and the fact that human behaviour was one of the main causes of the accidents, prompted the company to strengthen the supervision of safety by defining the most important safety behaviours for each department. This was followed by an internal communication campaign.

In production, the average accident frequency increased from 0.28 in 2013 to 1.19 in 2014. The accident severity has also increased from 45 in 2013 to 47 in 2014.

### 'What would your loved ones do without you?' safety campaign

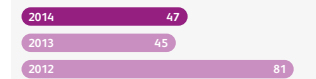
The internal safety campaign, named 'What would your loved ones do without you?' and followed by the slogan 'Work and come back home safe', was conducted during November and December. It featured posters, leaflets, letters and internal platforms and a five-minute movie starring children of employees, entitled 'Moj tata ima sigurnost' (My

dad is safe) and directed by the famous Croatian narrator and author Mladen Kušec. To spread the messages, 30 employees from various sectors of the company who have an impact on people and a high awareness of the importance of safe behaviour were pronounced safety champions. The campaign also included online education on safe driving and workshops on safety in all departments of the organization, as well as campaign-related sweepstakes and coverage on all the company communication platforms. Evaluated through a survey among employees and by the involvement of employees in a variety of programmes, the campaign has received excellent ratings.

#### Accident frequency Cases/100 FTE for all sites



#### Accident severity Lost calendar days/100 FTE for all sites



#### Case Study:

As the responsibility to ourselves sometimes isn't enough motivation for observing certain rules of conduct properly, the communication focused on the responsibility of employees towards their families. The emotional aspect of the creative concept titled 'What would your loved ones do without you?' was further intensified by the slogan 'Work and come home safe'.



#### Što bi tvoji bez tebe?

Vodi brigu o svojoj SIGURNOSTI i sigurnosti kolega na radnom mjestu. Tvoje ponašanje može biti razlika između sigurnosti i nesigurnosti. Zbog toga razmislite o tome kako se ponašate na radnom mjestu i kod kuće. Vaša sigurnost je odgovorna za sigurnost svih. Ponašajte se odgovorno i sigurno.

#### SIGURNOST NA RADU Proizvodnja piva

Tvoja sigurnost jedan je od naših najvažnijih prioriteta. Zbog toga inzistiramo na pridržavanju najviših standarda zaštite na radu.

Kada treba odabrati neku od opcija, uvijek odaberite onu koja će osigurati vašu sigurnost i sigurnost drugih. Vaša sigurnost je odgovorna za sigurnost svih. Ponašajte se odgovorno i sigurno.

1. Prilikom kretanja izvan označenih pješačkih puteva nosim reflektirajući prsluk.
2. Držim se za rukohvat prilikom hodanja po stepenicama.
3. Nosim zaštitnu masku za dišne organe prilikom rada s kiselučinom.
4. Nosim zaštitnu masku za dišne organe prilikom istovara siroma iz vreća.
5. Nosim čepice za usi prilikom boravka u području povećane buke.
6. Nosim pregaču, rukavice i ulazi kada radim s koncentriranim kemikalijama.
7. Prilikom ulaska u područja povišene razine CO<sub>2</sub> uvijek koristim prijenosni detektor CO<sub>2</sub>.

## Growing with communities



### Our priorities:

- Invest in our local community through financial donations and sponsorships of local events
- Establishing partnerships aligned with our sustainability agenda, such as alcohol misuse or local water challenges

### Actions and results:

#### Investing in our communities

From the farmers we work with to the people living around our brewery, we want to ensure that our success as a business helps the community and society in which we operate to prosper. Our support is based on investing in our local community through financial donations, sponsorship of local projects and providing help to threatened areas. In 2014, HEINEKEN Hrvatska contributed the equivalent of around 673,000 HRK, including cash and in-kind donations, to the local community through different initiatives.

Besides that, one of our biggest contributions we make to the community is through the positive impact of our business itself: creating jobs, providing business to suppliers and paying taxes. Thus, HEINEKEN Hrvatska provided jobs for 329 employees.

#### How we contributed to the local community in 2014

cash

**520,000 HRK**

#### Contribution to flooded areas

cash

**143,111.50 HRK**

In-kind

**10,000 HRK**

### Direct contributions

As a company, we invest in our local community through financial donations and local sponsorships. We've been conducting our yearly Donation Tender since 2009. The idea is to make the community more enjoyable for its citizens. In total, 11 projects have been selected as the best in 2014. Since 2009, when our first Donation Tender was launched, we supported 148 local projects in total.

We traditionally support some important local events such as John's Bonfire, River Cinema with Karlovačko, International voluntary camps. The total financial support of local community through different initiatives (donations etc.) in 2014 was 520,000 HRK.

### Help for flooded areas in Croatia

In spring 2014, population of Slavonia was hit by severe floods and huge material damages estimated at hundreds of million kuna and the displacement of about 11,000 people. Thus, HEINEKEN Hrvatska started raising financial support by donating one kuna for each litre of Sokol beer sold. The action lasted from July 7 to September 9 at Boso and NTL stores, during which a total of 43,111.50 HRK were raised and donated to the Croatian Red Cross as help for citizens of flooded areas in Slavonia. Besides that, employees of the company engaged by donating food, hygienic products and other in-kind donations that were needed at that moment. The company also sent fresh water for people from

flooded areas. In September, severe floods hit the Karlovac area, where our brewery is situated. The company helped employees whose houses were damaged in the flood but also, the company donated 100,000 HRK to the Nema predaje (No surrender) fund. This donation was realized in February 2015.



## Values and behaviour

### Our values



Winning Spirit



Passion for Quality



Teamwork



Responsibility



Customer Satisfaction



Respect



Integrity



Enjoyment of Life



#### Code of Business Conduct

HEINEKEN is committed to conducting business with fairness, integrity and respect for the law and our values. This commitment is laid down in the HEINEKEN Code of Business Conduct implemented in 34 languages across our business, including Croatian.

Brewing a Better World means that HEINEKEN nurtures its values: the company is driven by a passion for quality and produces brands people love while enjoying their lives. Respect for people and planet are at the top of the list of HEINEKEN priorities.



#### Internal Recognition Program

At HEINEKEN Hrvatska, we continued the program of rewarding the best employees. The management team, led by our CEO, had the difficult task of choosing 5 winners among 10 excellent finalists who all live and work in accordance with our values and can be considered role models. After the nomination and evaluation process followed by discussion, the jury selected five colleagues from different sectors/ departments as winners.

#### Recycle and toast!

As a part of the annual event Karlovac Beer Days (Dani piva Karlovac), HEINEKEN Hrvatska organized an environmental action of collecting and sorting waste under the slogan 'Recycle and toast!'. The action was implemented by the Green Patrol, who were informing visitors about importance of protecting the environment and rewarding them for sorting waste. For instance, those who recycled 10 empty plastic glasses, got a free Karlovačko beer.



## HEINEKEN's global benchmarks and achievements

- As input for evaluating HEINEKEN's progress in Brewing a Better World, the company tracks its performance every year. Here's the overview of its benchmarks and achievements.



### Dow Jones Sustainability Index

HEINEKEN's score of 77 was almost in line with our 2013 peak, and the company made it once again into the Sustainability Yearbook. HEINEKEN remains best-in-class in the areas of water-related risk and responsibility for alcohol products, and became best-in-class in corporate citizenship and sourcing raw materials. Packaging and human capital development are areas for improvement.



### FTSE4Good

For the 11<sup>th</sup> consecutive year, HEINEKEN maintained the inclusion in the Index. For the Environmental, Social and Governance (ESG) rating, HEINEKEN achieved an absolute score of 4.2 out of 5, and a relative supersector score of 98 out of 100.



### Investors Carbon Disclosure Project

HEINEKEN achieved highest ever score of 99 out of 100 (from 96 in 2013 and 88 in 2012). For the first time, we have been included as a member of 'The A List: The CDP Climate Performance leadership Index 2014'. We have also been awarded a position on the CDP Europe 300 and Benelux Climate Disclosure Leadership Index (CDLI).

### Transparency Benchmark

For the third consecutive year, HEINEKEN was mentioned as a 'frontrunner' in the Dutch Transparency Benchmark and we moved to 7<sup>th</sup> place, from 10<sup>th</sup> in 2013. This annual assessment by the Dutch Transparency Benchmark evaluates the level of transparency by the top 500 Dutch companies in relation to sustainability reporting.



### VBDO Responsible Supply Chain Benchmark

We ranked third overall in the list of 40 multinationals analysed by the Dutch Association of Investors for Sustainable Development (VBDO), equalling our 2013 position. For the first time, winners by industry sector were also selected. HEINEKEN was judged the leading food and beverage company, receiving a Responsible Supply Chain Management Award.

### Other benchmarks

Additionally, we continued to take part in the CDP Water Disclosure and intensified our focus on benchmarks like CDP Supply Chain, Bloomberg, Vigeo, Walmart's sustainability index, and Sustainabilitytics.



### Let us know your thoughts

Which aspects of Brewing a Better World 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.

Ljudmila Bratko Gašpić  
Corporate Relations Manager

Email:  
ljudmila.bratko@heineken.com  
pr@karlovacko.hr

Post:  
Heineken Hrvatska d.o.o.  
Dubovac 22  
47000 Karlovac  
Croatia

## About this Summary Sustainability Report

This printed report summarises HEINEKEN's and HEINEKEN Hrvatska's progress on Brewing a Better World in 2014.



Please visit HEINEKEN's global Sustainability Report 2014 at:

**[www.sustainabilityreport.HEINEKEN.com](http://www.sustainabilityreport.HEINEKEN.com)**

**[www.heineken.hr](http://www.heineken.hr)**

**[www.uzivajukarlovackomodgovorno.com](http://www.uzivajukarlovackomodgovorno.com)**

**HEINEKEN.com**

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### Heineken Hrvatska d.o.o.

Dubovac 22  
47 000 Karlovac  
Croatia  
tel +385 47 607 340  
fax +385 47 451 301

### Production

Heineken Hrvatska d.o.o.  
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Corporate Relations Department  
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