

## **HEINEKEN announces 'Drop the C' programme** Brewer sets new ambition to reduce carbon emissions

Amsterdam, 12 February 2018 – HEINEKEN today announced its 'Drop the C' programme for renewable energy. With 'Drop the C' the company aims to grow its share of renewable thermal energy and electricity in production from the current level of 14% to 70% by 2030. HEINEKEN wants to drive a real change towards renewable energy and will therefore not purchase unbundled certificates to meet its reduction targets. In addition, new emission goals will be set for distribution and cooling and, for the first time, also for packaging. The brewer commits to set science based targets for these areas in the next two years.

Since 2008 carbon emissions at HEINEKEN breweries have decreased by 41%<sup>1</sup> and in 2017 the company has already reached its 2020 emission targets in production.

Jean-François van Boxmeer, Chairman of the Executive Board/CEO of HEINEKEN commented: "With all the good progress made in reducing our CO<sub>2</sub> emissions, now is the right time to set ourselves new targets. When I visit our breweries I want to see that we are brewing with real green energy and that we are not achieving our reduction targets by buying unbundled certificates."

"Beyond production, distribution and cooling, we are also going to take a close look at our packaging, because it represents a significant portion of our carbon footprint. Packaging is an area where reductions will be harder to achieve because we simply cannot do this alone. We invite our business partners and others to work with us to reduce emissions across our business," concluded Jean-François van Boxmeer who recently joined the CEO Climate Leadership Initiative at the World Economic Forum in Davos.

### **Targets to reduce carbon emissions in production**

HEINEKEN commits to increase its share of renewable energy in production from 14% today (renewable thermal energy and electricity combined) to 70% by 2030. This implies an 80% reduction target in carbon emissions<sup>2</sup> compared to the 2008 base year. During 2017 numerous projects have already been identified worldwide that will contribute to achieving the 2030 ambition. The targets will be externally verified by the Science Based Targets initiative.

The company realises that its diverse and extensive geographical footprint poses a challenge as it includes many countries in Africa, Asia and Latin America where renewable energy solutions are not readily available.

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<sup>1</sup> Reduction of 41% in relative terms i.e. CO<sub>2</sub> emissions reduction per hectolitre of beer produced. In absolute terms HEINEKEN production emissions have dropped by 7% even though production volumes grew by 57% in this time period.

<sup>2</sup> Relative reduction: CO<sub>2</sub> emissions reduction per hectolitre of beer produced.

HEINEKEN's energy footprint in production is driven by thermal energy (scope 1 of GHG Protocol), which it uses to heat the boilers needed for brewing and by the electricity needed for the production process (Scope 2 of GHG Protocol). Today the split of this energy mix is 70% thermal and 30% electricity.

The company has already made inroads to renewable electricity by using solar and wind energy. Its brewery in Massafra, [Italy](#) is one of the largest solar breweries in the world with a capacity of 3.3 MW, while its [Göss brewery in Austria](#) is carbon neutral. In [Singapore](#), HEINEKEN is brewing with solar energy and in the [Netherlands](#) the company is using wind energy and solar power. Currently 29% of HEINEKEN's global electricity usage is renewable.

Today 7% of the thermal energy used by HEINEKEN is powered by biomass and biogas. Making progress in renewable thermal energy is much harder to achieve than on the electricity side. Renewable thermal energy is often self-produced and needs to be reliable to keep the breweries running. In addition, today there are very few commercial solutions available here. However, the company has also experienced the positive impact that renewable thermal solutions can have on the communities in which it operates. Unproductive waste from communities can be turned into energy and provide income for the local people. In [Vietnam](#), for instance, the company sources rice husks from local farmers to heat its brewing boilers. In [Brazil](#) a new biomass boiler was fired up in 2017 at the company's brewery in Ponta Grossa, solely using woodchips from certified reforestation companies.

HEINEKEN will continue to embark on reforestation projects which help to offset carbon emissions and also support water preservation. Currently the company has reforestation projects in [Mexico](#), [Spain](#) and [Indonesia](#).

Internally HEINEKEN will start piloting Carbon Shadow Pricing to help drive sustainable investment and innovation decisions.

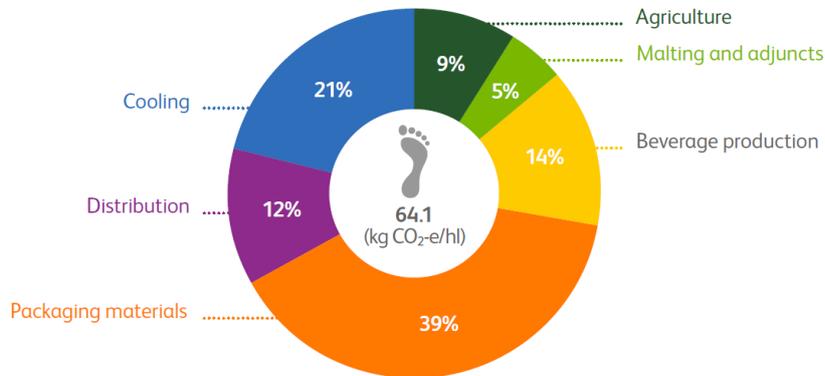
### **Renewed ambition for distribution, cooling and packaging**

HEINEKEN will set new emission reduction targets for distribution, cooling and packaging in the next two years. These three focus areas, part of the GHG protocol's scope 3, are difficult to tackle and neither HEINEKEN nor the industry can drive a reduction in carbon emissions on its own.

For distribution, the company will expand its reduction scope, currently only covering the Americas and Europe. For cooling, a focus area with HEINEKEN buying green fridges for many years already, the company will define new reduction targets. For packaging, reaching reduction targets will be most challenging given that it requires broad collaboration and changes in consumer behaviour. HEINEKEN is therefore committed to working with the industry, suppliers, governments, customers, consumers and other relevant parties. Collaboration, for instance, will be needed to increase the recycling rate of materials used in cans and bottles, reduce the amount of glass and other materials used in packaging and to support suppliers to move to renewable energy in their factories.

HEINEKEN's vision for renewable energy is called 'Drop the C', this name is inspired by the idea that taking the C out of CO<sub>2</sub> leaves Oxygen. The play on words is also about ensuring sea levels do not continue to rise.

## HEINEKEN Carbon Footprint\*



\* 2014 Carbon Footprint - data based on 80% of the HEINEKEN volume, representative for the total carbon emissions of the company. Carbon footprint data is updated every three years, the next update will be in 2018.

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**About HEINEKEN:**

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 300 international, regional, local and speciality beers and ciders. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management.

Through "Brewing a Better World", sustainability is embedded in the business and delivers value for all stakeholders. HEINEKEN has a well-balanced geographic footprint with leadership positions in both developed and developing markets.

We employ over 80,000 employees and operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Heineken N.V. and Heineken Holding N.V. shares trade on the Euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on Reuters under HEIN.AS and HEIO.AS. HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken N.V. (OTCQX: HEINY) and Heineken Holding N.V. (OTCQX: HKHHY). Most recent information is available on HEINEKEN's website: [www.theHEINEKENcompany.com](http://www.theHEINEKENcompany.com) and follow us on Twitter via @HEINEKENCorp.