HEINEKEN
Annual Report 2024

In this year's report

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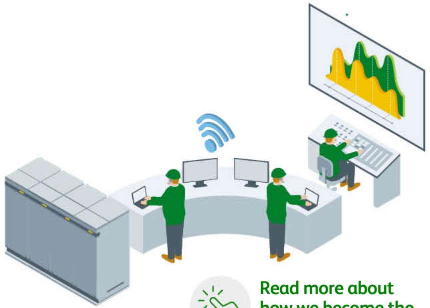

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The Sustainability Statements on pages 138 – 285 of the Annual Report form an integral part of the Report of the Executive Board. The Sustainability Statements are covered by limited assurance.

The PDF and iXBRL viewer copy of the annual report of Heineken N.V. for the year 2024 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815).

The ESEF reporting package is available at: theheinekencompany.com/investors/results-reports-webcasts-and-presentations

Chief Executive's Q&A

Our EverGreen formula for growth

> *Our EverGreen strategy is delivering top and bottom-line performance while investing in the future."*
>
> **Dolf van den Brink** Chief Executive Officer

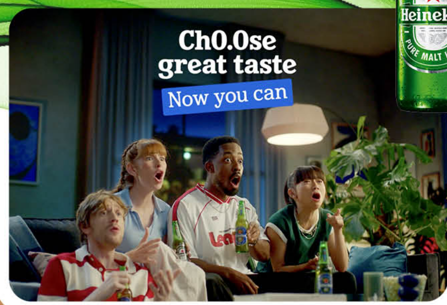
What are your top reflections on 2024?

We delivered strong top and bottom-line performance while investing in the future. I'm proud of our 85,000 employees: volatility remains, but we're navigating it with agility and resilience.

Beer volume grew organically in all regions, with net revenue (beia) increasing organically by 5%. We gained or held market share in more than half our markets, driven by growth in Brazil, India, Mexico, Nigeria, South Africa and Vietnam. Led by Heineken® and complemented by international and local premium brands like Birra Moretti, Desperados and Kingfisher Ultra, premium beer volume grew organically in the mid-single digits.

We continued to pioneer choice in low and no-alcohol (LONO) beverages, with portfolio volume growth in high single-digits and Heineken® 0.0 further consolidating its position as the world's #1 non-alcoholic beer brand.

With operating profit (beia) growth of 8.3%, we're delivering strong financials while also investing in the future through big investments in marketing and digitalisation.



How is HEINEKEN delivering on its EverGreen strategy?

Our EverGreen strategy aims to drive superior balanced growth while future-proofing the business.

We're driving premiumisation at scale, led by Heineken®. Alongside our sponsorship platforms, investments in campaigns like 'Heineken® The 1st Ahhh! and 'The boring phone' delivered premium organic beer volume growth of 5%.

To fund growth, we delivered €0.6 billion in gross savings in 2024, surpassing our €0.5 billion target. Productivity gains from supplier collaborations, procurement, digitalisation and transport optimisation allowed reinvestment in innovation, brand strength, digital transformation and sustainability.

We made progress against our Brew a Better World 2030 ambitions, reducing Scope 1 and 2 carbon emissions by 34% and Scope 3 by 14%. In total 39% of our volumes were sold in reusable format and we have 44% recycled content in bottles and cans.

Our digital transformation continued in 2024 with investment in our eBusiness platforms and our Digital Backbone (DBB). Leveraging data across almost all our operating companies, we deployed Artificial Intelligence (AI) to deliver insights that enhance productivity, customer satisfaction and agility.

People drive our success. To strengthen our winning culture, we launched LEAD, our global people manager initiative, and HEINEKEN's Women's Summit, a development programme for senior female leaders. These are accelerating our existing talent and leadership development initiatives.

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Chief Executive's Q&A

What consumer trends are unfolding?

Consumers are increasingly intentional about their choices which is driving premiumisation. We're investing in this trend through Heineken® and other premium brands like Birra Moretti, Desperados and Kingfisher Ultra. In 2024, Heineken® led our premium portfolio with growth across 53 markets. Led by China and Vietnam, Heineken® Silver achieved volume growth of 34%.

The trend toward moderation continues. We're investing in making sure there's always a choice to enjoy LONO options. We pioneered the category and continue to lead it through our brands and sponsorships. Our LONO portfolio saw high single-digit growth globally in 2024, with double-digit growth in 21 markets including Brazil, South Africa and Vietnam.

We've continued expanding beyond beer to meet evolving tastes, especially among Gen Z. Following a successful 2023 launch in Vietnam and Singapore, Tiger Soju entered more markets. Dos Equis and Red Stripe expanded their offerings, and we acquired a minority stake in STËLZ, a Netherlands-based low-calorie hard seltzer and spirits mixer. In the UK, we launched a Beyond Beer incubation hub to scale-up beverage innovation.

We're also elevating our vital mainstream brands, focusing resources on our biggest markets. The segment grew 1.8%, with Kingfisher strengthening its leadership in India, Larue and Bia Viet expanding in Vietnam, and Cruzcampo becoming the most successful alcoholic beverage launch in the UK of the decade. Amstel continued to deliver growth in Brazil.

How is HEINEKEN leaning into low and no-alcohol (LONO)?

When we launched Heineken® 0.0 in 2017, it was a pioneering game-changer: it was the first 0.0 beer to truly taste like the real thing. Introducing it as an extension of our leading brand and pricing it accordingly positioned Heineken® 0.0 as a premium offering. Leveraging marketing platforms like our F1™ sponsorship and committing 10% of our Heineken® media spend to responsible consumption campaigns helped us break 0.0 beer into popular culture.

Our investment hasn't gone unrewarded – we've captured more than 40% of category growth since 2018. This is only the beginning. Heineken® 0.0 is now available in 117 markets and we expanded zero alcohol variants across key market in 2024, including Żywiec in Poland, Zlatý Bažant in Slovakia, and El Águila in Spain.

What's the latest on digital and technology?

2024 was pivotal for our digital transformation as we future proof the company. Three operating companies went live with our Digital Backbone (DBB), replacing fragmented systems with a modular, standardised and cloud-based platform.

We are increasingly deploying AI across all aspects of our business. By turning data into a strategic asset, in 2024 we continued to unleash AI-driven products that are streamlining our operations, driving efficiencies, optimising engagement and empowering growth.

Elsewhere, digitalisation is improving customer engagement. Our eB2B platform, eazle, reached close to €13billion in gross merchandise value, connecting more than 670,000 active customers and driving 70% of fragmented trade revenue.

What about sustainability and responsibility?

Our Brew a Better World 2030 strategy drives our sustainability and responsibility ambitions, addresses environmental and social challenges and helps us future proof our business.

We have made good progress against our 2030 goals and recognise there is more to do. We have reduced Scope 1 and 2 carbon emissions by 34% since 2022. Last year 84% of the electricity used in our operations came from renewable sources, which in many countries also protected us from volatile energy markets.

Thermal heat, which is two thirds of our energy consumption, is harder to replace with renewable sources. Challenges vary across the globe from inadequate energy infrastructure to gaps in regulation and policy. These barriers limit available solutions and make others financially unviable. But there are success cases; two of our largest operating companies, Brazil and Vietnam, are using biomass and two of our breweries in Spain are using concentrated solar thermal to harness the power of the sun.

In the social space, we met our 2025 goal of 30% women in senior management a year early and remain committed to reaching 40% by 2030, strengthening our female talent pipeline. Responsible consumption is an important aspect of how we do business and can also be a driver of growth. Our goal is to have a zero alcohol option for at least one strategic brand in the majority of our operating companies (representing 90% of our business) by 2025. In 2024, we achieved this, with the number of markets with a zero alcohol option for at least one strategic brand representing 91% of our beer and cider volumes.

We remain dedicated to delivering our sustainability and responsibility goals, navigating delivery with pragmatism, innovation and collaboration.

What's the outlook for 2025?

As we advance our EverGreen journey, we remain committed to our medium-term ambition to deliver superior growth, balanced between volume and value, and continuous productivity improvements to fund investments and enable operating profit (beia) to grow ahead of net revenue (beia) over time. We expect to grow operating profit (beia) organically in the range of 4% to 8% in 2025.

2025 will be a year of continued agility driven by the dedication and creativity of our people, stakeholders and partners across the globe. We will continue building great brands, brewing good times, driving product innovation and accelerating digitalisation. Here's to the joy of true togetherness in the year ahead!

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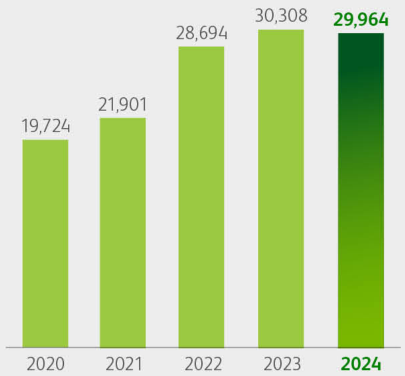
Performance highlights

Solid results with broad-based growth and profit expansion in 2024

Net revenue (beia)

in millions of €

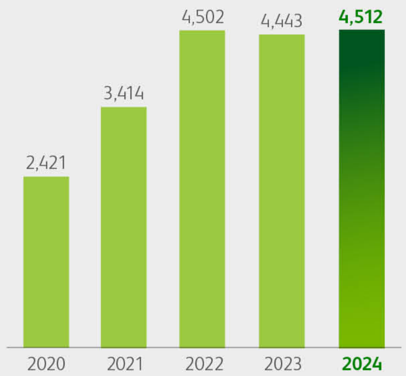
€29,964m



Operating profit (beia)

in millions of €

€4,512m



Consolidated beer volume

in millions of hectolitres

240.7mhl

Gender balance

30%

of our senior management positions were held by women

Carbon emissions

34%

reduction of Scope 1 and 2 emissions vs. 2022

Average water usage (hl/hl)

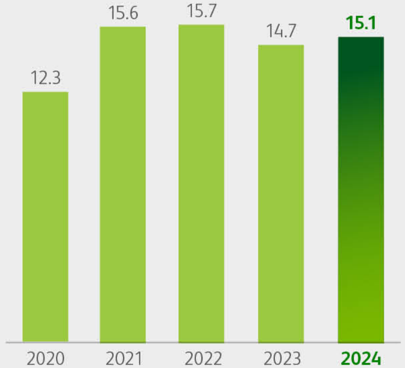
11%

improvement compared to 2018

Operating profit margin (beia)

in percentages

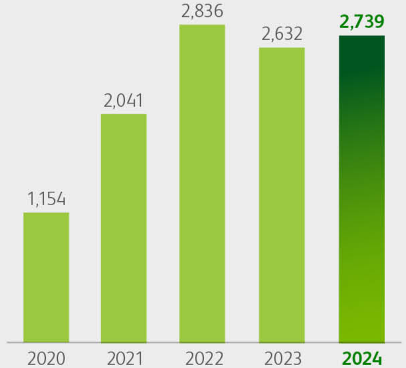
15.1%



Net profit (beia)

in millions of €

€2,739m



Heineken® volume

in millions of hectolitres

61.1mhl

Responsible consumption

15%

of Heineken® media spend invested in our responsible consumption campaigns

Key figures[1]

Consolidated results

In millions of €	2024	2023	Change in %
Revenue	35,955	36,375	(1.2%)
Net revenue	29,821	30,362	(1.8%)
Net revenue (beia)	29,964	30,308	(1.1%)
Operating profit	3,517	3,229	8.9%
Operating profit (beia)	4,512	4,443	1.6%
Net profit	978	2,304	(57.6%)
Net profit (beia)	2,739	2,632	4.1%
EBITDA (beia)	6,685	6,541	2.2%
Dividend (proposed)	1,042	969	7.5%
Free operating cash flow	3,058	1,759	73.8%

Balance sheet

In millions of €	2024	2023	Change in %
Total assets	53,773	55,153	(2.5%)
Shareholders' equity	19,581	20,056	(2.4%)
Net debt position	14,651	15,835	(7.5%)
Market capitalisation	38,825	51,852	(25.1%)

Per share

	2024	2023	Change in %
Weighted average number of shares – basic	560,188,961	563,448,845	(0.6%)
Net profit	1.75	4.09	(57.2%)
Net profit (beia)	4.89	4.67	4.7%
Dividend (proposed)	1.86	1.73	7.5%
Free operating cash flow	5.46	3.12	75.0%
Shareholders' equity	34.95	35.60	(1.8%)
Share price	68.70	91.94	(25.3%)
Weighted average number of shares – diluted	560,639,030	563,979,620	(0.6%)
Net profit (beia) – diluted	4.89	4.67	4.7%

Employees

	2024	2023	Change in %
Average number of employees (FTE)	88,497	89,732	(1.4%)

Ratios

	2024	2023	Change
Operating profit (beia) as a % of net revenue (beia)	15.1%	14.7%	40 bps
Net profit as % of average equity attributable to equity holders of the Company	4.9%	11.6 %	(6.7)
Net debt/EBITDA (beia)	2.2	2.4	(0.2)
Dividend % payout	38.0%	36.8%	1.2
Cash conversion ratio	102.6%	61.4%	41.2

1 (beia) is before exceptional items and amortisation of acquisition-related intangible assets. Please refer to the Glossary section for an explanation of non-GAAP measures and other terms used throughout this report.

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Executive Team

Working closely with our operating companies, the Executive Team is responsible for the implementation of our global strategy. It consists of two members of the Executive Board, four Regional Presidents and five Chief Officers.

From left to right:

Magne Setnes
Chief Supply Chain Officer

Jacco van der Linden
President, Asia Pacific

Yolanda Talamo
Chief People Officer

Marc Busain
President, Americas

Dolf van den Brink
Chairman Executive Board and CEO

Glenn Caton
President, Europe

Bram Westenbrink
Chief Commercial Officer

Harold van den Broek
Member Executive Board and CFO

Joanna Price
Chief Corporate Affairs Officer

Ronald den Elzen
Chief Digital and Technology Officer

Roland Pirmez
President, Africa and Middle East

Our business model

From barley to bar

We generate value by brewing and selling premium beers, ciders and more, bringing people together for moments of joy, sociability and connectedness.

As these pages show the full breadth of our influence along the value chain, we've highlighted our Scope 1, 2 and 3 emissions. Scope 1 are direct emissions that are owned or controlled by us. Scope 2 and 3 are indirect emissions as a consequence of our activities and occur from sources we don't control, but do influence. We have sustainability initiatives along our value chain and see this as another crucial source of wider value creation.

Upstream

Agriculture

HEINEKEN sources key ingredients like barley, hops, corn and bittersweet apples (for cider) from farmers, working closely with suppliers to improve crop yields and quality.

As one of the world's top three users of malted barley, our sourcing strategy is designed to bring flexibility to the supply chain. We obtain barley from across the world, including Western and Central Europe, the UK, Scandinavia, Egypt, Ethiopia, Australia, the US, Argentina, Mexico and Brazil.

In Africa, where barley is scarce, we primarily import malt and rely on local ingredients like cassava, sorghum and rice, sourced from over 150,000 smallholder farmers.

~300
low carbon farming projects underway.

Packaging

Most of our beer and cider is served in bottles, cans and kegs, with glass and aluminium as primary packaging materials and plastic and paper for secondary packaging. Packaging plays a vital role in protecting our products through preserving freshness and in enhancing our marketing and branding with distinctive designs that convey their premium nature.

In most cases our packaging is sourced from suppliers, who compete in a competitive market on price, capacity, volume and quality. Driving efficiencies along our end-to-end supply chain is a key success factor: we are unifying, digitalising and streamlining operations across all our breweries.

98%
of packaging recyclable by design at the end of 2024

Operations

Brewing

We operate 181 breweries, cider plants and other production facilities worldwide. Currently, 90 breweries are connected to our Connected Brewery programme, enabling them to utilise Smart Brewery technology. This integration helps reduce waste and maximise output. Additionally, our connected worker apps empower over 20,000 operators with smart instructions and support, further enhancing efficiency.

Elsewhere, Total Productivity Maintenance streamlines performance reporting and enhances equipment reliability, and robotics are increasingly used to automate and improve safety, maintenance and other critical tasks. By connecting thousands of machines generating billions of data points, we optimise productivity and quality while delivering recurring cost savings.

~90
breweries where our Connected Brewery programme is live

Our business model

Operations Downstream

Logistics

Most of our products are produced in the countries where they're consumed. We manage profitability by enhancing productivity in our warehouses, carefully selecting third-party carriers and optimising our transport network.

This is supported by our digital transformation programme and the ongoing replacement of existing fragmented technologies with a modern, modular architecture and standardised cloud-based platforms. This helps us improve ways of working, transport planning, and warehouse management. Scaling these capabilities across our operations helps us improve customer experience, drive end-to-end efficiencies, reduce emissions and save costs.

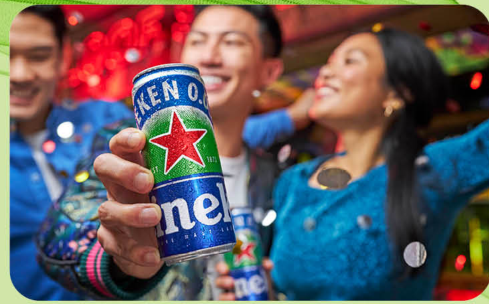
~4,700
logistics service providers used across our operations

Customers

Our customers include retailers, wholesalers and distributors, bars, restaurants and clubs where consumers enjoy moments of connection and celebration. In some countries, such as the UK, Mexico and Egypt, we also own and operate bars and retail outlets.

Our scale combined with new artificial intelligence (AI) solutions helps us continuously improve customer experiences and grow revenues. Digital innovation is providing insight that transforms sales representatives into strategic business advisors and delivers personalised recommendations to customers, boosting sales on our eB2B platform. Elsewhere, increasingly connected outlets are helping customers automate stock replenishment and optimise inventory.

190
countries where our brands can be enjoyed



Consumers

Every day, millions of consumers across 190 countries enjoy one of our more than 500 brands. Our premium portfolio approach offers consumers choice while strengthening pricing power and driving revenues.

Innovation, particularly in low and no-alcohol categories, caters for evolving tastes. HEINEKEN's global scale allows us to sponsor major events like Formula 1 and the UEFA Champions League, enhancing brand visibility. We use digital tools and apps to enrich the experiences of existing consumers and win new ones, simultaneously delivering valuable data that informs ongoing marketing optimisation and boosts revenue.

500+
brands across our portfolio

Read more about our value chain from a sustainability perspective
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Our strategic framework

Our strategy

EverGreen is a bold multi-year strategy that empowers us to adapt to a fast-changing world and future-proof the business.

We brew more than just beer: *we brew the joy of true togetherness to inspire a better world.* With every pour, we create space for connection. With every moment shared, we create space for joy.

This is our purpose – our reason for being. It shapes both our values and our dream to win the hearts of consumers by shaping the future of beer and beyond, guiding our actions in the short and long term. We're committed to empowering a more open-minded, meaningfully connected world, and building a company that can constantly renew, adapt and improve itself in service of this aim.

Inspired by this purpose, EverGreen is our strategy to deliver superior and balanced growth, which puts us on a journey of constant renewal and adaption.

This strategy focuses on five business priorities: enhancing our diverse portfolio of brands to cater for evolving tastes and needs; driving productivity that frees resources for investment in balanced growth; leveraging digital transformation to streamline our operations and deepen consumer connections; weaving our Brew A Better World ambitions into decision making; and helping our people thrive within a winning culture.

That's EverGreen, and through it we are positioned to meet short-term challenges, ensure the long-term sustainability of our business and create lasting value for all our stakeholders.

Our Purpose

Brewing the joy of true togetherness to inspire a better world

Our Values

Passion for consumers and customers

Courage to dream and pioneer

Care for people and planet

Enjoyment of life

Our Dream

Shaping the future of beer and beyond to win the hearts of consumers

Our Green Diamond

Delivering superior, balanced growth

Growth
Profitability
Capital efficiency
Sustainability & Responsibility

Our Business Priorities

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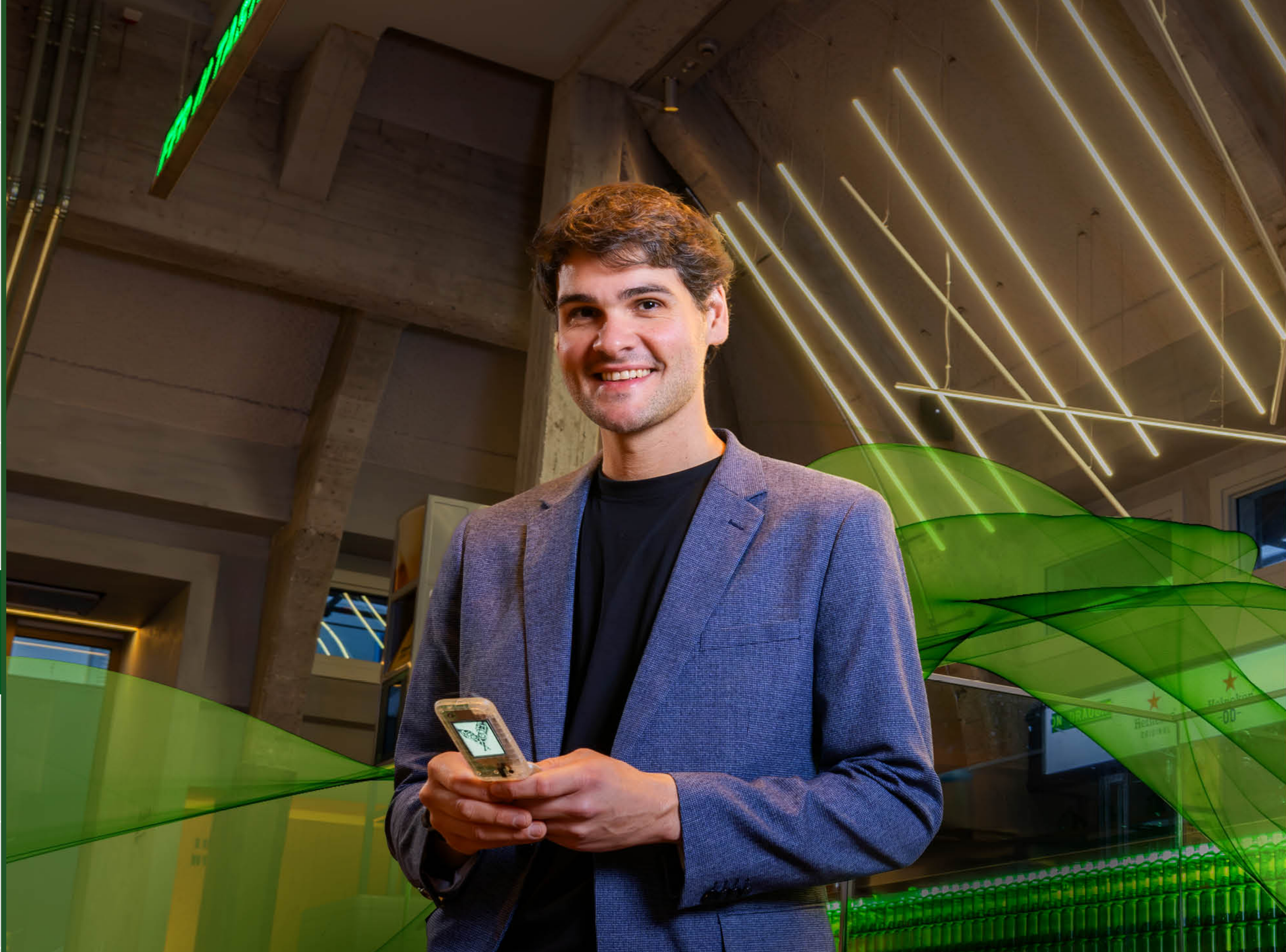

Business priority

Shape the future of beer and beyond

We innovate across beer to respond to market opportunities and to grow the category. This includes a focus on premiumisation that is led by Heineken® but driven across the breadth of our portfolio. We continue to extend our portfolio of low-calorie, flavoured and less bitter variants to meet emerging consumer demand and build our leadership in low and no-alcohol beverages.

While beer remains fundamental to our business, there are opportunities for growth beyond the category. We continue to invest in cider and other refreshing line extensions to keep our portfolio modern and relevant.

> *"Culture Pulse spots trends in culture that Heineken® can play an authentic part in and delivers timely, relevant and provocative campaigns. In this way, we deliver stories that get people talking and bring our point of view on socialising into the conversation."*

Guilherme Retz Global Communications Manager Heineken® Brand

Read more on how Heineken® is tapping into cultural trends

Shape the future of beer and beyond

Driving premiumisation at scale with Heineken®

Present in over 190 countries and delivering growth in 2024, Heineken® continues to solidify its position as the world's most global beer brand. This success stems from a commitment to empower meaningful consumer connections, champion 'social life' at the heart of our messaging and embrace creativity as a cornerstone of our communications.

Key markets like Brazil and Vietnam led exceptional brand growth, with more than half of operating companies reporting volume increases and more than a quarter achieving double-digit growth.

Our creativity was celebrated globally. Heineken® earned the title of the most creative alcoholic drinks brand and the second most creative brand across all categories at the prestigious Cannes Lions, taking home a record 22 awards in 2024. The power of creativity was evident in the brand growing in value by 18% across the year.

But premiumisation isn't just about creativity: it's also about a deep and consistent commitment to quality. Our 'The First Ahhh!' campaign highlighted our dedication to the craft of brewing and the joy and refreshment of the first sip of a crisp Heineken®.

The more refreshing your social life, the more rewarding

Our goal continues to be establishing Heineken® as the undisputed leader in the beer category for brand value. We will achieve this by acting as a champion of quality socialising, inspiring a more open and inclusive social life. Our brand communications focus on tackling the barriers to meaningful social connections, as seen in groundbreaking campaigns throughout 2024.

During Milan Design Week, Heineken® introduced 'The Boring Phone' in collaboration with HMD and BODEGA. This stripped-down mobile device encouraged consumers to stay present during nights out, resonating with younger audiences who often find themselves distracted by 'doomscrolling'. With 9.5 billion organic opportunities to see (OTS) across 120 countries, the campaign boosted the brand's associations with innovation and uniqueness, driving sales in key markets with the key message 'there's more to social life when there's less on your phone.'

On International Beer Day, our 'Forgotten Beers' campaign reminded consumers that the most important part of enjoying Heineken® is the social moments enjoyed with it. Launched in over 50 markets, the campaign reached 150 million OTS through earned media, reinforcing the brand's role in creating wonderful moments of socialisation.

Through its sponsorships of both the UEFA Champions League and the UEFA Women's Champions League, Heineken® has advanced its mission to make football more inclusive and welcoming for all fans, everywhere. Our 'Cheers to the Real Hardcore Fans' campaign challenged stereotypes about fandom while celebrating the passion and behaviour of true supporters.

Tackling the barriers to socialising isn't just about social issues – it's about protecting social environments, too. In Ireland, the 'PubMuseums' campaign, part of our Back the Bars initiative, aimed to provide pubs with opportunities and resources usually reserved for other cultural landmarks. Supporting pubs with a digital twist to preserve their heritage in a fresh, modern way, we garnered global acclaim for advertising rooted in this genuine cultural insight.

Moderation matters

Heineken® continues to lead the way in promoting responsible consumption through its global partnership with F1™ and the 'When You Drive Never Drink' initiative, amplified by Max Verstappen, now a four-time world champion. With F1™ being one of the fastest-growing sports and entertainment platforms today, our efforts have significantly expanded the audience for Heineken® 0.0 and our 'Always a Choice' message.

Present in 117 countries, Heineken® 0.0 remains at the forefront of the non-alcoholic beer (NAB) category and is a driving force in making NAB options accessible and desirable for everyone, everywhere. In 2024, innovation in draught systems to make sure Heineken 0.0® can be served from the tap alongside alcoholic beers was crucial to normalising its consumption.

Addressing social stigmas around low and no-alcohol beverages, Heineken® launched research with Professor Spence of the University of Oxford revealing that 21% of Gen Z conceal drinking NAB due to fear of judgement. We'll challenge this stigma in 2025 with our '0.0 Reasons Needed' campaign, empowering consumers to enjoy Heineken® 0.0 for its great taste – no reason needed!

Shape the future of beer and beyond

International brands

Amstel – share your true selves and bond with friends

Amstel is HEINEKEN's second-largest international beer brand and one of the fastest-growing globally. Available in more than 80 markets, it continues to resonate with consumers through offering an accessible premium experience that turns ordinary gatherings into meaningful moments of connection. Fuelled by strong volume and equity gains across our Americas, Africa and Middle East regions, Amstel achieved mid single-digit revenue growth in 2024.

We reinforced Amstel's brand strength through innovative campaigns and product launches. Two activations celebrated our brand's heritage. In Brazil, 'I Amstel' promoted authenticity and freedom, encouraging people to be themselves among friends, while 'Amstel Spirit of Amsterdam' offered a tribute to Dutch King's Day.

Elsewhere in Latin America, our sponsorships of the Copa Libertadores and Copa Sudamericana celebrated the passions that unite friends and how the act of cheering shows your genuine self. Music also played a pivotal role, with the Friends of Amstel event in the Netherlands and South Africa combining entertainment and brand storytelling.

Product innovations expanded Amstel's appeal to underserved consumers, including launches of Amstel Grande in India, Amstel Extra in China, Amstel Rosé 0.0% in the Netherlands and Amstel Radler in South Africa, and relaunches of Amstel Original in Peru and Paraguay. We will continue our focus on boosting brand power in 2025, offering a premium proposition at an accessible price, extending our footprint and welcoming even more consumers into Amstel's world of genuine connections.

Birra Moretti – enjoy life's simple pleasures

Since 1859, Birra Moretti has stood as a symbol of authentic Italian heritage, building relevance through celebrating life's simple pleasures. As one of Europe's fastest-growing premium beer brands, it continues to expand its presence globally, delighting consumers in more than 40 markets beyond Italy.

In 2024, we launched a new Enjoy Life's Simple Pleasures campaign highlighting how Italians, with a touch of playful ingenuity, find joy in even the simplest moments. To further boost perceptions, we unveiled a product-focused campaign highlighting how Birra Moretti's taste, refreshment and craftsmanship is 'worth pulling up a chair for'. Later in the year, our first-ever Christmas campaign – featuring a decorated ape and the tagline 'Enjoy Life's Simple Pleasures this Festive Season' – helped drive growth at this critical calendar moment. 2024 also marked the international expansion of our portfolio with the launch of Sale di Mare in the UK and Romania.

Looking ahead, Birra Moretti will continue to bring loved ones together to share moments of good food, good company and great beer.

Tiger – you never roar alone

Since its launch in 1932 on the streets of Singapore, Tiger has been inspiring boldness and progress, earning its place as the #1 international premium beer in Asia.

In 2024, Tiger embraced the power of the collective through a new brand platform, You Never Roar Alone, built on a belief that progress isn't a solo journey, but one fuelled by the strength and support of your community.

This platform inspired a refresh of the iconic Tiger visual identity, with striking packaging updates rolling out across key Asian markets, and a series of innovative partnerships. Tiger became the Official Beer Partner of Manchester United, launching with co-branded watch parties, exclusive matchday experiences and, in 2025, the first-of-its-kind street football events across Asia and beyond. In December, Tiger further expanded its football presence by becoming the Official International Beer Partner of Tottenham Hotspur.

From igniting consumers, their passions and communities to uncaging bold new designs, Tiger continues to redefine the beer category with an unwavering focus on 'uncaging your Tiger' through connection, innovation and progress, making sure its roar is heard across its 60 markets and beyond.

Shape the future of beer and beyond

Desperados – the beer with Latin vibe

Desperados is a unique product that offers the spirit of experimentation, spontaneity and self-expression, engaging with young consumers across more than 30 markets globally. In 2024, the brand embarked on a review of its DNA to ensure even greater relevance with Gen Z audiences and enhance consistency across its markets.

This reflection culminated in a bold new positioning, The Beer with a Latin Vibe, set to launch in January 2025. Inspired by the belief that a life constrained is a life unlived, the positioning will come to fruition through a complete brand reset (campaign, visual identity, below the line, experiential and innovation) igniting moments of connection and celebration. This reset will tap into a series of culturally relevant passion points, empowering Gen Z to sidestep life's uncertainties and live it to the full.

The new positioning will deepen connections with Gen Z and pave the way for new consumer recruitment across the HEINEKEN portfolio.

Sol – sun-powered positivity

Sol spreads positivity and brightens the world with optimism, encouraging carefree enjoyment since 1899.

Present in over 50 markets, Sol continued to shine in 2024, achieving single-digit growth outside its home market of Mexico and strong performance in Brazil, South Africa, Chile and Colombia.

Innovation played a key role, with the launch of Sol 0.0% in Brazil – a no-alcohol beer enriched with vitamins for health-conscious consumers – and Sol Mix, a range of cocktail-inspired flavoured lagers, in Chile. In Mexico, Sol Mezclas now leads the flavoured beer category.

Alongside these innovations, the brand is refreshing its visual identity with a bold, legacy-inspired design, starting in South Africa and set for a global roll-out in 2025.

With a new campaign launching in 2025, Sol is poised to strengthen its connection with consumers by offering vibrant, versatile experiences that meet the evolving demands of modern beer drinkers.

Pioneering choice in low and no-alcohol

The drivers of moderation are evolving. As wellbeing becomes more holistic, positive and lifestyle-oriented, consumers want choices that align with diverse needs and occasions.

The 0.0 beer category is one of the fastest-growing, expanding at 5% annually over the past five years. HEINEKEN leads the way, shaping and driving the category's growth. Now available in 117 countries, Heineken® 0.0 is the global leader in the low and no-alcohol space.

We continued to drive growth for Heineken® 0.0 across 2024, building engagement with consumers through communications, sponsorships and heavyweight media investment. Evidence of our commitment and belief in the category is the ongoing wide-scale roll-out of 0.0 on draught in Spain, France, the Netherlands, the UK and Ireland. A significant driver in the democratisation of non-alcoholic beer, this is breaking down lingering stigma and boosting accessibility.

Elsewhere, innovation continued to fuel our portfolio. In Poland, Żywiec 0.0, HEINEKEN's third-largest 0.0 brand, grew by 36% in 2024, driven by its botanical flavoured zero range, which nearly doubled volumes with raspberry and mint line extensions.

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Shape the future of beer and beyond

Stretching beyond beer

In 2024, we continued to make strategic investments and expand our portfolio of refreshing brands beyond beer, particularly in markets where beer faces challenges or where significant growth potential exists. This strategy reflects shifting consumer preferences and evolving drinking behaviours, largely driven by Gen Z.

Red Stripe, for example, tapped into their heritage to stretch beyond beer with the expansion of Rum Stripe beyond the US and Jamaica to the UK. Building on its successful launch in Vietnam and Singapore in 2023, Tiger Soju expanded into yet more markets in 2024.

Following our investment in 2023, UK-based ready-to-drink (RTD) brand SERVED introduced premium cocktails and broadened its on and off-trade distribution. We also acquired a small minority stake in Netherlands-based STËLZ, whose low-calorie hard seltzers and spirit mixers resonate with Gen Z consumers. Additionally, a small investment in G Spot, a startup founded by actress Gillian Anderson offering alternatives to traditional wellness brands, is helping us learn about the evolution of functional beverages in the UK.

With an eye on the future, we launched a Beyond Beer incubation hub in the UK to nurture and grow our Beyond Beer portfolio through separate sales and marketing channels. This unit has already introduced Desperados Cocktails and Rum Stripe in select London channels.

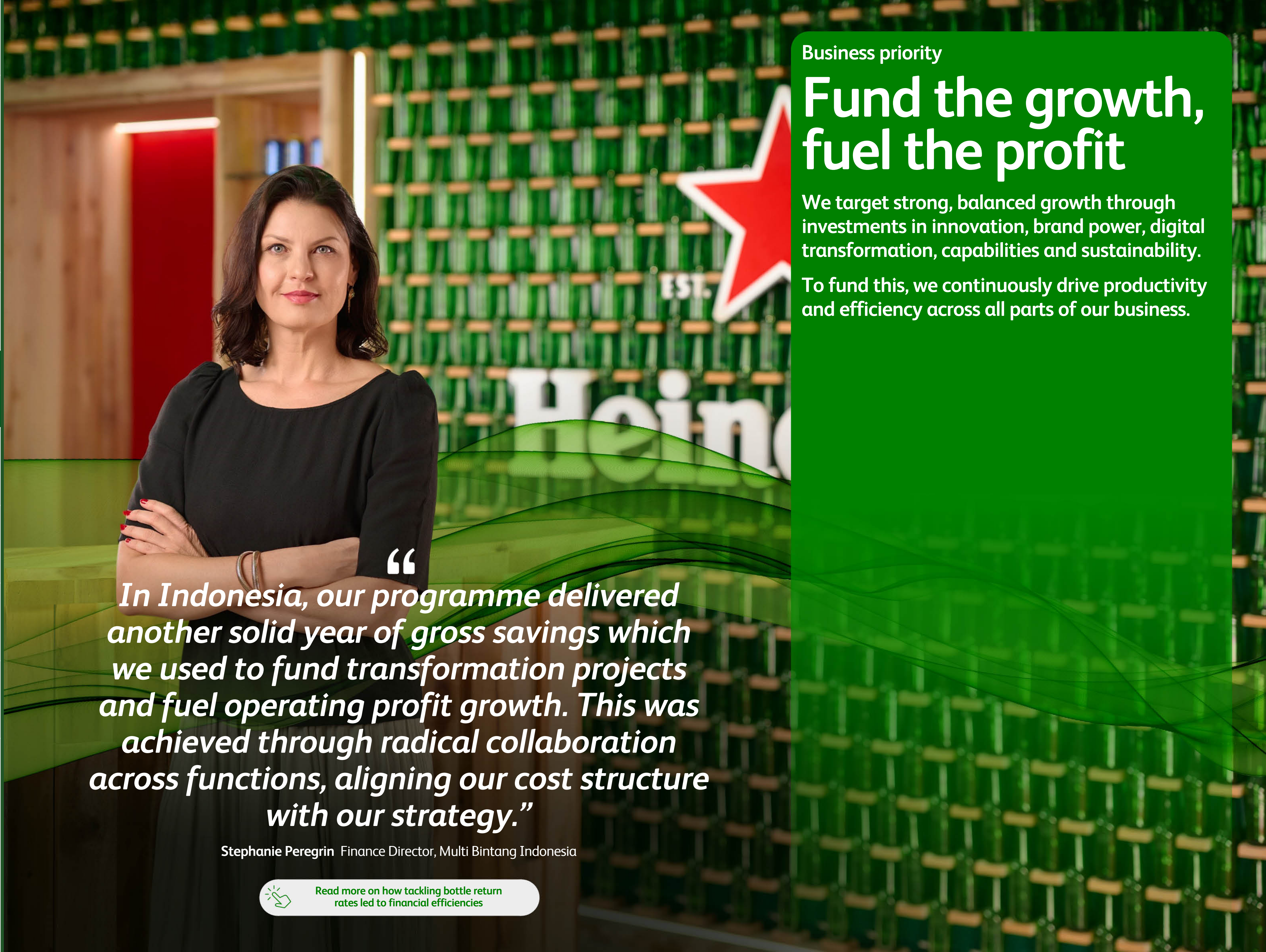
Cider returns to growth

After years of decline, the cider category is back on track, closing 2024 at 8mhl – up organically 2% year-on-year. Momentum was strong in South Africa, Mozambique, Ireland, Spain and the Czech Republic.

In the UK, our cider portfolio continued to grow, powered by the success of Inch's and Old Mout. In South Africa, our cider portfolio outperformed the category thanks to the exceptional performance of Savanna. Innovations including the launch of a premium, whisky-flavoured cider, Savanna Neat, further solidified our leadership position. We successfully pushed the boundaries of the cider category in Spain, with Ladrón de Verano contributing significantly to growth.

"We continued to drive premiumisation with Heineken® leading the way, delivering growth through creativity, quality and meaningful consumer connections. From 0.0 innovation to expanding beyond beer, we're shaping inclusive and rewarding social experiences for consumers worldwide."

Bram Westenbrink
Chief Commercial Officer



Business priority

Fund the growth, fuel the profit

We target strong, balanced growth through investments in innovation, brand power, digital transformation, capabilities and sustainability.

To fund this, we continuously drive productivity and efficiency across all parts of our business.

> *"In Indonesia, our programme delivered another solid year of gross savings which we used to fund transformation projects and fuel operating profit growth. This was achieved through radical collaboration across functions, aligning our cost structure with our strategy."*

Stephanie Peregrin Finance Director, Multi Bintang Indonesia

Read more on how tackling bottle return rates led to financial efficiencies

Fund the growth, fuel the profit

Successful delivery of our agenda

With strong contributions from all teams across HEINEKEN, we delivered more than €600 million in gross savings in 2024, exceeding our ambition of €500 million. This enabled us to invest more in incremental marketing and sales as well as helped fund the digitalisation of our business, and improve profitability.

Approximately 40% of the gross savings were enabled by supplier collaboration and new procurement initiatives, 40% from digitally enabled supply chain productivity and transport network optimisations, and 20% from other fixed cost reductions.

While in 2022 and 2023 gross savings mitigated the impact of rising inflation, in 2024 we've used gross savings to unlock growth and margin expansion through smart investments in marketing, sales and other strategic initiatives. In Algeria, for example, a cross-team approach to cost efficiency enabled sustainable, profitable growth of the Heineken® brand. In Mexico, we opened a new canning facility to enable a more cost-efficient, end-to-end value chain and further expanded our Six retail store footprint, investing in digital solutions to further drive long-term sustainable productivity.

We also made significant investments in growing the returnable bottles market in Spain, South Africa, Indonesia and elsewhere to offer better, more sustainable choices to consumers and improve capital productivity.

In addition to local projects, the roll-out of eazle, our eB2B platform (read more about this on page 27), has exponentially grown the proportion of customers connecting with us digitally. This is not only driving better and more competitive customer service but also helping to deliver the cost efficiencies we continue to unlock through digitalisation.

Building sustainable, cost-conscious capabilities and culture

A key focus in 2024 has been embedding cost-conscious culture and capabilities within all teams. Our new F&F2WIN ('Fuel the Growth, Fund the Profit 2WIN') framework ensures that cost-consciousness is at the heart of all business decisions.

The framework provides practical guidance for teams to implement locally. Digital tools allow operating companies to benchmark performance against each other, search for relevant projects implemented elsewhere and learn best practices. From Brazil to Hungary and Nigeria to Papua New Guinea, this is enabling quicker and easier transfer of experience and knowledge across the world.

We're proud of the steps teams across HEINEKEN have made to deliver on our ambitions and to learn, share and reapply experiences from and with colleagues around the world. It is this culture of continuous improvement that will keep these crucial capabilities sustainable for the long term.

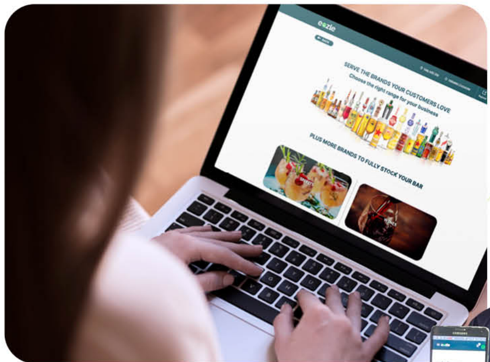
Looking ahead

A pipeline of initiatives, including continued network consolidation in Europe, AI-enabled transport and brewery planning, increasing automation powered by our common IT infrastructure (read more about our Digital Backbone on page 29) and the delivery of further synergies in South Africa, will continue to deliver efficiencies in 2025 and beyond.

While we've already over-delivered on our Fund the Growth, Fuel the Profit ambitions for gross savings, the next stage is to make sure we continue to deliver superior and balanced growth, shifting from managing volatility to truly funding growth and fuelling profit. We will continue to use efficiencies to: step up investments in brands, customers and consumers in key markets to deliver long-term sustainable growth; invest in sustainability through renewable energy sources, returnable bottles and water reduction; and maintain our investments in becoming the best-connected brewer, leveraging the power of data and AI in processes across our business.

"In 2022 and 2023, our commitment to this agenda helped us navigate global supply challenges and counteract soaring inflation. We shifted our focus in 2024, reinvesting in growth by fuelling brands, advancing digitalisation and supporting sustainability. A range of smart investments has made sure we uphold the quality customers trust while driving cost efficiencies."

Magne Setnes
Chief Supply Chain Officer



Business priority

Raise the bar on sustainability and responsibility

We recognise that our activities have both negative and positive impacts on the environment and society. Since 2021, our Brew a Better World 2030 strategy has been the foundation for driving progress towards a net zero, fairer and more balanced world.

As we achieved some of our 2023 goals, we refined our approach. We remain focused on our three pillars – Environmental, Social and Responsible, and continue working within our business and across our value chain to drive transformational and long-term change.

"What began as a vision to decarbonise our operations is now starting to become a reality, thanks to the dedication of our teams and partners to innovative solutions. If all goes to plan, our Vialonga brewery will reach 100% renewable energy in production by 2030 – a major ambition for us in Portugal."

Pedro Sousa Supply Chain Investment and Innovation Projects
Sociedade Central de Cervejas

Read more about the zero emissions ambition in Portugal

ENVIRONMENTAL: NET ZERO • CIRCULARITY • WATER & NATURE
SOCIAL: DIVERSITY • FAIR & SAFE • COMMUNITY IMPACT
RESPONSIBLE: ALWAYS A CHOICE • ADDRESS HARMFUL USE • MODERATION
HEINEKEN BREW A BETTER WORLD RAISE THE BAR 2030

For more information on our Brew a Better World ambitions and goals, and the disclosures required under CSRD refer to the sustainability statements on page 146–147 which are part of the Report of the Executive Board

Raise the bar on sustainability and responsibility

Environmental

Making steady progress on the path to net zero

Climate change and nature loss are changing how we operate and shaping our plans for the decades to come. We have accelerated efforts to reduce emissions, support a circular economy, and protect the health of local watersheds and nature.

Our Net Zero strategy focuses on achieving net zero across our value chain (Scope 1, 2 and 3) by 2040[1]. We are driving towards net zero Scope 1 and 2 emissions by 2030[2] alongside reducing Scope 3 emissions by 26%. We aim to reduce Scope 3 by decreasing forest, land and agriculture (FLAG) emissions by 30% and energy-based emissions (non-FLAG) by 25%. These goals were validated by the Science Based Targets initiative (SBTi) in 2023. All performance on carbon is now measured against a 2022 baseline.

Accelerating a reduction in Scope 1 and 2

We have reduced Scope 1 and 2 emissions by 34% compared to the 2022 baseline (2023: 19%). We cannot use a one size fits all approach, and decarbonisation requires precise planning and tailored solutions. We are developing custom strategies for each location which account for geographical, socio-political, technological and economic variations.

With hundreds of projects to develop, we must invest strategically in the most cost-efficient and impactful initiatives. We have developed a financial model to evaluate projects and prioritise investments, strengthening cost management and helping us define future investments. This enabled us to review our technology portfolio and deprioritise solutions where cost trends remain too high. Our approach combines in-house expertise with strategic external partnerships. We are collaborating with Siemens, Royal HaskoningDHV, NIRAS, Engie and Arcadis to drive decarbonisation efforts across nearly 181 sites globally.

In 2024, we invested in strategic projects including an electric boiler in Ethiopia, a heat pump in Hungary and renewable thermal solutions in Portugal.

We continue to implement a toolkit to increase the adoption of renewable electricity, including power purchase agreements (PPAs), on-site solutions, energy certificates and other mechanisms. After six years of development, we secured two strategic PPAs in Nigeria and implemented renewable electricity solutions in smaller markets like Suriname, the Democratic Republic of Congo (DRC) and Peru. In 2024, we used 84% renewable electricity across our global operations. Some of our Renewable Electricity projects allow us to identify cost savings and manage volatile energy prices.

While our holistic approach has enabled us to decouple growth from Scope 1 and 2 emissions, the road ahead is not smooth and we anticipate that future carbon reductions will not be linear.

Access to renewable thermal energy remains a significant challenge. Barriers vary across the globe from fragmented energy infrastructure to gaps in regulation and policy. These obstacles limit available solutions, and make some financially unviable.

It is too early to determine the impact of such challenges on our ability to achieve our goals. Despite this, we remain steadfast in our ambitions and will continue to engage with policymakers to advocate for removing barriers to decarbonisation and explore innovative solutions with our partners.

Establishing the foundations to scale Scope 3 reductions

We aim to reduce Scope 3 emissions by collaborating with strategic suppliers to facilitate the transition to renewable energy, low-carbon technologies, circular packaging and sustainable agricultural practices. Our updated Scope 3 strategy focuses on our largest emissions sources – agriculture and packaging – alongside enhancing supplier capabilities and fostering partnerships.

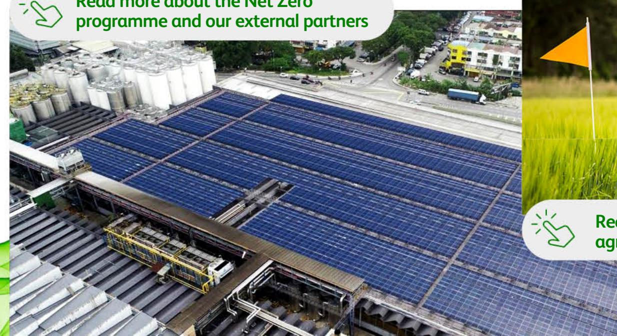
Decarbonising Scope 3 is complex, with challenges including inconsistent emission methodologies and data quality. While we are making progress, there is much work still to do.

In 2024, we reduced Scope 3 emissions by 14% with a contribution from both agricultural and energy-based emissions (FLAG 23% and non-FLAG 11%) compared to the 2022 baseline. The integration of our recent acquisitions in South Africa and India have reshaped our raw material portfolio, using more apples for cider in South Africa and more rice in India. This new portfolio has a lower carbon intensity and contributes greatly to reducing our FLAG emissions. In contrast, integrating these businesses increased packaging emissions, affecting our non-FLAG results. Our packaging supplier decarbonisation programme has softened the impact of these integrations.

Through the Supplier Leadership on Climate Transition ('Supplier LOCT') initiative, we have successfully equipped suppliers to set Science-Based Targets. To date, 56 suppliers have established targets, with an additional 18 suppliers joining the program in 2024. We launched the REfresh Alliance with 10 beverage companies to support suppliers in accelerating the adoption of renewable electricity.

For agriculture, the third season of our low-carbon farming programme saw almost 300 projects underway, trialling sustainable practices around cover cropping, no-tillage, organic matter use, and seed and fertiliser application. Recognising the potential of low-carbon fertilisers, we provided strategic guidance to FertigHy for its upcoming plant in France. Project Transitions – our first large-scale regenerative agriculture programme with Malteurop Vivescia – will supply its first barley to the French market in 2025.

Read more about the Net Zero programme and our external partners



Currently involving 200 farmers, the project will measure its impact through key indicators focused on carbon emissions, soil health and resilience, and biodiversity. We are working with our suppliers to comply with SBTi FLAG guidance.

For packaging, we are launching initiatives to support glass and aluminium suppliers with site-specific roadmaps focused on energy efficiency and renewable energy. We are increasing the recycled content in our glass and cans to reduce carbon emissions. In 2024, we conducted six decarbonisation workshops with strategic glass suppliers and mapped over 100 initiatives across Europe, Americas and Africa & Middle East.

We also continue to engage in industry initiatives like the Coolition to advance refrigeration standards and promote energy efficiency. In logistics, we partnered with Einride to deploy our first cross-border electric freight journey powered by renewable electricity. Scaling such partnerships across our global operations remains a challenge.

Laying the groundwork for carbon removals

Achieving net zero will require access to high-integrity carbon removals. These solutions take carbon directly out of the atmosphere and store it in a durable way, addressing residual emissions we cannot otherwise eliminate. In 2024, we did not purchase carbon removals but focused on assessing opportunities on our own land, with our agricultural suppliers and third-parties. We will continue to evaluate emerging standards and implement consistent practices across the business, securing carbon removals through a mix of insetting projects and external carbon credits.

Read more about our regenerative agriculture programme Transitions

[1] Net zero is defined by SBTi as reducing a minimum of 90% of emissions across Scope 1, 2 and 3. The residual emissions (maximum of 10%) must be neutralised with permanent carbon removal solutions.

[2] Based on the SBTi definition, we have defined our 2030 goal as a 90% emissions reductions across Scope 1 and 2. A maximum of 10% residual emissions that cannot be eliminated otherwise must be covered with permanent carbon removal and storage solutions.

Raise the bar on sustainability and responsibility

Developing our global circularity strategy

For our packaging we use finite resources, which are not always managed well after the product has been consumed. Transitioning to a circular economy is therefore central to our efforts to reduce emissions, manage input costs and prevent waste. We launched our circularity strategy in 2024, prioritising three areas – Reuse, Recycled content and Recyclable by design – to embed a closed loop approach in packaging development. We have set new goals for packaging, while continuing to enhance the circularity of production waste and water in our operations.

Driving reusable packaging

We are focused on growing the volume of the reusable packaging we use for our products, reducing the need for new packaging. Our goal is to increase the percentage of volumes sold in reusable format to 43% by 2030. Increasing the use of reusable packaging allows us to reduce dependency on virgin materials, lower production costs over time, and build a more sustainable and commercially attractive business model. In 2024, 39% of our volumes were sold in reusable packaging formats.

Reusable packaging brings greater complexity in quality management, logistics and value chain operations, requiring a significant capability shift to achieve the goal. Wider adoption demands a systemic transformation, involving collaboration to co-create efficient return infrastructures, drive consumer participation, and address logistical and operational challenges. Expanding our reusable portfolio requires us to ensure reusable packaging is appealing and convenient for consumers, featuring efficient and attractive design.

We continue to explore opportunities to expand our reusable portfolio. One example is the launch of the innovative Heineken Returnable® STAR bottle, developed by our operating company in South Africa. This 650 ml returnable bottle is unique in design, featuring the brand's iconic star embossed on its body and the Heineken® name etched into the glass.

Closing the loop on recycled content

Our goal is to increase the percentage of recycled content in our bottles and cans to 50% by 2030. We will work with others – including suppliers and environmental organisations – to close the loop by improving recycling rates and increasing the availability of high-quality recycled content for our bottles and cans. We reached 44% recycled content in our bottles and cans in 2024.

One of the challenges in increasing recycled content is the lack of infrastructure for efficient collection and high-quality recycling. This underscores the need for well-designed and harmonised extended producer responsibility (EPR) legislation that improves collection rates, enable closed-loop recycling and reduce downcycling and waste leakage.

In Brazil we are developing a circular system together with Ambipar to recycle more glass bottles than we introduce into the market in the country. Purpose-built centres will collect, sort and process glass in areas that currently lack infrastructure. The intention is to explore opportunities to scale the model to other operating companies, applying insights gained from this project.

Embedding recyclable by design

We are working towards 99% of our packaging being recyclable by design by integrating recyclability criteria into our global innovation process. This begins with designing packaging and procuring materials that are compatible with a recycling stream that has been successfully proven to work at scale. 98% of our packaging was recyclable by design by the end of 2024. To achieve meaningful results, it is essential that our packaging is recycled upon reaching the market, which will be supported by our other circularity goals.

Towards healthy watersheds and nature

Our approach prioritises the health of local watersheds and nature, extending beyond our breweries. Water is essential to our products: without water, there is no beer. Factors such as climate change and population growth are reducing the availability of this precious resource, and this is affecting society in different ways, with developing countries among the worst impacted. Therefore, it is key to build resilience through an integrated and inclusive approach. At HEINEKEN, we recognise that water is a shared resource and we understand the importance of taking action in both our operations and targeted communities where we operate.

Our water strategy focuses on water efficiency and long-term restoration of priority watersheds, especially in water-stressed areas. Many of our water replenishment efforts promote biodiversity and soil health.

Read more about the innovative returnable Heineken® STAR bottle

Raise the bar on sustainability and responsibility

Reducing water use in production

Our goal for 2030 is to reduce average water intake in our breweries to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl globally. In 2024, our average water usage was 3.0 hl/hl (2023: 3.0) in water-stressed areas and 3.1 hl/hl (2023: 3.2) across all our breweries achieving an 11% reduction (12% adjusted for acquisitions and divestitures) versus the 2018 baseline.

We expanded our water efficiency acceleration programme in collaboration with cleaning and disinfection suppliers. The programme is active at 56 sites spanning all regions and is delivering results, such as in Italy and Brazil, where water use per hectolitre of beer is down by 13% and 9%, respectively. We shared best practices from the programme on our global platform, enabling production sites to learn, share and reapply them within the Company. Advanced technologies and water treatment optimisation are also delivering results across many sites, including in Mexico and Ethiopia. In Myanmar, a shift in water treatment saved around 1.0 hl/hl, and in Cambodia adjusting the source of water withdrawal delivered a 0.4 hl/hl reduction in water use.

Water balancing in water-stressed areas

Our goal is to fully balance the water we put in our products in water-stressed areas by 2030.

Following water risk assessments in India and France, we increased the number of water-stressed sites from 32 in 2023 to 41 in 2024. Of these 41 sites, 36 have started water balancing projects and 29% are fully water balanced. As the number of sites in scope increases, it is harder to achieve our goals and we are challenged to think creatively and to partner with diverse stakeholders to identify projects and drive collective action.

Many projects support biodiversity and involve conservation and reforestation initiatives. All three sites in Indonesia achieved 100% water balancing by restoring 490 hectares within the Brantas and Cisadane watersheds. In Nigeria, our collaboration with the International Institute of Tropical Agriculture (IITA) expanded to cover the reforestation of 292 hectares (48 hectares in 2024), contributing to increased water infiltration and reducing soil erosion. We also launched the Heiforest Project in Brazil, a large-scale reforestation effort with Rizoma which aims to restore pastureland and introduce agroforestry practices in citrus cultivation through regenerative agriculture. Reforestation efforts also continue in Ethiopia, Malaysia and Mexico.

Improving water access with communities

Our water access projects aim to support local communities in priority regions to have reliable access to clean and safe water, aligning with our water and social ambitions.

In Burundi, we partnered with Amazi Water to enhance access to clean water for communities near our brewery. The initiative will install water tanks, solar panels and a solar-powered pump with capacity to serve up to 1,000 households.

In Tunisia we installed over 400 water counters to help families in Leglime access clean water. Multiple projects are underway in India including the improvement of water storage in Karnataka. We also continue to support projects that improve community access to water near our production sites in Vietnam, Nigeria and Brazil.

Maintaining the focus on sustainability and agriculture

Our sustainable sourcing programme contributes to many of our environmental goals, as well as delivering social and business benefits.

We aim to increase the proportion of our key ingredients – barley and hops – that are sustainably sourced to 100% by 2030, based on the globally recognised Farm Sustainability Assessment by the Sustainable Agriculture Initiative (SAI) platform. In 2024, 94% of our hops and 74% of our barley qualify as sustainably sourced in accordance with the SAI bronze standard or higher.

In Mexico, we started our journey to sustainably sourced barley in 2018. This year, 40 suppliers applying sustainable farm practices delivered 62% of the volume. The local production plan involves training, on-site consulting and internal audits, with 275 more suppliers to start certification to progress the journey. Mexico also partners with Malteurop, aiming to reduce the volume of water used to irrigate barley while respecting yield and quality. After three years, water savings of around 25% and a stable, high yield of 8.5 tonnes per hectare were recorded.

Developing our position on nature

Protecting and restoring biodiversity is linked to many of our environmental initiatives. We have carried out a nature assessment of our breweries and supply chain to better understand the extent of nature-related impacts and dependencies across our value chain. We will develop our approach by focusing on biodiversity-sensitive locations where we operate and by working with stakeholders in our agricultural supply chain.

Read more about Indonesia's water balancing efforts

Raise the bar on sustainability and responsibility

Social

On the path to an inclusive, fair and equitable world

We are working to create a fair and safe workplace for everyone. This means moving towards gender balance at senior levels, paying our employees globally a fair wage and creating fair living and working standards for third-party employees and Brand Promoters. Our safety, health and well-being strategy is focused on embedding a safety culture while our social impact initiatives align with the UN Sustainable Development Goals to ensure we have a meaningful impact on communities.

We are ranked #1 in the industry (#4 in 2023) and #67 overall (#78 in 2023) in the Forbes World's Best Employers ranking 2024, based on the views of more than 300,000 workers from over 50 countries.

Embracing diversity, equity and inclusion

Embracing diversity, equity and inclusion fosters true togetherness and drives meaningful connections with our employees, consumers and customers. A diverse and inclusive workforce is good for our people and business as it sparks innovation and leads to better performance.

We believe everyone plays a role in championing a culture of belonging at HEINEKEN. Inclusion starts with courageous leadership, and we continue to foster an inclusive environment through training for leaders and colleagues on inclusive practices and a comprehensive engagement calendar. Employee resource groups like HEINEKEN Open and Proud (HOP), inclusion councils and ambassadors play key roles. They conduct listening and dialogue sessions with colleagues and help to fully embed our strategy across our operating companies. In 2024, 88% of HEINEKEN's operating companies had an inclusion council in place.

We achieved our 2025 goal a year early by having 30% of women in senior management in 2024. While we celebrate this important milestone, we still have work to do to achieve 40% by 2030 on the path to gender balance. We are strengthening our pipeline of women talent below senior management levels and ensuring performance based fair and equal opportunities in attracting, developing and promoting talent. Our global leadership development programme – Women Interactive Network or WIN – in partnership with IMD, has seen 290 women participate to date. In 2024, we launched the Women Summit, a leadership development programme for senior female talent in collaboration with WeQual.

Our operating companies play a key role in developing the female talent pipeline towards senior leadership. For example, UBL India has been on a journey from having zero women in senior management in 2021 to 27% in 2024. The Queenfisher campaign was initiated for female employees, recognising their talent, empowering them and even launching a limited edition of beer brewed and designed by women. In Mexico, the Inspirame programme is supporting women returning to work after a career break.

We work to ensure equal pay for equal work (or work of equal value) between female and male colleagues. We first achieved our goal of having 100% of our operating companies assessed and 100% action plans in place in 2023. In 2024, we continued to assess all operating companies and to track action plans to close any pay gaps. We also focused on ensuring equal representation, addressing new hires and opportunities for promotion. Actions included embedding structural checks and controls in processes to drive gender-neutral pay decisions. These efforts resulted in a pay gap of 2.3% in favour of men at the global level in 2024. This figure is significantly lower than the 5% threshold established by the EU Pay Transparency Directive and is in line with other industry leaders in the fast-moving consumer goods (FMCG) sector.

Read more about our Queenfisher campaign in India

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Raise the bar on sustainability and responsibility

A fair and safe workplace

We are dedicated to maintaining a fair and safe workplace for our employees and those of third parties. In 2023, we achieved our goal of having 100% of employees earning a fair wage, according to the Fair Wage Network. Ensuring a fair wage is a dynamic and ongoing process, as the cost of living and other economic factors can change. We therefore assess wages across all operating companies against the Fair Wage Network annually.

In 2024, we assessed 99.2% of our employees against the Fair Wage Network benchmark. Our findings indicated that 99.7% of the assessed employees earned at least a fair wage, with the remaining 0.3% being located in Singapore.

Our investigation revealed that the wage increase proposed by the Fair Wage Network for Singapore in 2024 significantly surpassed changes in the consumer price index and other relevant indicators. Consequently, some HEINEKEN employees who had earned above the Fair Wage Network amount in 2023 fell below it in 2024. To ensure fair compensation, we conducted an additional benchmark analysis using Singapore's Progressive Wage Model, which was developed by a tripartite committee consisting of unions, employers and the Singapore government. This confirmed that 100% of our employees earn a fair wage according to this model.

Moving forward, our goal remains to continue assessing our entire workforce and ensure all our employees worldwide earn a fair wage.

Extending our efforts beyond employees, we continue to work towards our goal to create fair living and working standards for third-party employees and Brand Promoters by 2030. 43% of operating companies have now been assessed for compliance with our global standards for third-party employees and Brand Promoters. In 2024, we continued to expand the programme beyond the Africa & Middle East and Asia Pacific regions, assessing several operating companies in the Americas and Europe region in line with our goal to have all operating companies in scope globally assessed.

Our Health and Safety strategy is focused on shaping a proactive safety culture. We are committed to doing the utmost to ensure that every one of our colleagues and contractors returns home safely every day. We deeply regret that two people lost their lives while working for us in 2024 (2023: 3). An independent investigation team thoroughly investigates every fatality to identify and understand the root cause. We take action to prevent recurrence and share learnings, with corrective and improvement actions followed up until closure.

Several activities were carried out to shape a leading health and safety culture in 2024. We launched and implemented the Hearts and Minds programme, aiming to enable operating companies to assess their current safety cultural level, identify gaps and develop improvement plans to close them. We also continued with the regional turnaround programme, launched in 2023, as an immediate call to action to improve safety performance where it is needed most. The measures we took helped improve our Total Recordable injury Rate (TRR) for employees and temporary workers from 1.2 per 200,000 hours worked in 2023 to 0.9 in 2024.

Delivering positive impact in our communities

With operations spanning the globe, our local presence makes an important social impact. As a major employer and purchaser of raw materials, our biggest contribution to social and economic well-being is through our core business – the jobs we create, the businesses we support and the taxes we pay. We contributed over €15.6 billion in taxes, including excises, in 2024. More details on our tax approach is available on our company website.

Many of our Brew a Better World goals, such as ensuring a fair wage and protecting local watersheds and nature, directly impact local communities. In Africa, our efforts to increase local sourcing of agricultural ingredients have created jobs, supported the development of the agricultural sector and improved the lives of rural communities. Our approach covers 33 value chains across 12 operating companies. In 2024, 61.7% of agricultural ingredients were purchased locally with a total value of over €300 million.

Social impact initiatives

In 2024, 100% of our markets in scope had a social impact initiative in place (2023: 100%), investing over €6 million in total. To increase our impact, we have refined our strategy to focus on the three key areas where we believe we can make the most difference.

These areas align with our purpose and business, while addressing needs in our communities:

- Joy of True Togetherness: Promote and encourage the power of human connections to foster social cohesion.
- Access to Employment: Help underserved communities access decent jobs and economic opportunities.
- Water for our Communities: Support access to safe water for communities where needed.

Worlds Together is HEINEKEN's grassroots social impact campaign. In collaboration with the Social Gastronomy Movement, we bring people from diverse backgrounds together over beer and food to break down barriers and build mutual understanding, one conversation at a time. We expanded the initiative to 16 markets in 2024.

In the UK, HEINEKEN partnered with the Marmalade Trust to raise awareness of loneliness, while highlighting the role of pubs as community hubs that bring together people from all walks of life.

Our partnership with Orange Corners is now active in seven African countries: Burundi, Côte d'Ivoire, the DRC, Egypt, Mozambique, Nigeria and South Africa. Initiated by the Dutch Ministry of Foreign Affairs and managed by the Netherlands Enterprise Agency (RVO), this initiative supports young entrepreneurs with training, mentorship, funding and facilities to start and grow businesses that contribute to more inclusive and prosperous societies.

Read more about HEINEKEN's Worlds Together impact campaign

Raise the bar on sustainability and responsibility

Responsible

A consumer-centric approach on the path to moderation and no harmful use

Beer is a beverage that, when enjoyed in moderation, can be part of a balanced lifestyle. However, when alcohol is not consumed responsibly there are clear health and behavioural risks. That is why we have always been committed to advocating for responsible consumption and supporting efforts to address harmful consumption. We aim to lead the debate on responsible consumption and support actions that decrease harmful consumption. Our purpose is to brew the joy of true togetherness, and we believe that drinking in moderation is the best way to experience that joy.

In 2024, we launched our company moderation mantra: Low. Slow. No. This mantra focuses on providing information on 'low' alcohol intake, encouraging 'slow' and moderate consumption, and expanding 'no' alcohol options to give consumers greater choice.

Always a choice

The future of socialising is undergoing a shift as the trend towards moderation continues in markets around the world. Young adults are transforming the social drinking landscape, contributing to the rise in non-alcoholic beverages.

We are giving consumers more choice with our 0.0 portfolio of beer and cider brands and empowering them with clear and transparent information. As the leader in the low- and no-alcohol category, we have been investing and innovating since 2017 to fuel increasing demand for alcohol-free alternatives, tackling the stigmas around social acceptance of choosing low- and no-alcohol beverages.

Our goal is to always provide consumers with a choice, by offering a 0.0 line extension of our strategic brands in the majority of our markets, led by our global brand Heineken® 0.0, available in 117 markets with launches in 3 markets in 2024.

We aim to have a zero alcohol option for one strategic brand in the majority of our markets (accounting for 90% of our business by volume) by 2025. In 2024, operating companies with a zero alcohol option for one strategic brand represented 91% of our total beer and cider volume.

El Aguila is the fifth strategic brand of HEINEKEN Spain that launched a zero alcohol option, bringing the total number of 0.0 options that we offer our Spanish consumers to twelve. El Águila Sin Filtrar 0.0 is a groundbreaking zero alcohol beer that exemplifies our dedication to innovation and always providing a choice with our expanding no-alcohol portfolio.

Consumer transparency

Providing a choice is also about giving people the right information in an accessible way. We advocate for consumer transparency so that people can make an informed choice about our products. Our labels include on-pack information about ingredients, nutrition, calories, alcohol by volume, allergens and packaging recycling symbols. In terms of responsible drinking, consumers are informed with on-pack pictograms not to drink and drive, not to drink underage and not to drink during pregnancy. This is complemented with a QR code linking to further information on alcohol and health.

Our goal is to provide clear and transparent consumer information on 100% of our products by 2024. The goal was defined to allow enough time for operating companies to manage the labelling transition in a sustainable way.

By the end of 2024, all markets except HEINEKEN Brazil had clear and transparent consumer information on their products in scope. As a result, 83% of our products had labels that fully meet our criteria (2023: 53%). By the first quarter of 2025, HEINEKEN Brazil's labelling stock will have been used and their products will contain all the required information.

Partnerships to address harmful use of alcohol

Addressing harmful alcohol use is a critical priority. Harmful patterns of alcohol consumption pose substantial health and social risks, making responsible drinking practices essential to our approach.

We aim to foster responsible practices and support initiatives that reduce harmful drinking worldwide. Our goal is to engage in partnerships that contribute to reducing the harmful use of alcohol in 100% of markets every year. In 2024, 100% of our markets in scope had a partnership in place, making this the third consecutive year in which we met our goal.

In South Africa, we are partnering with the NGO 'I CAN 4 IR' to tackle harmful use of alcohol at targeted vocational colleges and provide vital referral support for those in need. This educational programme aims to reach 5,000 students, empowering them to make responsible drinking choices and fostering a culture of safety and awareness.

Read more on the launch of 'El Águila Sin Filtrar 0.0.' in Spain

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Raise the bar on sustainability and responsibility

HEINEKEN Vietnam is partnering with the National Traffic Safety Committee to address drinking and driving through its 'When You Drive, Never Drink' programme. The programme is delivered in universities, office buildings, commercial centres and shopping malls. It invites people to engage in educational activities with two main objectives: raising awareness of drinking and driving and providing resources and tools to change behaviours.

Our active engagement in the International Alliance for Responsible Drinking (IARD) highlights our dedication to promoting responsible consumption on a global scale. Through IARD, we collaborate with leading producers of beer, wine and spirits to elevate standards in online sales and digital marketing. IARD's new Digital Guiding Principles contain five safeguards that, as an industry, we need to apply on all digital communication channels such as social media profiles, websites and apps. The industry commitment is to be 95% compliant by end of 2024. HEINEKEN is 98% compliant with the principles.

Making moderation cool

We have a long history of using our brands to make moderation and responsible consumption cool. We use the strength of our brands – particularly our global Heineken® brand – to ensure that this message resonates with consumers through campaigns that shape the debate.

Our goal is to reach 1 billion unique consumers yearly with a responsible consumption message. We aim to accomplish this by investing 10% of our Heineken® media spend in responsible consumption campaigns. In 2024, 15% of Heineken® media spend has been invested by our operating companies to deliver this important message to consumers, reaching 1.1 billion unique consumers worldwide.

'When You Drive, Never Drink' is our long-standing flagship campaign. Building on last year, we leveraged 'The Best Driver' campaign, featuring four-time Formula 1 World Champion Max Verstappen, with Player 0.0 – HEINEKEN's first global gaming programme that uses a bespoke mobile game as an activation layer.

Our player 0.0 initiative reinforces the message that 'The Best Driver is not the fastest driver, but the one who is not drinking'. We continued to scale Player 0.0, with activations in over 20 markets this year.

In Mexico, we created a local spin-off of the Max Verstappen campaign, leveraging Sergio Pérez to deliver the 'When You Drive, Never Drink' message. You can see one of the videos here.

Read more about our 'The Best Driver' campaign

"Four years into developing and executing our Brew a Better World 2030 strategy, sustainability and responsibility are now an integral part of how we operate. I am proud of the progress we've made but I know there is more for us to do as we navigate challenges and trade-offs. Brew a Better World remains the foundation as we continue to learn, evolve and partner with others to deliver our goals."

Joanna Price
Chief Corporate Affairs Officer

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Business priority

Become the best-connected brewer

We're continuing to increase our investment in digital transformation to build a future-proof company. To become the best-connected brewer, HEINEKEN needs to digitalise its route-to-consumer, unlock the value of data, simplify and automate end-to-end processes, build a secure and modern technology landscape, and create a digitally enabled organisation.

This year we've successfully gone live with our Digital Backbone – our biggest ever digital transformation – which enables us to standardise and modernise our business and ways of working.

"To maximise AI's impact, we prioritise customer-centric AI products that are seamlessly integrated into our operations and widely adopted by end-users at HEINEKEN. Supported with robust capabilities that enhance AI literacy, this will pave the way for a shift from everyday AI to game-changing AI."

Andrea Diebold Head of Global Analytics Products

Read more about how AI is building our brands and winning market share

Become the best-connected brewer

Digitalising our route to consumer

HEINEKEN has cherished its relationships with customers and consumers for more than 150 years. In a world where customers expect instant, personalised service online and consumers demand Netflix-style experiences across their interactions with all brands, we're building new digital capabilities to keep these connections strong.

This involves developing innovative online platforms for customers and embracing new digital consumer engagement models. Crucially, this digitisation journey is giving us access to better, richer data that we're using to further improve our service, optimise engagement and empower growth. While this journey is far from over, 2024 was a pivotal year.

Revolutionising customer engagement

In 2024, we continued to put our customers at the centre of everything we do, reimagining how they interact with us across every touchpoint: through eB2B platforms, sales representatives, customer service agents and distributors.

'eazle', the brand name and identity for our eB2B platforms, aims to make our customers' business easy. As part of our journey to create an integrated, end-to-end platform across all key touchpoints and reimagine the customer experience, eazle has so far been launched in four markets. The approach is already bearing fruit: over the course of 2024, the platform achieved close to €13 billion in gross merchandise value, connecting with 670,867 active customers and accounting for 70% of fragmented trade revenue – up from 60% in 2023.

Crucially, our success in driving up the number of customers engaging with us through digital channels is supporting the acceleration of wider data-driven innovation to deliver better service for customers and growth for HEINEKEN.

Beyond engagement, we continued to pioneer smart solutions to drive efficiencies for both customers and our business. Experiments with connected outlets allowed us to automate stock replenishment in bars, while continued investment in shelf image recognition technology is helping retailers optimise their inventory.

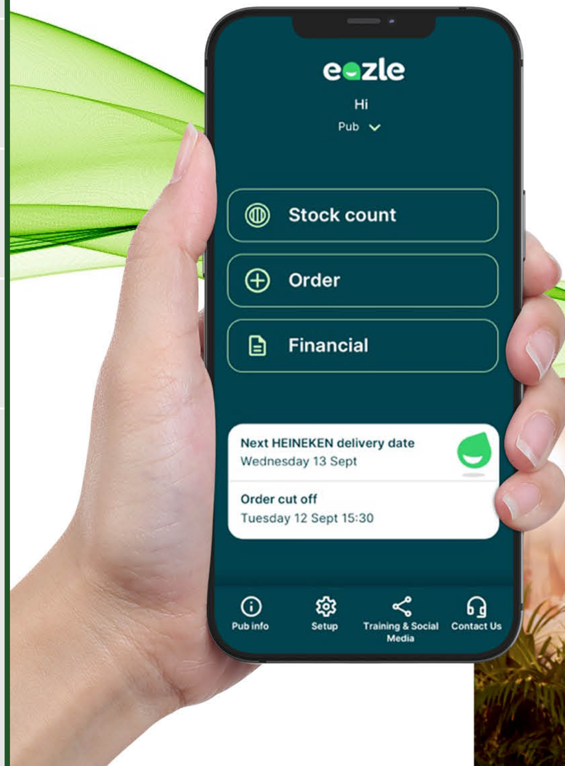
Our digitisation of customer experience is dramatically improving our customer relationships. Our customer NPS scores have increased steadily over the years to 68 in 2024.

Deepening consumer connections

Alongside our customer initiatives, we're harnessing digital innovation to help create richer, more meaningful and personalised experiences for consumers – and deliver growth.

In 2024, we supported our brand teams in launching consumer-facing applications that resonate with our diverse global audiences. The Player 0.0 app, for example, embedded HEINEKEN in the gaming community by leveraging our ambassador Max Verstappen through our Formula 1 campaign. Elsewhere, Hei! helped consumers in cities organise social events effortlessly and discover new experiences and venues. Initiatives such as these not only delivered brand growth, but also generated valuable first-party consumer data that we use to optimise media spend and marketing activations.

As we digitise, our stakeholders' privacy is our priority. We have continued to invest in providing the necessary privacy protection around our consumers and their data in all our markets.



Become the best-connected brewer

Unlocking the value of data

The cornerstone of all value generated by actionable insights, foresights and – of course – AI is a solid foundation of robust, trustworthy data. We have onboarded more than 70 operating companies on DataPrime, our foundational data platform, empowering us to connect data across our business and use it to greater effect, at scale.

Building on this, we advanced our data and AI capabilities in 2024, embedding AI-driven products across our operations and rolling out literacy programmes to ensure adoption. By treating data and insights as a strategic asset, we're creating AI with measurable impact on business performance.

Data-driven commerce

AI products are transforming our Global Commerce operations, helping us create incremental revenue opportunities and build a winning portfolio.

Artificial Intelligence Data-Driven Advisor (AIDDA) predicts the best actions to take with customers, accelerating the transformation of our sales representatives into true business advisors. In 2024, it scaled to eight markets, enhancing productivity with 490,000 daily customer engagements. Similarly, Product Recommender, now live in seven markets, analyses customer preferences and behaviours, delivering personalised suggestions to enhance user experience and drive sales on eazle. Falcon, our image recognition product, simplifies retail audits by checking planogram compliance. MERCURY is an AI product that optimises the impact of marketing spend across brands and channels. Having put it to use for above and below-the-line spend across all brands in 2024, it's delivering incremental gross profit across three markets.

Promo Advisor is our AI product suite for revenue management that enables the planning, simulation and optimisation of targeted promotions, boosting sales and ROI - all aligned with our promo strategy.

Generative AI

We piloted Generative AI (GenAI) with promising results in various areas across HEINEKEN.

Our Knowledge and Insights Management platform (KIM) unlocks consumer and customer research and insights across all markets, making it easily accessible to our Commerce operations.

Hoppy is a GenAI chatbot and integrates data from multiple internal sources to navigate global standards, ways of working and processes, boosting productivity within our Finance teams.

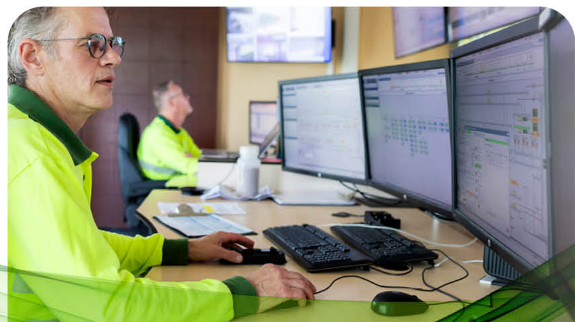
And finally: HeiFi leverages 10 years of data on the consumer-packaged goods (CPG) sector to offer strategic insights to leadership teams for better, quicker decision-making.

Ethical AI

Our Code of Business Conduct and our AI Ethics Principles offer guardrails to manage our ongoing use of AI and we continuously review our practices as technology evolves.

Simplifying and automating our end-to-end business

We're transforming the way we work by digitising, simplifying and automating our end-to-end processes. This commitment drives efficiency, enhances customer experience and keeps us competitive and sustainable for the long term.



At the heart of this effort is our Connected Brewery programme, which modernises breweries with a future-fit digital ecosystem. By integrating machine data and Internet of Things (IoT) connectivity, Connected Brewery optimises productivity, quality and sustainability while delivering recurring cost savings. It combines Smart Brewery, which connects machines to the cloud to reduce waste and maximise output, with Connected Worker apps that empower operators with tools like QR code scanning for instructions and augmented reality for remote support and problem-solving capabilities.

We significantly enhanced Connected Brewery in 2024. A key focus was on further incorporating robotics for crucial shop floor tasks including bringing our first Boston Dynamics Spot into full operation ('Spot' is a robotic dog that reduces energy consumption and prevents unplanned downtime through autonomous maintenance inspections to detect air leaks, heat emissions and mechanical anomalies). We also launched our first trials of automated bottle pickers.

We linked the programme with Total Productive Maintenance to improve equipment and maintenance reliability and standardised performance reporting across all breweries to cut administration workloads. We also made substantial investments to further enhance our Connected Worker Apps, which now include a personal skills development module for operators. Currently over 80% of our global production workforce has access to these shopfloor tools.

Connected Brewery now operates in over 90 breweries and plays a pivotal role in broader transformation initiatives including Sequoia, HEINEKEN's leading supply chain programme in Europe. With more than 7,000 connected machines generating billions of data points, Connected Brewery is key to creating the most sustainable and competitive supply chain in Europe.

Meanwhile, robotic process automation is streamlining repetitive tasks across all our support functions. In 2024, we saved more than 260,000 working hours - up from 200,000 in 2023 - putting us well on track to achieve our target of 1 million cumulative hours by 2025. This is freeing teams to focus on higher-value activities and scale innovation faster than ever before.

Become the best-connected brewer

Building a modern Digital Backbone

HEINEKEN is on a journey to become the world's best-connected brewer, powered by a cutting-edge Digital Backbone. This transformation replaces our previously fragmented technology landscape with a modern, modular architecture that combines a lean Digital CORE with standardised cloud-based platforms. The resulting industry-leading technology enables new ways of working, enhanced customer service, end-to-end efficiencies and rapid scaling of capabilities globally – all the while staying agile for future innovation.

2024 was a pivotal year marked by the successful deployment of pilots in three operating companies. These pilots tested the integration of all 35 of our Digital Backbone applications across diverse business models, markets and tech starting points. In our pilot operating company, the system exceeded expectations, going live without disruption.

Within two months, the operating company achieved record-breaking sales and production, underscoring the system's potential to boost efficiency and performance.

User feedback post-launch reinforced the positive impact of the new architecture's experience. Similar outcomes followed in Serbia and Egypt, solidifying the Digital Backbone's readiness for broader implementation.

With our consolidated future digital landscape in mind, we've stepped up our cybersecurity and system resilience to make sure we're best placed to protect the business against ever-increasing global digital threats.

Creating a digitally enabled organisation

It's crucial that we have the right skills and capabilities both within our global Digital and Technology function and across all of HEINEKEN. In 2024, we continued to step up these capabilities, empowering teams with skills and tools that enable an agile, future-fit business.

Our global digital hubs are at the heart of this transformation, serving as engines of innovation and delivery. These hubs ensure consistent, cost-effective implementation of capabilities across our operating companies.

This year we began to set up a global Commerce DevOps hub to support our strategic e-commerce operations and a Technology Platforms & Sourcing Hub for Europe in Krakow. We also enhanced existing hubs with additional capabilities, including Data & Analytics, for example.

We also formally established and expanded Tiger Tribe, our global innovation and digital product development team, at our hub in Ho Chi Minh City. Our 'Tigers' collaborate with internal and external partners to address critical business challenges, from enhancing customer experience to optimising supply chains. The team is a game changer for HEINEKEN and is already leveraging GenAI to deliver product development and innovation cost-effectively at speed and scale.

By the end of 2024, our hubs were powered by more than 700 tech-specialists, up from 20 in 2021. This remarkable growth underscores our commitment to creating a digitally enabled organisation that attracts, develops and retains diverse talents within HEINEKEN's Digital and Technology function.

"Our digital transformation merges HEINEKEN's deep understanding of local consumers, customers and communities with the power of global scale, big data and enterprise knowledge. Through data and AI, we're not just optimising operations – we're fostering smarter, more meaningful connections worldwide, enabling our business to thrive in a rapidly changing world."

Ronald den Elzen
Chief Digital and Technology Officer

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“Taking part in the Women Interactive Network was a game-changer: it’s given me renewed confidence and a fresh perspective on women in leadership. There’s still work to do, but HEINEKEN is the first company I’ve worked for that’s deliberate about gender equality.”

Tsholo Moripe Regional Trade Marketing Manager

Read more on how we’re levelling the playing field for women leaders

Business priority

Unlock the full potential of our people

Our people are at the heart of our success and are our top priority. With this in mind, our strategy is grounded in four areas: future-proofing our talent and organisation; driving excellence to enhance processes and competitiveness; unifying our people approach globally; and protecting and respecting every individual.

These areas guide our efforts to build a winning culture where everyone thrives. We are nurturing exceptional leaders, developing inspired and purpose-driven teams, and fostering an inclusive, equitable environment.

Crucially, we are committed to our people’s health, safety and wellbeing, and we will continue working on our social sustainability and human rights agenda.

Unlock the full potential of our people

Strengthening our winning culture

We continue to evolve and improve our culture across the business as an enabler of all aspects of our EverGreen strategy.

At our head office, where global functions converge, fostering a strong, collaborative culture is vital. To address the challenges of hybrid working, siloed thinking and people with diverse experiences coming together, we launched the Together We Thrive Handshakes programme. Through focused two-hour workshops, teams define and commit to a purpose, principles and concrete ways of working. Since its launch, nearly 1,300 people across more than 100 teams have participated, reporting improvements in collaboration, wellbeing and work–life balance as well as a stronger sense of identity across head office.

Elsewhere, we introduced the 'Climate Winning Recipe' initiative, a set of best practice guidelines designed to help management teams operate as one and inspire their people. By consolidating insights from operating companies worldwide into a clear and actionable 'recipe' format, the initiative builds trust, unity and shared purpose.

Though still in its early stages, the programme reflects our commitment to empower our leaders to build winning teams where everyone thrives.

These efforts contributed to a positive, healthy and future-ready culture, as reflected in our 2024 climate survey. With more than 74,000 employees across 85 operating companies participating, we achieved a 92% response rate. The results outperformed external benchmarks, with 90% of employees expressing pride in working at HEINEKEN and an employee engagement score of 86%. Further recognition came in October, when Forbes named us the world's best employer in the food, beverages, alcohol and tobacco industry.

Talent and leadership development

We're committed to cultivating exceptional leaders that unlock the full potential of our people to deliver on our EverGreen strategy. In 2024, we took bold steps to expand and democratise access to formal leadership development programmes, scaling these initiatives to benefit more than 16,000 participants with a truly global offering.

Flagship programmes like the Heineken International Management Course (HIMAC), ACCELERATE and Women Interactive Network (WIN) continued to equip senior and middle managers with the skills they need to drive progress.

We launched two new initiatives in 2024: LEAD, our Global People Manager programme; and HEINEKEN's Women's Summit, a development programme for our senior female leaders. Preparations were also underway for an additional offer. Having reflected on the successes of Thrive, an 18-month programme aimed at our top 160 leaders, Thrive Forward will take its learnings to management teams worldwide in 2025.

These initiatives are working. Our research suggests participants are 33% more likely to be retained in the business and twice as likely to be promoted versus peers. They've also earned external recognition, including two prestigious Brandon Hall Group Human Capital Management Excellence Awards: one for Best Learning Program Supporting a Change Transformation Business Strategy (HIMAC) and another for Best Leadership Development for Women (WIN).

Unleashing diverse talent

Nurturing an inclusive and equitable environment where all employees can thrive is good for our business as it helps make sure our brands reflect and communicate authentically with our diversifying consumer base.

We launched Queenfisher in India, an initiative developed by an all-female team to celebrate sisterhood. Alongside a new beer with fresh packaging, we created safe spaces for honest conversations about female empowerment. Elsewhere, Strongbow took further steps towards becoming the UK's most inclusive cider. Supporting the Heineken Open & Proud (HOP) network, it introduced Pride-inspired packaging and hosted activations that resonated with a new generation of diverse consumers.

Meanwhile, 66% of management team roles in our operating companies are now held by local talent, demonstrating our focus on making sure teams reflect the markets, customers and consumers we serve. Cultural diversity is a cornerstone of our strategy, and a new global graduate programme is part of a range of efforts that are helping attract and develop the next generation of talent from increasingly diverse backgrounds.

Lastly, advancing gender balance remains a key priority. Initiatives like WIN and Women in Sales are supporting our 2025 goal of 30% women in senior management one year ahead of schedule.

Unlock the full potential of our people

Safety, health and wellbeing

Nothing matters more than the safety and wellbeing of our people. We believe every single person who works for and with us should benefit from a positive and nourishing working environment and, above all, return home safely each day. A range of activities in 2024 supported our ambition to shape a leading health and safety culture.

Every year we run Safety Week, a global HEINEKEN event that highlights our ongoing commitment to safety, helping to raise awareness and embed the right practices. This year's theme was 'Safety at Heart!' A variety of initiatives emphasised the importance of treating our own safety and that of our colleagues with the same care we show for loved ones.

Elsewhere, the introduction of a cultural programme in 2024 empowered all operating companies to assess their health and safety culture, identify gaps and develop improvement plans to close them. So far, 49 locations have embraced the initiative with more to follow in 2025.

We extended our transformation programme that supports select functions and operational companies based on safety performance. In Mexico for example, a heat stress initiative was introduced after an exceptionally hot summer affected employee health. Measures such as additional breaks, improved awareness of the importance of hydration, adjusted shift management and facility upgrades addressed and improved both safety and well being.

While we have significantly reduced the severity of incidents across our business, we deeply regret that two persons lost their lives while working for us in 2024. An independent investigation team thoroughly investigates every fatality to understand the root cause, and we take action to prevent recurrence and share learnings. Looking ahead, we'll continue to strengthen and embed an empowering health and safety culture and integrate leadership on safety across our business.

Social sustainability

We continued to advance our social sustainability ambition in 2024 in pursuit of an ever fairer, more equal and safer company – and society.

One initiative was the expansion of our global Trusted Representatives programme, which fosters a global community of more than 500 employees dedicated to supporting colleagues who are witnessing or experiencing potential misconduct.

This year, we ran training in two critical areas: fraud and human rights.

We made significant progress on including waste pickers in the citizenship agenda of economically developing countries, improving their working conditions and supporting our circularity strategy. In Brazil, the HEINEKEN Institute partnered with local authorities to enhance visibility and boost conditions for waste pickers. What began as a state-level initiative has evolved into a best practice model that is receiving support from the Federal Government for replication across six additional states as a national public policy.

As the world's most international brewer, our operations span diverse geographies including high-risk and, at times, conflict-affected areas. In Myanmar, heightened Human Rights Due Diligence (hHRDD) was conducted across our value chain, covering conflict risk, human rights evaluations and management systems reviews. The findings confirmed our ability to operate responsibly through robust management systems while contributing to the safety and economic stability of our employees, their families and local communities.

Areas for improvement, particularly in inland logistics, were addressed through collaboration with suppliers to enhance safety and working conditions. In more volatile regions, we refined our approach to protecting people and communities near our breweries through a refreshed approach to our ongoing training for security forces in key Africa and Middle East markets.

These efforts underscore our commitment to social sustainability. Looking ahead to 2025, we'll focus on strengthening value chain due diligence, making sure we remain future-ready while upholding our dedication to human rights.

"By empowering leaders and fostering inclusion, we're not just building a future-ready organisation – we're creating a culture where innovation and collaboration drive impact. Our goal is to be a true enabler of our EverGreen strategy, helping HEINEKEN better connect with consumers, deliver sustainable growth and lead with purpose in a dynamic, ever-changing world."

Yolanda Talamo
Chief People Officer

Regional reviews

The world's most international brewer

Africa and Middle East

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Key brands

Regional performance snapshot

Consolidated beer volume	2024	2023	Contribution to Group 2024
Africa and Middle East	29.5mhl	34.8mhl	12.3%
Americas	89.3mhl	88.4mhl	37.1%
Asia Pacific	45.3mhl	43.0mhl	18.8%
Europe	76.6mhl	76.4mhl	31.8%

Heineken® volume	2024	2023	Contribution to Group 2024
Africa and Middle East	5.6mhl	5.7mhl	9.2%
Americas	25.3mhl	23.7mhl	41.5%
Asia Pacific	14.1mhl	11.4mhl	23.1%
Europe	16.0mhl	15.5mhl	26.2%

Operating profit (beia)	2024	2023	Contribution to Group 2024
Africa and Middle East	€423	€450m	9.4%
Americas	€1,830	€1,531m	40.5%
Asia Pacific	€914	€926m	20.2%
Europe	€1,354	€1,353m	29.9%

Net revenue (beia)	2024	2023	Contribution to Group 2024
Africa and Middle East	€4,133	€4,229m	13.5%
Americas	€10,407	€10,469m	34.0%
Asia Pacific	€4,226	€4,157m	13.8%
Europe	€11,845	€12,211m	38.7%

Africa and Middle East

Challenges and growth

2024 was a year of resilience and growth for the Africa Middle East (AME) region. To manage significant economic volatility, social instability and inflationary pressures, HEINEKEN focused on courageous pricing, disciplined cost management, prudent investments and innovative brand building to deliver balanced performance and position our business for long-term growth.

Navigating a tough environment

We remain committed to our long-term vision for AME, however, we faced significant headwinds in 2024 including major currency devaluations in Nigeria, Ethiopia and Egypt, and widespread inflation that pressurised consumer purchasing power. Social unrest further complicated operations in countries like Ethiopia, the DRC, Kenya and Mozambique. HEINEKEN mitigated these challenges with courageous pricing, strict cost management and a prudent approach to investment, enabling the region to achieve both organic profit growth and volume growth.

Nigerian Breweries activated its Business Recovery Plan, including a successful rights issue, company-wide reorganisation and the temporary suspension of two of its nine breweries.
It also completed the acquisition of Distell Nigeria, providing access to a complementary portfolio of fast-growing wine and spirit brands. These steps helped achieve volume growth and laid the foundations for a return to profitability.

We further optimised our footprint with the sale of Champion Breweries in Nigeria and the announcement of the construction of a state-of-the-art brewery in Dubai through Sirocco, our long-standing joint venture with Maritime and Mercantile International. This first large-scale facility in the Gulf region will support Dubai's burgeoning tourism industry.

"I'm proud of all our teams who demonstrated resilience and resourcefulness in the face of a volatile macro-economic environment. Courageous pricing, cost management and smart investments helped us navigate the storm and deliver organic profit growth. Crucially, our strong brand portfolio and focus on consumers helped return AME to organic volume growth."

Roland Pirmez
Regional President, Africa Middle East

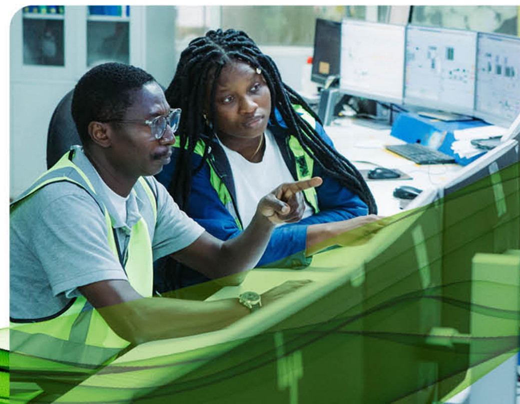
In South Africa, we made important steps to complete the integration of the acquired Distell business, with encouraging results across the portfolio. Strong growth in cider was led by Savanna, including the launch of a premium, whisky-flavoured cider, Savanna Neat. The launch of a new spritzer, Bernini Mimosa, reinforced the brand's strong position with women. It was a positive year of growth for Namibia Breweries, which also benefited from the integration of the Distell portfolio.

Elsewhere, we took significant steps forward to become the best-connected brewer with the successful roll-out of pilots of our new Digital Backbone (more on this on page 29) in two AME operating companies that simplify our IT landscape and drive productivity.

Premiumisation and innovation

We drove premiumisation at scale led by the Heineken® brand, which enjoyed consistent volume growth across the region. Our affordable premium brands expanded into new markets with launches like Amstel in Algeria and Tiger in the DRC. Desperados continued its upward trajectory, particularly in Nigeria.

Local icons also played a pivotal role in strengthening HEINEKEN's presence. Life and Goldberg delivered impressive growth in Nigeria, while Maltina's 'Share Kindness-Share Happiness' campaign revitalised consumer engagement. A refreshed identity for Turbo King resonated strongly, achieving solid growth in key markets.



Sustainability

Most of the beer we sell in AME is in returnable glass bottles. In 2024 we made a further step in our carbon reduction journey with the launch of the Heineken® 'Star' returnable bottle in South Africa and introduced public spaces called 'Green Zones' across the country. In Nigeria, we celebrated an important milestone with the signing of a PPA to supply two off-grid breweries with 100% renewable electricity. Our agricultural footprint in Africa continues to grow, with over 60% of raw materials locally sourced, including five OpCos that sourced more than 75% locally for the first time. We continued to invest in our people with 75% of senior managers being from the region and 30% being women.

HEINEKEN Africa Foundation

The HEINEKEN Africa Foundation continued its mission to empower small-scale farmers through regenerative agriculture. Pilot projects in Burundi and Ethiopia progressed significantly in 2024 and there are plans underway for a new initiative in Mozambique in 2025. By 2027, the Foundation aims to impact over 47,000 farming families across these countries, fostering climate resilience and sustainable livelihoods.

Unlocking profitable growth

Driven by its size and increasing demand in some key markets, the Americas presents a unique opportunity for us. We're strengthening our competitive position by scaling premiumisation led by Heineken®, accelerating innovation, digitising our route-to-consumer and other strategic investments.

Exceptional performance

Despite high inflation, currency devaluation in Mexico and Brazil, instability in Haiti and Ecuador, and reduced consumer purchasing power in the US, HEINEKEN Americas delivered exceptional performance in 2024.

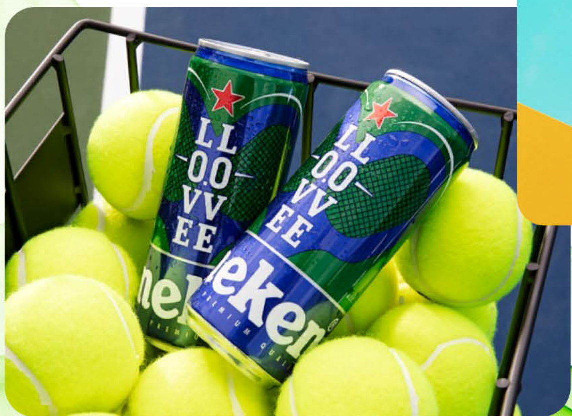
Our premiumisation strategy continued to drive strong results, with the Heineken® brand leading with high single-digit growth. Amstel® also showed impressive high single-digit growth, with particularly strong results in Brazil and Ecuador. In Panama, Cristal reinforced its position as a differentiated premium brand.

Innovating in beer and beyond

We continued expanding our portfolio to meet evolving consumer preferences. Heineken® Silver, our fresh, world-class light beer, is delivering encouraging results and promising progress in Panama and South America.

In the RTD segment, Amstel Vibes demonstrated strong momentum in Brazil, while Rum Stripe, Piton Vibes and Ricardo gained traction in the Caribbean. Our non-alcoholic beverage portfolio in Brazil achieved remarkable growth, driven by FYS, our low-sugar soft drink.

Making meaningful connections with consumers remained a priority. The UEFA Champions League and Formula 1 were key platforms once again: Heineken® activations such as Chec0.0 Perez in Mexico and Senna in Brazil shared the brand's spirit with local audiences. In Jamaica, a partnership with Usain Bolt highlighted Red Stripe's connection to the island. Our campaigns were once again recognised at Cannes, with the Americas earning five Lions for The Gaming Fridge (Brazil), Out of Home Matches (Brazil), Backing the Bars (Brazil and Argentina) and 0.0 Prohibition (Argentina).



Investing in growth

We made a range of strategic investments. In Mexico, the Meoqui Can Factory became operational in June, a key milestone in supply chain integration. In Brazil, we advanced construction of the Passos brewery, set to become one of our most sustainable facilities in the region. And in Panama, brewery upgrades enabled local production of Heineken® to begin.

We also made significant progress on our digital journey, with a growing share of fragmented trade revenue now coming through digital channels. As of 2024, more than two thirds of customers use our digital platforms, reflecting the impact of this transformation programme on our business.

"We continued to grow in the Americas through premiumisation, innovation and strategic investments. Despite macroeconomic challenges, we delivered impressive results, with Heineken® leading the way in premium growth. Our commitment to expanding digital capabilities and our Brew a Better World agenda underscores our dedication to sustainable, long-term growth."

Marc Busain
President, Americas

Always a choice

Our low and no-alcohol portfolio continues to achieve double-digit growth, led by Heineken® 0.0, now available in all our 14 operating companies and eight export markets, and Tecate 0.0. In Brazil, we launched Sol Zero, a no-alcohol beer enriched with vitamins D and B.

Programmes promoting moderation, such as Carnival initiatives in the Caribbean and our 'LOVE.LOVE' tennis-themed campaign for Heineken® 0.0 in the US, strengthened our responsible consumption message while showcasing our innovative approach to consumer engagement.

Sustainability

In Brazil, SPIN, an innovative partnership ecosystem, was launched to drive sustainable models for packaging circularity, regenerative agriculture, energy transition and impact brands.

The roll-out of our decarbonisation programme gained momentum, with Suriname, Peru and Lagunitas transitioning to 100% renewable electricity. A new PPA contract for a wind farm in Bahia State, Brazil, solar projects, biomethane adoption, biomass boiler installations and vehicle electrification initiatives all demonstrated our ambition to scale renewable energy. Water stewardship also improved, with water efficiency reaching record low levels. New water reclamation plants in Mexico and Brazil neared completion.

We remain focused on diversifying leadership, building talent pipeline and fostering inclusivity. Our leadership development programmes are equipping colleagues with career opportunities and supporting the delivery of our EverGreen strategy.

Asia Pacific

A year of solid performance

In 2024, HEINEKEN demonstrated a solid recovery with a volume growth of 4.1% (excluding China). This was driven by good performance in a broad range of markets.

"We achieved solid performance due to our well-balanced portfolio with robust growth of the Heineken® brand of 30% (excluding China) and continued strong growth of the brand in China. We not only experienced solid to strong growth across various markets, but also made significant investments in our brands and capabilities, which further enhanced our competitiveness."

Jacco van der Linden
President, Asia Pacific

Despite facing social volatility and natural disasters in some markets, we recorded healthy topline growth while also investing in our strategic power brands.

Our regional performance surpassed competitors' topline growth, supported by increased productivity and effective cost control.

Our strategic focus has been on balancing a healthy mix of premiumisation opportunities led by Heineken®, innovative products and local jewel brands such as Tiger, Kingfisher, Bia Viet and Larue, which have also significantly contributed to the solid results.

Premiumisation

Heineken® achieved an impressive 24% volume growth across total markets. Notably, it experienced extraordinary growth of 53% in Vietnam alongside continued growth in China, India and Laos.

Heineken®' strong premium positioning, combined with the appeal of Heineken® Silver to a new generation of premium drinkers, has allowed us to win in the market. The success was further bolstered in China by Amstel's significant volume growth.

We are on a consistent growth path in India, with double-digit revenue growth driven primarily by Kingfisher and our premium portfolio, and enhanced operational performance within a challenging business and regulatory landscape.

We have either maintained or grown our market share across most of our markets, with notable turnarounds in several markets.

Innovation and strengthening route to consumers

We continued our efforts to drive category growth and consumer penetration through our brands and innovation. We strengthened our innovation capabilities by establishing a Regional Innovation Hub in Singapore that is tasked with shaping the beer category, enhancing the relevance of our brand propositions, and creating diverse and meaningful experiences for our consumers.

Our sessionable offerings including Heineken Silver and Tiger Crystal resonate strongly with younger adult consumers. These brands fortify our portfolio and connect us with a new generation of beer enthusiasts. Additionally, we launched innovations like Tiger Soju, Queenfisher and other flavoured propositions to satisfy unmet consumer needs.

This year, we also enhanced our execution capabilities across numerous markets. By strengthening our distribution power and execution excellence, we make sure our products reach consumers in the most impactful and relevant ways.

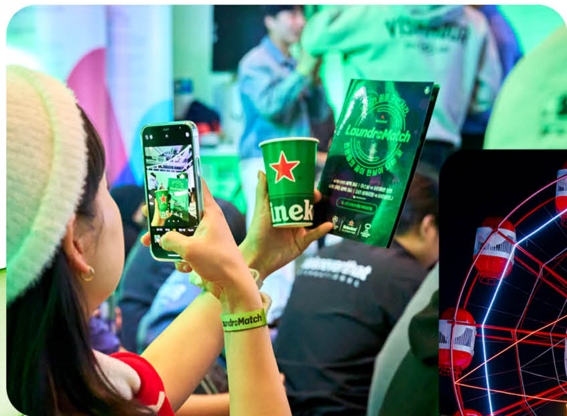
Our commitment to building distributors' and wholesalers' management capability and refining our frontline sales force is vital to achieving long-term sustainable growth.

Overall, our focus on brand innovation and enhancing our route to consumers has positioned us for continued growth and success in the region, and we are committed to doing this sustainably.

Sustainability

This year we successfully reduced carbon emissions and improved water efficiency across the region. For example, we have made great progress in the Golconda brewery in India and the Vung Tao brewery in Vietnam. We have also progressed water balance across the region, with 3 sites in Indonesia now fully water balanced. Meanwhile, we continued to foster an inclusive environment that celebrates diversity. A diverse workforce drives innovation and success, and we are dedicated to making sure every individual feels valued and respected.

As we approach 2025, we focus on sustained quality growth through improved consumer engagement with our premium and mainstream brands.



Europe

Shaping the future of beer and beyond

Despite a challenging market, we strengthened our position in Europe over 2024 by investing in our brands and driving innovation across our portfolio. From transforming our supply chain to enhancing digital capabilities, we're delivering on our strategy to grow, win and transform.

Driving growth and winning amid headwinds

After a solid start to 2024, we faced a challenging summer marked by a slowdown in consumer demand, adverse weather and competitive pressures. We began to regain momentum over the second half of the year, however. Improved competitiveness drove volume growth, while Q3 share gains signalled a shift to stronger performance, particularly in the off-trade.

The prevailing macro-economic uncertainties affected consumer spending and impacted growth, particularly in the on-trade. Higher promotional pressures and weaker than expected pricing put pressure on profitability and meant winning proved more challenging, particularly in established markets like Italy, Spain and France.

Our mainstream brands saw stabilised volumes, while our Premium brands like Birra Moretti, Desperados and Heineken® outperformed the category in most markets. Birra Moretti continued to grow in the UK driven by the launch of its line extension, Sale di Mare, a new unfiltered lager with a pinch of Italian sea salt. Next-generation brands including Texels, Ichnusa and El Aguila further boosted our performance.

Elsewhere, we continued to grow our world-class no-alcohol portfolio. Alongside our 'always a choice' message that positions beers for different occasions for all consumers, Heineken® 0.0 is shaping the future of the category and stimulating segment growth.

"Against a challenging economic backdrop, we successfully stabilised beer volumes and grew operating profit while stepping up investment in our brands, strengthening our organisation and accelerating EverGreen transformation to build a more connected, more resilient and future-fit business."

Glenn Caton
President, Europe

Growing in beer and beyond

Growth in 2024 was fuelled by innovation across our portfolio and iconic brand activations to make sure our brands reflect the tastes, values and lifestyles of consumers.

In Spain, we grew brand power with Cruzcampo through an impactful campaign, Gitana, which touched the hearts of a younger generation in Andalusia. The brand continued to perform strongly in the UK, ranking as the most successful launch in alcoholic beverages over the past decade. In Italy, our Ichnusa brand stays true to its Sardinian soul. With the campaign 'se deve finire così, non beveteci nemmeno', we inspired people to act more thoughtfully: if you drink Ichnusa and leave the bottle behind, we'd rather you hadn't drunk at all.

Beyond beer, we announced a small minority stake investment in the fast-growing Dutch brand STËLZ, whose seltzer and RTD propositions appeal to Gen Y and Z consumers. In the UK, we innovated in the cider category by offering a fresh perspective, exciting consumers with a diverse range of adventurous fruit combinations.

Investing in transformation

We continue to modernise our business through various initiatives including the bold transformation of our European supply chain. By unifying, digitalising and streamlining operations across our European operating companies, we're creating a more sustainable, efficient and connected network.

Through great collaboration of these country led initiatives, we are running ahead of our original plan, delivering significant gross savings across Europe.

Elsewhere, we focused on deploying future-fit, repeatable capabilities to maximise commercial value and HEINEKEN's Digital Backbone initiative is on track to modernise our fragmented technology systems (read more on this on page 29). Serbia piloted the programme, showing promising signs of improved production, sales, customer service and efficiency.

Sustainability

We continue to work on our sustainability agenda. Following our inauguration of Europe's largest industrial thermal plant in Seville, we opened a second solar thermal facility in Valencia. In France, our regenerative agriculture project yielded its first barley harvest, with 420 farmers adopting practices to improve soil health, biodiversity and carbon reduction.

Water stewardship also advanced in 2024, with a strong performance on water efficiencies across the region

Our social impact ambition continues. In Spain, the Cruzcampo Foundation drives economic and social development, tackling youth unemployment through hospitality-focused training. Its Hospitality School achieved a 90% job placement rate in 2024, equipping over 350 individuals with skills in kitchen and service, as well as digital marketing customer centric technics.

Risk management

Integrated approach

At HEINEKEN, Risk Management is an integral part of doing business, supported by clear governance. Risks are an essential element when opportunities are assessed and strategies are set. Management decisions are made in line with HEINEKEN's risk appetite. Risks are identified, mitigated and monitored on an ongoing basis, as part of business routines. The increased volatility in recent years due to an uncertain geopolitical landscape has elevated the importance of active risk management.

HEINEKEN's risk management approach addresses the risks the Company faces in achieving its strategy; managing these risks in a conscious manner increases the likelihood of meeting our business objectives. A proactive approach ensures risk management is part of our executive conversations and is embedded in our processes. This benefits our decision-making and is essential to create and preserve long-term value.

Risk Management is part of the HEINEKEN Business Framework

The HEINEKEN business framework articulates the key elements that the Company relies on to operate effectively and deliver long-term value creation while protecting its people, assets and reputation.

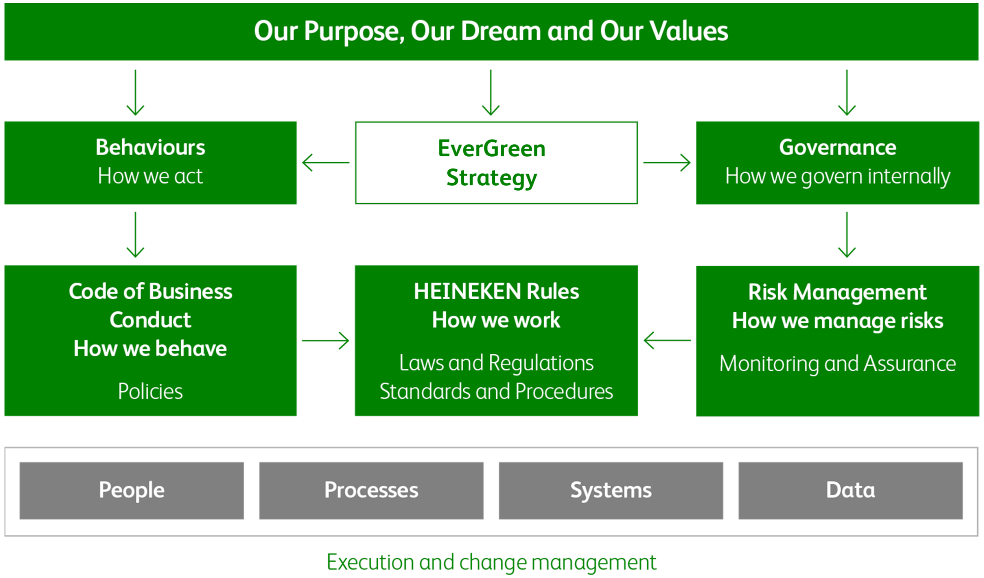
Our Purpose, Our Dream and Our Values underpin our EverGreen strategy, enabled by our organisational structure and strong governance. The behaviours give clear guidance to all employees on how to act and foster a culture of achievement, collaboration and growth, underpinned by a Behaviours Framework that reflects the expected attitudes in decision-making.

Continuous Risk Management supports the achievement of business objectives, based on our Risk Assessment Cycle, the HEINEKEN Code of Business Conduct and the HEINEKEN Rules.

As part of the Risk Assessment Cycle, operating companies and their Management Teams review and update their risks on a continuous basis throughout the year. The Code of Business Conduct and its underlying policies set out HEINEKEN's commitment to conduct business with integrity and fairness, and respect for the law and our values. The HEINEKEN Rules articulate how we work and the Standards to which we commit. They are a key element for managing the risks faced by our Company and translating our objectives into clear instructions on how to conduct our daily business.

HEINEKEN's systems of risk management and internal control, which are based on the COSO Enterprise Risk Management and Internal Control Reference model, form a fundamental part of the HEINEKEN Business Framework.

Our Business Framework



Risk profile

HEINEKEN is predominantly a single-product business, operating throughout the world in the alcohol industry. HEINEKEN is present in more than 70 countries, with a growing share of its revenues originating from emerging markets.

HEINEKEN has undertaken business activities with other market parties in the form of joint ventures and strategic partnerships and with independent distributors. Where HEINEKEN does not have effective control, decisions taken by these entities may not be fully harmonised with HEINEKEN's strategic objectives. Moreover, HEINEKEN may not be able to identify and manage risks to the same extent as in the rest of the Group.

Risk appetite

HEINEKEN's risk appetite is the result of its wide geographical spread, prudent financial management and commitment to long-term value creation. Risks are taken consciously, assessing their impact on HEINEKEN's objectives. The level of risk HEINEKEN is willing to take depends on the type of objective it impacts (reputational, financial or business continuity related).

Reputational

HEINEKEN is reliant on the reputation of its brands and the protection of its intellectual property rights. Reputation management is of utmost importance to HEINEKEN. We have invested considerable effort in protecting our brands, including the registration of trademarks and domain names. We aim to reduce the risks that could negatively impact our reputation to the furthest extent possible, accepting that this may come at a cost.

Financial

HEINEKEN is keen on pursuing commercial opportunities to deliver superior and balanced growth, accepting uncertainties linked to its strategic choices and the context of the individual markets in which it operates.

Business continuity

HEINEKEN makes the availability of its brands a priority, accepting only minimal disruptions to its operations. In addition, HEINEKEN continuously and consciously makes focused investments to future-proof the organisation and ensure the sustainability of the business.

Risk management

Internal control

HEINEKEN's internal control activities aim to provide insights into the effectiveness of internal processes with regards to the accuracy of financial information, non-financial disclosures, and the Company's compliance with applicable laws and internal policies.

Internal controls have been defined at operating entity level (HEINEKEN Rules – comprising all mandatory standards and procedures) and at process level (Process and Control Standards) for key processes, including financial and non-financial reporting, IT and Tax.

Compliance with company policies is periodically assessed. Deviations from the defined standards are included in the global monitoring and follow-up processes, supporting management in addressing these deviations. Management is responsible for the definition and timely implementation of action plans to remediate any deficiency identified as part of these assessments. The results are reported to the Executive Board.

The HEINEKEN Rules, policies and controls are periodically updated to reflect both the Company key risks and the extent to which the Company is willing and able to mitigate them.

Risk Committee

The Executive Board of HEINEKEN is accountable for risk management, risk oversight and the protection of HEINEKEN's reputation, value of assets and brands.

The Board is assisted by the Risk Committee, chaired by the CFO, in regular reviews of the Group risk assessment cycle that summarises the Company's key risks, associated mitigating actions and monitoring activities. These reviews consider the level of risk that HEINEKEN is willing to take and the type of HEINEKEN's objectives it impacts.

The Risk Committee identifies changes to the Company's risk exposure and proposes interventions if required.

Organisation

For the organisation of risk management activities, HEINEKEN applies a 'three lines of defence' model. First and most important is the quality and behaviour of operational management, the first line of defence. They have the ownership, responsibility and accountability for assessing and mitigating risks.

Operational management is supported by the second line of defence, functions that oversee compliance with HEINEKEN's policies, processes and controls, facilitate the implementation of risk management practices and drive continuous improvements of internal controls.

As third line of defence, the internal audit function (Global Audit) is mandated to perform Group-wide reviews of key processes, projects and systems, based on HEINEKEN's strategic priorities and most significant risk areas. Global Audit provides independent and objective assurance and consultancy services. It employs a systematic and disciplined approach to evaluate and improve the organisation's governance and risk management process including reliability of information, compliance with laws, regulations and procedures, and efficient and effective use of resources. The methodology followed by Global Audit is in accordance with the standards of the Institute of Internal Auditors.

To support the Executive Board's external representations, a formal bi-annual Letter of Representation process is in place. It requires management to take responsibility for accurate and complete reporting on financial and non-financial reporting disclosures, financial reporting controls and on compliance with the Code of Conduct and other HEINEKEN Rules, as well as identifying and reporting on fraud and irregularities.

Processes

HEINEKEN's risk management activities seek to identify and appropriately address any significant threat to the achievement of the Company's strategy and business objectives, its reputation and the continuity of its operations.

HEINEKEN's risk management system enables management to identify, assess, prioritise and manage risks on a continuous and systematic basis, and covers all subsidiaries across regions, countries, markets and corporate functions. Ongoing identification and assessment of risks, including new risks arising from changes in the global or local business environment, are part of HEINEKEN's planning, performance and risk management cycles. Risk assessments are performed by every subsidiary and all global functions. The implementation of responses and progress of risk mitigating measures is monitored on a quarterly basis.

Risk assessment outcomes are aggregated at a global level and serve as basis for determining HEINEKEN's risk exposure and risk management priorities by the Risk Committee. Accountability for mitigating, monitoring and reporting on the most significant risks is assigned to functional directors who report on progress and residual risk levels three times per year to the Risk Committee.

HEINEKEN continues to evolve risk management in the Company, reflecting new and emerging risks. Building on the existing risk and controls mechanisms, improvements are aimed at driving business ownership of risks, increasing business involvement in risk management and expanding the integrated view of risks.

Main risks

The risk overview on the next page highlights the main risks that could hinder HEINEKEN in achieving its strategy and business objectives.

This is not a full overview of all risks and uncertainties that may affect the Company. As new risks emerge and existing immaterial risks evolve, timely discovery and accurate evaluation of risks are at the core of HEINEKEN's risk management system.

Financial risks are reported separately in note 11.5 in the Financial Statements on pages 120–123.

The Statement of the Executive Board is included in the Corporate Governance statement on pages 49-58.

The ways we manage risks related to Responsible Consumption, Business Conduct and Human Rights are further detailed in the Sustainability Statements section of our Annual Report on pages 138-285.

Risk management

Regulatory changes related to alcohol

What could happen?

The topic of alcohol and health is under scrutiny in many markets. This may prompt regulators to take further measures limiting HEINEKEN's freedom to operate, for example, through restrictions or bans on advertising and marketing, sponsorship, availability of products, adding health warnings to labels, increased taxes and duties or imposing minimum unit pricing. This could lead to lower overall consumption or to consumers switching to different product categories.

Recent developments

Authorities and regulators continue to introduce restrictive measures on alcohol consumption and sales such as restrictions on marketing and labelling requirements in some markets. These measures can have a negative impact on our business in the affected markets.

What are we doing to manage this risk?

Responsible consumption is an important element of our Brew a Better World 2030 strategy, because HEINEKEN strongly believes in the importance of reducing alcohol-related harm. By using the power and reach of our brands through campaigns like the award-winning 'When You Drive Never Drink', HEINEKEN strives to make responsible consumption aspirational for all consumers. We aim to invest at least 10% of Heineken® media spend into responsible consumption campaigns each year, aiming to reach one billion consumers.

We also work closely with stakeholders to prevent and reduce the harm caused by abuse such as underage drinking or drinking and driving. Our operating companies are engaging in formal partnerships with local stakeholders (like governments, NGOs or specialists) to tackle harmful drinking.

We also stepped up our product labelling guidelines to provide consumers with more information about our products. We are aiming for clear and transparent consumer information on 100% of our products in scope, including full nutritional information and ingredients on pack, recycling and legal drinking age symbols and a QR code on pack that links to further information on alcohol and health.

Explore further: Raise the bar on sustainability and responsibility – Responsible, pages 24–25

Economic and political environment

What could happen?

Throughout the world, local or regional economic and political uncertainties could impact our business and that of our customers. In particular, the risk of an economic recession, change of law, trade restrictions, inflation, fluctuations in exchange rates, devaluation, nationalisation, financial crisis or social unrest could adversely affect our revenues and profits.

Recent developments

The global economy could trend to a slow down due to an uncertain geopolitical landscape impacted by the war in Ukraine, conflicts in Africa and Middle East, and trade blocks and tariff risks due to tension between US and China. Prior years of elevated inflation and tightening of monetary policy have led to increased risks to global growth. While global monetary policy may start to ease, structural shifts in industries, and reduction in real disposable income and consumer sentiment may lead to a prolonged recession of the global economy, decline in consumer spending and adverse movement in exchange rates. Public debt, the disruption of global value chains and barriers to the cross-border movement of people and goods are other key risk factors. Anticipating risks and business agility has become a priority to enable our businesses to navigate subsequent changes in laws, currency movements, import restrictions, scarcity of hard currencies, commodity pricing and their impact on the Company's profit.

What are we doing to manage this risk?

HEINEKEN has set up various tools to limit the impact of such events on its business. They include strategic supplier management, short-term liquidity management, active foreign exchange monitoring, and prudent balance sheet measures. There is a quarterly risk management process in place to review and anticipate material risks to our businesses, a review in respect to resource allocation, various cost and value optimisation initiatives, and risks and opportunity assessments. We conduct monthly business performance review, and a monthly rolling forecast instead of fixed forecasts updates throughout the year. We also expressly introduced much more mid and long-term scenario planning and contingency management.

HEINEKEN has monitoring mechanisms in place globally and locally to allow us to monitor, report and engage proactively on political risks. For events which could threaten the continuity of the business, contingency plans are in place. With our strategic priority of 'Fund the growth, fuel the profit', HEINEKEN continuously reviews its cost base to drive productivity and increase operating leverage.

Explore further: Fund the growth, fuel the profit, pages 16–17

Environmental legislation

What could happen?

HEINEKEN may not be able to respond promptly to the impact of environment-related changes on our operations. The introduction of new environmental legislation and developments in case law could lead to legal claims, increased compliance costs, restrictions on our production, packaging, distribution, selling and marketing activities. This could also damage our reputation, limit our license to operate and negatively impact our business.

Recent developments

The global economy may slow down due to an uncertain political landscape. Meanwhile the pace and scale of environment-related changes on our operations are accelerating. This creates tension between adapting swiftly to avoid restrictions and the financial impact of the significant sustainability investments needed to ensure compliance.

What are we doing to manage this risk?

Environmental sustainability is a key priority of HEINEKEN's Brew a Better World sustainable development strategy. HEINEKEN continuously monitors existing and emerging environmental issues and regulations globally to ensure compliance and to prepare the business for future challenges. We regularly assess current and upcoming regulations, looking at technical feasibility and financial impact, with cross-functional teams in place to implement the necessary actions.

Beyond this, HEINEKEN closely works with experts, including NGOs, universities, governments and suppliers across the value chain. We also partner with peer companies through international and national platforms such as The Brewers of Europe, the Beverage Industry Environmental Roundtable and the Dutch Sustainable Growth Coalition.

Explore further: Sustainability Statements - Environmental section, pages 167–198

Changing consumer & beverage trends

What could happen?

Consumers have an ever-expanding choice of beverages and brands available to meet their needs. There is an increasing risk of non-beer competitors reaching the same consumers and occasions as beer players. This requires HEINEKEN to constantly adapt its product offering, innovate and invest to maintain the relevance and strength of its brands, while meeting new and evolving consumer needs. Failure to do so would, in the longer term, affect our revenues, market share and, possibly, our brand equity.

Recent developments

The beverage landscape is rapidly changing, with some categories growing faster than beer. There's a significant risk of losing market share to other beverages, as long-held boundaries between beer, wine, spirits and non-alcoholic beverages are blurring, changing the face of competition and stretching brands into new domains.

Within the beer category, the rise of low- and no-alcohol products have been the most noticeable changes due to an increased consumer focus on health and well-being. Beyond beer, the significant diversification of choice in ready to drink beverages is remarkable but volatile. Thus, it is crucial to offer relevant propositions that resonate with consumers and meet their evolving needs.

What are we doing to manage this risk?

The evolving beverage landscape presents both opportunities and risks for HEINEKEN. To succeed, HEINEKEN needs to focus on brand building, premiumisation, differentiation from other beverage categories, and adapting to changing consumer preferences and behaviours. The key commercial levers that are considered priorities for every market are: brand power increase for strategic and game changer brands, innovation boost in beer including low- and no-alcohol and beyond beer, maximisation of distribution and value creation through smart pricing, promotions, pack/price architecture and trade terms.

HEINEKEN is constantly working to maintain, develop and strengthen its portfolio and competitive advantages, in particular, in Premium spaces, through an integrated Brand Building Process, making it more appealing to consumers. HEINEKEN has also embarked on an extensive Consumer Inspired Growth programme, helping us move from knowing beer to knowing consumers. By thoroughly understanding consumer needs in beer and beyond and comparing them within and across markets, we can uncover scalable innovation opportunities.

Explore further: Shape the future of beer and beyond, pages 11–15

Risk management

Leadership, talent and capabilities

What could happen?

Our EverGreen ambition requires us to unlock the full potential of our people and organisation. If HEINEKEN is not successful in intentionally attracting, developing, retaining and promoting diverse talent to build strong succession for leadership and other critical management roles, it could have an impact on business continuity and results.

Recent developments

We are on a journey of continued investment in leadership development while further strengthening our internal talent review processes and local talent acquisition functions and empowering our people to build skills for today & the future. This will ensure we have a strong talent pipeline to deliver the right talent in the right roles at the right time supported by leaders who can drive sustainable business growth.

What are we doing to manage this risk?

Talent Management remains one of the strategic capabilities to deliver our EverGreen Strategy. Our potential model remains our common language for understanding strengths and growth opportunities for our talents. In 2024, we refreshed our Talent Review process powered by this model improving both our ability to identify talent, and also our ability to help them realise their potential through their personal development plans. This translated into proactive identification, validation & acceleration of global talent pools through intentional development opportunities.

We launched our Global Graduate Program in 2024 to further strengthen our pipeline of high-calibre, homegrown, diverse talent for senior roles and continued utilizing our Senior Leader Assessment & Development Centre. Our Talent Acquisition & Talent Management Global Communities of Practice have been further embedded to build and strengthen talent capability across our operating companies.

In 2024 we rolled out LEAD – a new global People Manager program – designed to support our ~15,000 people managers to become even more effective at developing their people and building strong talent pipelines for the future.

In addition, our inclusion and diversity network continues to build an inclusive and equitable environment in HEINEKEN where everyone feels valued. We also achieved external recognition by the World Economic Forum who selected HEINEKEN's Women in Sales initiative as a Diversity, Equity and Inclusion Lighthouse.

Explore further: Unlock the full potential of our people, pages 30–32

Health and safety

What could happen?

HEINEKEN aims to provide a healthy and safe workplace for all employees, temporary workers and contractors. Despite the controls in place, HEINEKEN employees, temporary workers, contractors and visitors may be impacted by uncontrolled events in the brewery, supply chain, route-to-market or in our offices, which could lead to illnesses, serious injuries or fatalities potentially followed by business disruption, losses, reputational or legal claims.

Recent developments

Despite our continuous efforts to provide safe working conditions, in 2024 we still experienced incidents with significant safety impact on our premises, including events resulting in two fatal accidents, involving one employee and one contractor, underlining the importance of realizing further improvements in the area of safety, health and well-being.

What are we doing to manage this risk?

Our Safety, Health and Well-being strategy reflects our company value of Care. We focus on shaping a pro-active Health & Safety culture fully embedded in our ways of working, counting on everyone's leadership, engagement and participation. Throughout the Company, the HEINEKEN Life Saving Commitments target the activities that carry the greatest safety risks to employees, temporary workers and contractors. In 2024 we have also deployed significant resources in both time and effort to remove potential risks to safety, such as the switch from motorbikes to cars and introduction of pedestrian 'no crossing' zones and road bridges in breweries.

As the availability of quality (emergency) healthcare services varies across the large number of countries and regions in which we operate, ensuring access to quality medical care to our national and international employees and their family members remains a priority.

To ensure healthcare coverage, HEINEKEN counts on a number of health professionals in countries and regions where healthcare services are not adequate. Those employees and dependents have access to broad medical services including screening and lab tests, medicines and pharmacy, health benefits, disease prevention and health promotion projects, emergency evacuations, health training and education.

Within the health area, mental health has been identified as an area of continued focus. To address this risk, we keep investing in our internal well-being programs to ensure the wellbeing of our employees and contractors.

Explore further: Raise the bar on sustainability and responsibility – Social, pages 22-23

Product safety and integrity

What could happen?

Poor quality or contamination of HEINEKEN products, be it accidental or malicious, could lead to health risks, reputational damage, financial liabilities, supply chain disruption and product recalls.

Recent developments

The environment we operate in is constantly evolving. Changes in our product portfolio, increasing awareness of (new) potential food hazards, rising consumer concerns over food safety, social media and a more complex legal framework require ongoing efforts to adapt and respond. Ensuring food safety for our consumers remains a top priority.

What are we doing to manage this risk?

HEINEKEN has established a comprehensive Company-wide Quality Assurance program that addresses employee competencies, production standards, recipe management, supplier governance and production material risk management. Continuous improvement is driven through global compliance monitoring and systematic gap-analysis.

All our production units, including outsourced production of HEINEKEN brands, are required to implement an external certified Food Safety Management System in compliance with GFSI (Global Food Safety Initiative) standards. In 2024 97% of our breweries have a certified Food Safety System with the rest also applying the HACCP methodology. The same requirement is in place for implementation of a Quality Management System certified under ISO9001 and as at the end of 2024 over 90% of our breweries have an ISO9001 certificate, with more expected to be certified next year. All raw, auxiliary and packaging materials must be sourced from approved suppliers and meet our Production Material Specifications. Every product must follow a Basic Recipe, adhering to our Recipe Governance standards.

In the event of a risk, global recall and crisis procedures are in place to mitigate the impact. Every production unit, including outsourced production of HEINEKEN brands, has the capability to block and/or recall products and complies to the HEINEKEN Traceability standard. Compliance to our standards is ensured through self-assessments and Global Supply Chain compliance audits, while annual integrity surveys check final products for known contaminants to verify the effectiveness of these standards.

Additionally, HEINEKEN stays ahead of emerging legislation and risks by working closely with partners, suppliers and external scientific institutions to implement proactive measures that prevent such risks.

Supply chain continuity

What could happen?

Supply chain disruptions such as those for the Red Sea shipping routes can have far-reaching consequences, including the potential inability to fulfil orders for crucial clients, financial setbacks, harm to brand reputation, and a decline in market presence. Substantial fluctuations in the accessibility or pricing of essential inputs such as raw materials, commodities, transportation, energy and water may precipitate either shortages in supply or elevated operational expenses.

Recent developments

The global supply chain landscape continues to deal with disruptions and risk of further escalation, e.g. Suez Canal closure. Throughout the year, we have observed several instances where our suppliers have been adversely affected by these events, resulting in price volatility and contractual challenges. The availability of certain critical resources has become constrained, driven by factors like climate change, and the prevailing global political instability.

Furthermore, the growing concerns of climate change and increasing water shortages are starting to have effects on how much crops can grow, the availability of resources and the prices of grains. Considering these developments, it is imperative for both markets and governments to proactively address these challenges, implementing measures to adapt and respond effectively.

What are we doing to manage this risk?

HEINEKEN has effectively minimised the impact of disruptions by leveraging its extensive global presence and strong supplier relationships across various regions and product categories. Our agile sourcing approach (including our geographic spread of sourcing and local sourcing), combined with the adaptability of our breweries worldwide, has ensured the uninterrupted flow of supplies across our global operations.

We've taken proactive measures to safeguard business continuity by devising comprehensive plans for HEINEKEN's flagship brands in all critical markets, along with implementing contingency plans within our operational entities. Our resilience is further reinforced by our ownership of strategic malt production facilities, long-term procurement contracts, meticulous water management strategies, and centralised oversight of global insurance policies.

HEINEKEN has adopted a watershed-centric strategy aimed at preserving water resources. Sustainable sourcing is a top priority within our Brew a Better World 2030 initiative, reflecting our dedication to making a positive impact on the environment and society.

Explore further: Raise the bar on sustainability and responsibility – Environmental, pages 19-21

Risk management

Increased scrutiny and expectations of society on multinationals

What could happen?

Public and employee scrutiny of HEINEKEN, should it not conform to society's expectations to mitigate our potential negative impacts on the world and maximise our positive contribution, can lead to significant reputational damage to the Company or to the brands.

Recent developments

Stakeholder expectations, including those of employees, towards corporate Environmental, Social and Governance (ESG) strategies and performance, are on the rise. At the same time, shareholders are concerned about the impact these expectations might have on the financial viability of the organisation.

Companies also face growing pressure to increase the positive contribution they make, including measures to address societal and environmental issues, and to share consistent and transparent information that allows stakeholders to assess their sustainability performance and benchmark them versus peers in their industry.

What are we doing to manage this risk?

At HEINEKEN, we are raising the bar. Our Brew a Better World 2030 strategy consists of three pillars and nine ambition areas, each with concrete, measurable goals. Brew a Better World remains our foundation and framework for collaboration with others, elevating our ambitions on climate, circularity, and water action. We are committed to translating this framework to drive delivery through focused actions aiming to achieve our environmental goals. We continue our efforts to support the social agenda and promote moderate consumption of alcohol.

The Green Diamond continues to guide us towards 'what winning looks like': we aim to strike the right balance between short-term delivery and long-term sustainability, between top-line growth and overall stakeholder value creation. 'Sustainability and Responsibility' is one of the four priorities alongside growth, profitability and capital efficiency.

We disclose our sustainability performance in a combined Annual Report, on our website and via social media channels. HEINEKEN monitors trends and developments in the ESG area across the globe, to make sure we respond adequately and in a timely manner to increasing societal expectations.

Explore further: Our EverGreen strategy, page 10; Our Brew a Better World pillars, ambitions and goals, pages 140-145; Brew a Better World strategy overview and links to CSRD, page 146–147; Interests and views of stakeholders, pages 158–159.

Distribution channel transformation

What could happen?

The digital disruption is creating new routes to customers and consumers/shoppers, which is potentially a threat if we would be disintermediated and lose connection to transactions and consequently have less direct influence on customer buying behaviour.

Recent developments

New B2B and B2C players continue to enter the market although this has slowed down following increased financing cost. Some key consumer packaged goods players, including major competitors in our category, are accelerating their investments in the digitization of their route to market. Major online retailers continue to strengthen their omnichannel strategy, owning on- and off-line retail. Electronic point of sales systems are increasingly used to collect and leverage customer and consumer data.

What are we doing to manage this risk?

HEINEKEN has accelerated digitalisation in both fragmented trade and more traditional retail eCommerce. For fragmented trade we have shaped a clear vision, strategy and organisational set-up which is structured around the customer, powered by a future-fit technology strategy and a newly developed omni-channel ecosystem with our B2B platform eazle at the center. The goal is to create a seamless experience for our customers which will result in a strengthened customer relationship, more impactful customer promotions and more tailored advice.

The acceleration has resulted in significant scale of transactions on our owned digital platforms giving us in many markets an online leadership position, which happened in combination by a structural increase in the customer satisfaction scores (NPS). We are also constantly improving our e-retail capability level through clear playbooks and training methods. This supports our ambition to be the #1 partner of choice for our retail partners.

Explore further: Become the best-connected brewer, pages 26–29

Information security

What could happen?

HEINEKEN's business increasingly relies on technology, both in the office environment and in the industrial control domain of its breweries. Failure of our systems as well as cybersecurity incidents could lead to business disruption, loss of confidential information, unauthorised access to our data, as well as a breach of data privacy regulations. All of this might lead to financial or reputational damage.

Recent developments

HEINEKEN's digital footprint is expanding rapidly, in line with the strategy to become the best-connected brewer. Our Company is and will be more connected with our customers, consumers, suppliers and employees than ever. Attacks are becoming more sophisticated and potential consequences are more punitive and destructive in nature.

A growing number of attacks, most notably increasing cases of malware and phishing, are actively blocked by our Cyber Defense Operations (CDO) team. Geopolitical tensions have led to an increase of hacktivism as well as a slow increase of cyber warfare activities. Both will increase the likelihood of a cyber incident. We observe an increase in cyberattacks on our customers as well as key suppliers leading to security of supplies concerns.

On top of this, regulations continue to place stricter security requirements on data processing by HEINEKEN and its ecosystem of partners.

What are we doing to manage this risk?

Cybersecurity remains a top priority within HEINEKEN. All functions collaborate closely to act promptly and aligned in case of cyber incidents at HEINEKEN or one of our suppliers or customers. The portfolio of cybersecurity initiatives, which is evaluated regularly, is executed to address cybersecurity threats in both our office systems and Industrial Control Domain. Our Cyber Defence and Operations teams monitor and act upon cyberattacks 24/7 globally.

Our main focus is to enhance the resilience of the current and future technology landscape of HEINEKEN, while continuously increasing employee security/privacy awareness. Mandatory trainings on Information Security are in place for all employees.

Explore further: Become the best-connected brewer, pages 26–29

Digital transformation

What could happen?

In recent years, HEINEKEN has engaged in several significant digital transformation programmes. Our large number of operating companies and fragmented data and technology landscape represent specific challenges to these programmes. As we address this fragmentation by further centralizing technology solutions, there is an increased risk for IT continuity as an incident on these central systems will immediately impact multiple OpCos. Furthermore, the pace of change (e.g. disruptive technologies such as (Gen)AI) is constantly increasing. These strategic transformation programmes may not deliver the expected benefits or may incur significant cost or time overruns.

Recent developments

The world becomes more digital, and more (inter)connected. Data is more and more an asset and technological developments and its opportunities quickly evolve. HEINEKEN will need to continue to develop its capabilities to stay engaged with its consumers, seamlessly serve its customers and ensure its processes are as efficient as possible.

What are we doing to manage this risk?

The Digital and Technology Function, with representation on the Executive Team, has the objective to deliver business value through digital transformation of our route-to-consumer, while implementing a Digital Backbone to modernise and simplify our data and technology landscape across all operating companies. We are taking additional measures to address the continuity risk that the Digital Backbone brings due to further centralization.

The Global Transformation Office is put in place to ensure prioritisation, de-bottlenecking and value delivery across both the entire value chain and Operating companies. The Digital and Technology Function also continuously scans the external market for upcoming opportunities and threats as well as new technologies.

Explore further: Become the best-connected brewer, pages 26–29

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Risk management

Reporting

What could happen?

Deviations from the common reporting processes and related controls could impair the accuracy of financial and non-financial data used for Group reporting and external communications.

Recent developments

External non-financial reporting requirements are changing fast. Developments in CSRD are closely monitored and when effective, being embedded in the control environment. As of 1 January 2024, HEINEKEN is reporting in compliance with CSRD, having related governance, reporting processes and controls in place.

What are we doing to manage this risk?

HEINEKEN is utilising enhanced techniques and technology to continue to drive the improvement and standardisation of its reporting processes and controls and to harmonise its system landscape.

HEINEKEN implemented a common framework across its operating companies which includes Internal Control over Financial Reporting, Common Accounting Policies, Standard Chart of Accounts and periodic mandatory training. The related assurance model includes active monitoring of control execution, critical access and segregation of duties.

Starting in 2023, the internal controls framework and assurance model have been expanded to cover CSRD reporting. Controls related to in scope metrics were deployed and active monitoring of their effectiveness is being implemented. Moreover, HEINEKEN continues to strengthen the governance, reporting procedures and control framework of the Brew a Better World programme, and the new regulatory non-financial reporting frameworks like CSRD, to further improve the monitoring over the quality of the reported data.

Explore further: Notes to the Consolidated Financial Statements, pages 85–131. Sustainability Statements, pages 138–285.

Non-compliance

What could happen?

Changes in the legal and regulatory environment tend to increase the risk of non-compliance with local and global laws and regulations. Failure to comply with applicable laws and regulations could lead to enforcement, fines, civil (damage) claims and reputational damage. Across many geographies, law enforcement has increased over the past years, in particular with regard to anti-bribery and corruption, competition and data privacy laws. This leads to increased risk of allegations of violations of laws and regulations by law enforcers as well as by private parties.

Recent developments

In respect of alleged competition law violations, there is an increasing trend of private parties pursuing civil claims for damages. In addition to these trends, continuously expanding sanctions and export controls are posing increased compliance risks.

What are we doing to manage this risk?

HEINEKEN is constantly looking to enhance its internal compliance system and resilience to adapt to changes in the legal environment.

HEINEKEN has embedded legal compliance in its risk and controls system and has established processes and governance to drive implementation and compliance with the Company Rules and the HEINEKEN Code of Business Conduct. Our anti-corruption and sanctions compliance framework includes due diligence and ongoing monitoring of business partners, as well as screening of transactions against sanctions lists. Our focus on competition law training and compliance has increased, including new training initiatives which have been launched in tandem with the sales function.

Explore further: Corporate Governance statement, pages 49–57

Climate risks

What could happen?

Climate changes could negatively impact the availability of natural resources such as water and agricultural commodities which can lead to interruption of production and loss of revenue. In addition, HEINEKEN will be impacted by carbon taxation.

Recent developments

Our Brew a Better World 2030 strategy, announced in 2021 and updated in 2024, raises the bar on HEINEKEN's environmental, social and responsible consumption ambitions. The strategy underpins our focus on climate action and translates our ambition into goals and action plans to reduce emissions, maximise circularity and restore healthy functioning watersheds.

The implementation of the 'Task Force on Climate-related Financial Disclosures (TCFD)' framework, which is now linked to CSRD's reporting standards for climate, supported us in defining the climate-related risks that are more significant for our business. These are: the impact of carbon pricing on our value chain and own operations, water stress impact on our own operations and climate-related barley yield losses. Our first disclosure following TCFD recommendations was included in the Annual Report 2022. In 2023, we engaged with two of our markets, Brazil and the UK, to validate the risks quantified in those markets. We have also reviewed and updated key parameters included in our model with the support of our internal global experts and external experts.

What are we doing to manage this risk?

We understand the impact of climate change on the natural resources we use and we collaborate with stakeholders and suppliers to secure their supply and protect our licence to operate. We continue to focus on delivering our water strategy to protect the watersheds from which we source our water and build resilience to water availability. In parallel, we are adapting our processes, materials, and sourcing/production regions to create the agility required to ensure continuity of supply and we are reducing carbon emissions in line with our net zero carbon strategy across the value chain.

Explore further: Sustainability Statements - Climate change section, pages 167–181

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A solid year on the path to sustainable value creation

"In 2024, we made good progress against our EverGreen strategy. I'm proud of how we navigated challenging economic conditions, exceeded productivity goals on cost and cash, and delivered profit expansion. It enabled significant investment in our brands and in future proofing HEINEKEN in the pursuit of sustainable long-term value creation."

Harold van den Broek
Member of the Executive Board and Chief Financial Officer

Key figures[1]

(in € million unless otherwise stated)	2023 Reported	2023 Eia	2023 Beia	2024 Reported	Total growth %	Eia	Beia	Currency translation	Consolidation impact	Organic growth	Organic growth %
Revenue	**36,375**	**(65)**	**36,310**	**35,955**	**(1.2)%**	**122**	**36,077**	**(1,718)**	**(313)**	**1,799**	**5.0 %**
Excise tax expense	(6,013)	12	(6,001)	(6,134)	(2.0)%	21	(6,113)	62	120	(294)	(4.9)%
Net revenue	**30,362**	**(54)**	**30,308**	**29,821**	**(1.8)%**	**143**	**29,964**	**(1,656)**	**(193)**	**1,505**	**5.0 %**
Variable cost	(12,028)	73	(11,955)	(11,089)	7.8 %	(17)	(11,106)	866	81	(98)	(0.8)%
Marketing and selling expenses	(2,767)	1	(2,766)	(2,940)	(6.3)%	2	(2,938)	115	8	(295)	(10.7)%
Personnel expenses	(4,353)	139	(4,214)	(4,466)	(2.6)%	44	(4,422)	117	0	(325)	(7.7)%
Amortisation, depreciation and impairments	(3,096)	1,268	(1,828)	(2,605)	15.9 %	744	(1,861)	94	(11)	(116)	(6.3)%
Other net (expenses)/income	(4,888)	(215)	(5,103)	(5,204)	(6.5)%	79	(5,126)	229	52	(304)	(6.0)%
Total net other (expenses)/income	(27,133)	1,268	(25,865)	(26,304)	3.1 %	853	(25,452)	1,420	131	(1,138)	(4.4)%
Operating profit	**3,229**	**1,214**	**4,443**	**3,517**	**8.9 %**	**995**	**4,512**	**(236)**	**(62)**	**367**	**8.3 %**
Interest income	90	0	90	110	22.2 %	0	110	(11)	0	30	33.7 %
Interest expense	(640)	(4)	(644)	(680)	(6.3)%	27	(653)	99	(7)	(101)	(15.7)%
Net interest income/(expenses)	**(550)**	**(4)**	**(554)**	**(570)**	**(3.6)%**	**27**	**(543)**	**88**	**(7)**	**(71)**	**(12.7)%**
Other net finance income/(expenses)	(375)	34	(343)	(235)	37.3 %	(36)	(271)	94	19	(42)	(12.1)%
Share of profit of associates and joint ventures	218	52	270	(705)	(423.4)%	1,017	312	(4)	1	45	16.7 %
Income tax expense	(121)	(831)	(952)	(846)	(599.2)%	(184)	(1,031)	21	17	(117)	(12.3)%
Non-controlling interests	(97)	(136)	(233)	(183)	(88.7)%	(59)	(241)	(18)	0	9	3.8 %
Net profit	**2,304**	**329**	**2,632**	**978**	**(57.6)%**	**1,761**	**2,739**	**(54)**	**(32)**	**192**	**7.3 %**
EBITDA[2]	**6,543**	**(2)**	**6,541**	**5,417**	**(17.2)%**	**1,268**	**6,685**				

1 This table will not always cast due to rounding. This table contains a reconciliation between IFRS reported and certain Non-GAAP measures. Please refer to note 6.1 and the glossary for an explanation of the use of Non-GAAP measures.
2 EBITDA is calculated as earnings before interest, taxes, net finance expenses, depreciation, amortisation and impairment. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

Financial review

Main changes in consolidation

On 1 February 2023, HEINEKEN acquired a majority stake in Davidov Hram, a wholesale business in Slovenia.

On 14 April 2023, HEINEKEN obtained control of NBL and on 26 April 2023 of Distell. NBL and Distell have been combined with Heineken South Africa into a new HEINEKEN majority-owned business 'Heineken Beverages'. Distell and NBL are consolidated within HEINEKEN as from those dates.

On 1 June 2023, HEINEKEN disposed of its licence to brew a brand in the UK.

On 25 August 2023, HEINEKEN announced it completed its exit from Russia.

On 29 September 2023, HEINEKEN completed the sale of soft-drink producer Vrumona in the Netherlands.

Other changes in consolidation in 2024 include the sale of our entire shareholding in Champion Breweries in Nigeria, the disposal of a merchant services company in South Africa and the disposal of our business in Sri Lanka.

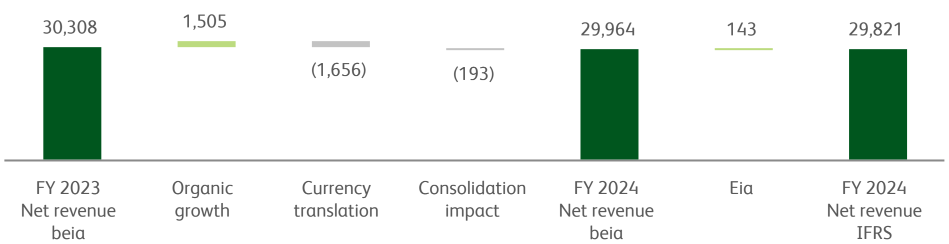
HEINEKEN applies hyperinflation accounting in Ethiopia and Haiti. Fixed assets are revalued for the inflation from the time of acquisition to date. The prior year impact from depreciation resulting from the revaluation of previous years is recorded as a change in consolidation and is excluded from the organic growth calculation. At the same time, all metrics in the income statement are restated to reflect the inflation level as per the reporting date. These impacts are recorded as exceptional items.

Revenue

Revenue for the full year was €36.0 billion (2023: €36.4 billion) a total decrease of 1.2%.

Net revenue (beia) increased organically by a solid 5.0% to €30.0 billion, supported in particular by the strong growth of our largest operating companies in Brazil, Mexico, Nigeria, South Africa, Vietnam and India. Total consolidated volume increased by 1.4% with net revenue (beia) per hectolitre up 3.5%. The underlying price-mix on a constant geographic basis was up 4.1%, with a positive contribution from all regions.

Net revenue (beia) was dampened by a negative translation impact of €1,656 million, 5.5%, mainly due to the devaluation of the Nigerian Naira, and depreciation of the Brazilian Real and Mexican Peso. The consolidation effect, primarily our exit from Russia and the sale of Vrumona more than offsetting the acquisition benefit of Distell and Namibian Breweries, had a net negative impact of €193 million, or 0.6%.



Expenses

Total net other expenses reduced by 3.1% to €26,304 million (2023: €27,133 million).

Total net other expenses (beia) were €25,452 million, up 4.4% on an organic basis due to increased personnel expenses, increased cost of raw materials in our AME region, particularly Nigeria, and a material step up in investments behind our brands.

Variable cost and Other net (expenses)/income

In millions of €	2024	2023
Raw materials	(2,910)	(3,097)
Non-returnable packaging	(5,651)	(6,114)
Transport expenses	(1,764)	(1,891)
Inventory movements (variable)	20	42
Energy and water	(784)	(968)
Total variable cost	**(11,089)**	(12,028)
Other income	80	393
Goods for resale	(1,917)	(1,997)
Repair and maintenance	(640)	(622)
Inventory movements (fixed)	(5)	(42)
Other expenses	(2,722)	(2,621)
Other net (expenses)/income	**(5,204)**	(4,888)
Inventory movements (variable)	20	42
Inventory movements (fixed)	(5)	(42)
Total inventory movements	**15**	—

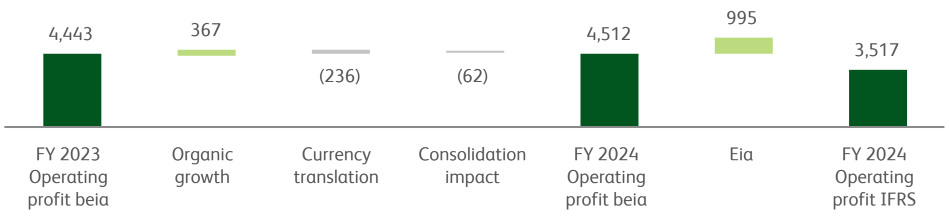
1 This table will not always cast due to rounding. This table contains a reconciliation between IFRS reported and certain Non-GAAP measures. Please refer to note 6.1 and the glossary for an explanation of the use of Non-GAAP measures.

Financial review

Operating profit

Operating profit landed at €3.5 billion (2023: €3.2 billion), higher than previous year due to strong organic profit growth and lower exceptional items.

Operating profit (beia) grew organically by 8.3% with growth delivered across all four regions. Improved portfolio mix, pricing, and productivity savings more than offset inflationary pressures in our cost base and funded incremental investments to support the power of our brands and our digitalisation and sustainability agendas. Currency translation negatively impacted operating profit (beia) by €236 million, or 5.3%, mainly due to the devaluation of currencies in emerging markets particularly the Nigerian Naira.



Net finance expenses

Net interest expenses increased 3.6% to €570 million (2023: €550 million).

Net interest expenses (beia) increased organically by 12.7% to €543 million primarily due to higher interest expenses in Nigeria. The average effective interest rate (beia) in 2024 was 3.5% (2023: 3.4%).

Other net finance expenses decreased by 37.3% to €235 million (2023: €375 million).

Other net finance expenses (beia) increased organically by 12.1% to €271 million, mainly caused by transactional foreign currency effects resulting from the devaluation of the Nigerian Naira and Ethiopian Birr, and depreciation of the Brazilian Real and Mexican Peso.

Share of profit of associates and joint ventures

The share of profit of associates and joint ventures decreased to a loss of €705 million (2023: €218 million profit) and includes the attributable profit from China Resources Beer (Holdings) Co. Ltd. (CR Beer) with a two-month delay (November 2023 to October 2024) and the impairment of €874 million of HEINEKEN's investment in CR Beer taken during the first half of this year.

Share of profit of associates and joint ventures (beia) amounted to €312 million, an organic increase of 16.7% reflecting the strong profit growth of our associate and joint venture partners in Chile, Costa Rica, and China.

Income tax expense

Total income tax expense increased from €121 million in 2023 to €846 million in 2024. As a result, the reported effective tax rate increased from 5.2% to 31.2%. Last year's income tax expense included a significant one-off benefit for the recognition of previously unrecognised deferred tax assets in Brazil.

The effective tax rate (beia) was 27.9% (2023: 26.8%). The increase is primarily due to the tax law changes in Brazil that came into effect on 1 January 2024.

Net profit

Net profit was €1.0 billion (2023: €2.3 billion). The decrease is due to the impact of exceptional items and amortisation of acquisition related intangibles on net profit which increased to €1,761 million (2023: €329 million), mainly caused by the non-cash impairment of our investment in China Resources Beer in the first half of the year.

Net profit (beia) increased organically7.3% to €2.7 billion (2023: €2.6 billion), with the growth coming mainly from the strong performance in operating profit. Higher profits from associates and joint ventures including CCU in Chile, FIFCO in Costa Rica, and China Resources Beer, were more than offset by higher financing and tax expenses.

Earnings per share – diluted

Earnings per share – diluted decreased to 1.74 (2023: 4.09). Earnings per share – diluted (beia) decreased by 4.7% from €4.67 to €4.89.

Exceptional items and amortisation of acquisition-related intangibles (eia)

The 2024 exceptional items and amortisation of acquisition-related intangibles on net profit and loss amount to €1,761 million net expense (2023: €329 million net expense). This amount consists of:

- €337 million of amortisation of acquisition-related intangibles in operating profit (2023: €385 million).
- €658 million net exceptional expense (2023: €829 million, net expense) recorded in operating profit. This includes:
  - a net impairment of €305 million recorded in amortisation, depreciation and impairments, including impairment of €158 million for Haiti (2023: €683 million, net impairment).
  - net restructuring expenses recorded in personnel expenses of €96 million (2023: €130 million).
  - €59 million net exceptional expense relating to hyperinflation accounting adjustments (2023: €50 million, net expense), of which €87 million expense recorded in revenue (2023: €55 million, income), €28 million income in raw materials consumables and services (2023: €69 million, expense), €3 million expense in amortisation, depreciation and impairments (2023: €32 million, expense) and €3 million income in personnel expenses (2023: €4 million, expense).
  - €198 million of other net exceptional expenses, mainly relating to the disposal and closure of breweries (2023: €8 million, net benefits).
- €8 million of net exceptional finance benefits, mainly related to €73 million of net exceptional benefit related to the net monetary gain resulting from hyperinflation, and €65 million other exceptional net finance expenses (2023: €30 million, net exceptional finance benefit).
- €1,017 million of net exceptional expense included in the share of profit of associates and joint ventures, mainly relating to impairment of the investment in CR Beer of €874 million (2023: €52 million, net expense).
- €184 million of net exceptional benefit in income tax expense, mainly related to the tax benefit on exceptional items and amortization of acquisition-related intangibles (2023: €831 million of net exceptional benefit).
- Total amount of eia allocated to non-controlling interests amounts to €59 million, net benefit (2023: €136 million, net benefit).

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Capital expenditure and cash flow

In millions of €	2024	2023
Cash flow from operations before changes in working capital and provisions	**6,058**	**6,127**
Total change in working capital	851	(146)
Change in provisions and post-retirement obligations	(6)	(32)
Cash flow from operations	**6,903**	**5,949**
Cash flow related to interest, dividend and income tax	(1,400)	(1,519)
Cash flow from operating activities	**5,503**	**4,430**
Cash flow used in operational investing activities	(2,445)	(2,671)
Free operating cash flow	**3,058**	**1,759**
Cash flow used in acquisitions and disposals	10	(905)
Cash flow used in financing activities	(2,574)	(816)
Net cash flow	**494**	**38**
Cash conversion ratio	**103%**	**61%**

Capital expenditure related to property, plant and equipment and intangible assets (CAPEX) amounted to €2,465 million (2023: €2,677 million) representing 8.2% (2023: 8.8%) of net revenue (beia). Significant investments in the year include capacity expansion in Brazil, returnable packaging materials across several markets including South Africa, and a packaging factory in Mexico.

Free operating cash flow amounted to €3,058 million (2023: €1,759 million) and is higher than 2023 mainly due to a substantially improved working capital position, especially in Europe and Americas.

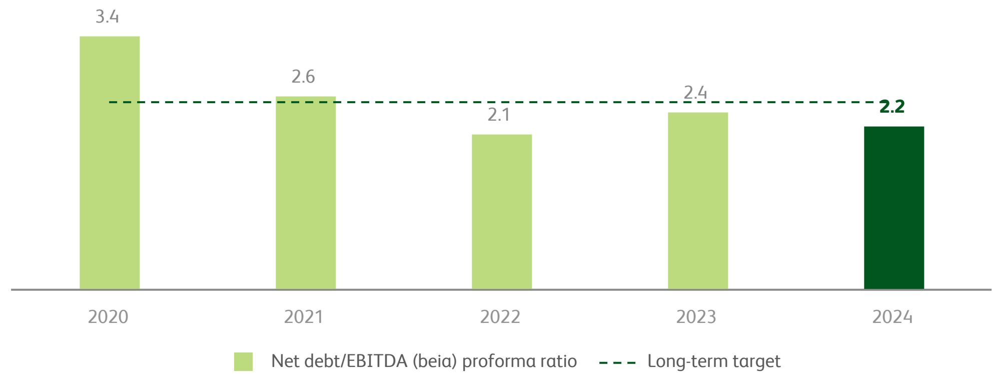
Capital expenditure related to PP&E and intangible assets (capex)

In millions of €	2023	2023
Purchase of property, plant and equipment	2,184	2,434
Purchase of intangible assets	281	243
Capital expenditure related to PP&E and intangible assets (capex)	**2,465**	**2,677**

Financial structure and liquidity

In millions of €	2024	%	2023	%
Total equity	22,402	42	22,789	41
Deferred tax liabilities	2,155	4	2,213	4
Post-retirement obligations	519	1	586	1
Provisions	762	1	833	2
Total borrowings	17,049	32	18,238	33
Other liabilities	10,886	20	10,494	19
Total equity and liabilities	**53,773**	**100**	**55,153**	**100**

Net debt/EBITDA (beia) ratio*



* Includes acquisitions and excludes disposals on a 12-month pro-forma basis.

Shareholders' equity decreased by €475 million to 19,581 million, mainly driven by the net profit of €978 million offset by the negative other comprehensive income of €472 million, and dividend payments to shareholders of €969 million.

Total borrowings amounted to €17,049 million (2023: €18,238 million). Net debt decreased to €14,651 million (2023: €15,835 million) as the strong free operating cash flow exceeded dividend payments and negative foreign currency effects on net debt. Including the effect of cross-currency swaps, 77% of net debt is Euro-denominated, and 12% is US dollar and US dollar proxy currencies.

The pro-forma 12-month rolling net debt/EBITDA (beia) ratio was 2.2x on 31 December 2024 (2023: 2.4x), in line with the Company's long-term target net debt/EBITDA (beia) ratio of below 2.5x.

The centrally available financing headroom at Group level was approximately €3.8 billion at 31 December 2024 (2023: €3.2 billion) and consisted of the undrawn part of the committed €3.5 billion revolving credit facility and centrally available cash minus centrally issued commercial paper and short-term bank borrowings at group level.

Financial review

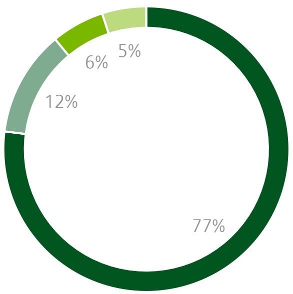
In millions of €	2024	2023
Operating profit	3,517	3,229
Share of profit of associates and joint ventures	(705)	218
Amortization, depreciation and impairments	2,605	3,096
EBITDA	**5,417**	**6,543**
Exceptional items	1,268	(2)
EBITDA (beia)	**6,685**	**6,541**

Heineken N.V. was assigned solid investment grade credit ratings by Moody's Investor Service and Standard & Poor's. On 20 November 2024 Moody's affirmed A3/P-2 ratings with stable outlook. Standard & Poor's affirmed the BBB+/A-2 ratings with stable outlook on 8 June 2023.

Currency split of net debt

This currency breakdown includes the effect of derivatives, which are used to hedge intercompany lending denominated in currencies other than Euro. Of total net interest-bearing debt, 77% is denominated in Euro, 12% in US Dollar and US Dollar proxy currencies and 6% in British Pound. This is including the effect of cross-currency interest rate swaps and lease liabilities under IFRS 16. The fair value of the cross-currency interest rate swaps forms part of net debt.

Currency split of net debt



Bond maturity profile

(incl. the currency effect of cross-currency interest rate swaps)
in millions of €

Average number of shares

HEINEKEN has 576,002,613 shares in issue. In the calculation of basic EPS, the weighted effect of own shares held in treasury (10,656,871) shares) and shares for which dividend is waived by Heineken Holding N.V. (5,156,781) shares) has been excluded. As a result, the weighted average number of shares outstanding was 560,188,961 (2023: 563,448,845).

In the calculation of 2024 diluted EPS (beia), shares to be delivered under the employee incentive programme (450,069 shares) are added to the weighted average shares outstanding. The weighted average diluted number of shares outstanding was 560,639,030 (2023: 563,979,620).

Total dividend for 2024

The HEINEKEN dividend policy is to pay a ratio of 30% to 40% of full year net profit (beia). For 2024, a total cash dividend of €1.86 per share, a 7.5% increase to last year (2023: €1.73), for an aggregate amount of €1,042 million. This represents a payout ratio of 38.0%, within the range of our policy, and will be proposed to the Annual General Meeting on 17 April 2025. If approved, a final dividend of €1.17 per share will be paid on 2 May 2025, as an interim dividend of €0.69 per share was paid on 8 August 2024. The payment will be subject to a 15% Dutch withholding tax. The ex-dividend date for HEINEKEN shares will be 23 April 2025.

Corporate Governance statement

Introduction

Heineken N.V. (the 'Company') is a public company with limited liability incorporated under the laws of the Netherlands. Its shares are listed on the Amsterdam Stock Exchange, Euronext Amsterdam.

The Company's management and supervision structure is organised in a so-called two-tier system, consisting of an Executive Board of two executive members) and a Supervisory Board (made up of ten non-executive members).

The Supervisory Board supervises the Executive Board and ensures that external experience and knowledge are embedded in the Company's way of operating. The two Boards are independent of one another and accountable to the Annual General Meeting (the 'AGM').

The Company complies with, among other regulations, the Dutch Corporate Governance Code of 20 December 2022 (the 'Code'). Deviations from the Code are explained in this report in accordance with the Code's 'comply or explain' principle.

This report includes the information that the Company is required to disclose pursuant to the Dutch governmental decree on Article 10 Takeover Directive and the governmental decree on Corporate Governance. Substantial changes in the Company's corporate governance structure and in the Company's compliance with the Code, if any, will be submitted to the AGM for discussion under a separate agenda item.

Executive Board

General

The role of the Executive Board is to manage the Company. This means, among other things, that it is responsible for setting and achieving the operational and financial objectives of the Company, the strategy to achieve these objectives, the parameters to be applied in relation to the strategy (for example, in respect of the financial ratios), the Company culture aimed at sustainable long-term value creation, the associated risk profile, the development of results, and sustainability matters that are relevant to the Company.

The Executive Board is accountable to the Supervisory Board and to the AGM.

In discharging its role, the Executive Board shall be guided by the interests of the Company and its affiliated enterprises, taking into consideration the interests of the Company's stakeholders.

The Executive Board is responsible for complying with all primary and secondary legislation, for managing the risks associated with the Company's activities and for financing the Company.

The Company identifies four operating regions: Africa & Middle East, Americas, Asia Pacific and Europe. Each region is headed by a President.

The two members of the Executive Board and the four regional Presidents together with the five functional Chief Officers (i.e. Commerce, Corporate Affairs, Digital and Technology, People and Supply Chain), jointly form the Executive Team. The decision to work with an Executive Team is to ensure effective implementation of key priorities and strategies across the organisation.

Throughout the year, members of the Executive Team and other senior managers were invited to give presentations to the Supervisory Board.

A two-day meeting was held in June 2024 between the Supervisory Board and the Executive Team to discuss the Company's strategic priorities and main risks and opportunities in the context of sustainable long-term value creation. During this meeting, members of the Executive Team also presented their respective strategic topics and the risks and opportunities per region or function, as the case may be.

In October 2024, the Executive Board and the Supervisory Board undertook a four-day visit to São Paulo, Brazil. The visit focused on enhancing the understanding of the Company's operations, performance and market dynamics in Brazil and the broader Americas region. The visit also included presentations by local management, by the President of the Americas region and by managing directors of the Company's operating companies in Mexico, Peru and the Bahamas on their respective strategic priorities, business performance, outlook, people topics, and risks and opportunities. Additionally, various trade visits were concluded as well as a local brand experience was organized, which allowed for engagement with customers and consumers.

Introduction

Report of the Executive Board

Report of the Supervisory Board

Financial Statements

Sustainability Statements

Other Information

Corporate Governance statement

Composition of the Executive Board

Executive Board members are appointed by the AGM from a non-binding nomination drawn up by the Supervisory Board.

The Supervisory Board appoints one of the Executive Board members as Chair/CEO. The AGM can dismiss members of the Executive Board by a majority of votes cast if the subject majority at least represents one-third of the issued capital.

The Executive Board consists of two members, Chair/CEO Dolf (R.G.S.) van den Brink and CFO Harold (H.P.J.) van den Broek.

Best practice provision 2.2.1 of the Code recommends that an Executive Board member is appointed for a maximum period of four years and that a member may be re-appointed for a term of not more than four years at a time. In compliance with this best practice provision, the Supervisory Board has drawn up a rotation schedule to avoid, as much as possible, a situation in which Executive Board members retire at the same time.

Mr. Van den Brink and Mr. Van den Broek are, respectively, in their second and first four-year term as members of the Executive Board, being reappointed in 2024 and appointed in 2021. A proposal for the re-appointment of Mr. Van den Broek for a second four-year term as member of the Executive Board was decided by the Supervisory Board on 1 October 2024 and will be submitted to the AGM in 2025 for approval.

Other Appointments

Internal regulations prescribe that members of the Executive Board of the Company will not accept more than two supervisory board memberships or non-executive directorships in a Large Dutch Entity.

Prior to accepting an external board membership of a Large Dutch Entity or a foreign equivalent, the proposal will be discussed with the other member of the Executive Board. The proposal will subsequently be submitted to the Chair of the Supervisory Board. The Chair will obtain approval from the Selection and Appointment Committee of the Supervisory Board and will inform the other members of the Supervisory Board, in line with the regulations of the Selection and Appointment Committee.

Furthermore, prior to accepting any other external functions, such proposal will also be discussed with the other member of the Executive Board. If there are no objections, the proposal will be submitted to the Chair of the Supervisory Board for approval. With approval of the Chair the function can be accepted. The Chair of the Supervisory Board will inform the members of the Supervisory Board.

The Chair/CEO has no external board membership of a Large Dutch Entity or a foreign equivalent and has a few external positions. The CFO has no external board membership of a Large Dutch entity or a foreign equivalent or other external positions.

The Supervisory Board ascertains that the members of the Executive Board (i) comply with the Dutch Act on Management and Supervision as regards the maximum number of supervisory board seats and non-executive board memberships in Large Dutch Entities and (ii) have sufficient time to devote to their duties and responsibilities, as provided by Principle 2.4 of the Code.

The Supervisory Board has concluded that each member of the Executive Board has sufficient time to discharge its duties as director of the Company, taking into account the Chair/CEO's limited other external positions, and also recognizing that these positions are not materially time consuming.

Dolf (R.G.S.) van den Brink Chair/CEO

Appointment
First appointment in 2020*
Current four-year term ends in 2028

Career background
Prior to his tenure as Chair of the Executive Board and Chief Executive Officer, Mr. Van den Brink had a successful 22-year career at the Company, working on all continents.

Mr. Van den Brink started his career in 1998 in the Netherlands as a commercial management trainee, and worked in various marketing and commercial roles at HEINEKEN's former subsidiary Vrumona and Global Commerce. From 2005 until 2009, Mr. Van den Brink was Commercial Director at Bralima, in the Democratic Republic of Congo (DRC). In 2009 he became Managing Director of HEINEKEN USA. After serving in this role for six years, he was appointed as Managing Director of HEINEKEN Mexico (Cuauhtémoc Moctezuma). In the fall of 2018 Mr. Van den Brink moved to Singapore, to head the the Company's APAC region as Regional President until his appointment as Chief Executive Offer in 2020.

Other positions**
Edesia Inc. (Board of Directors), International Alliance for Responsible Drinking, member of the IMD Foundation Board

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Age: 51
Nationality: Dutch
Gender: Male

Harold (H.P.J.) van den Broek CFO

Appointment
Initial appointment in 2021*
First four-year term ends in 2025 (a proposal for re-appointment for a next four year term will be submitted to the Annual General Meeting of Shareholders in April 2025)

Career background
Prior to his tenure as Member of the Executive Board and Chief Financial Officer, Mr. Van den Broek had a successful 30-year career in fast-moving consumer goods, holding various business and finance roles across Europe and Asia.

Mr. Van den Broek started his career at Unilever in 1991 and held various finance roles during his 14 years-tenure, including Vice President Finance for the Central & Eastern Europe region, Vice President Finance in China and Senior Vice President Finance Global Supply Chain. He joined Reckitt Benckiser in 2014, and successively held the roles of Senior Vice President Finance for Europe and North America, CFO of the Hygiene & Home division and Chief Operating Officer.

Other positions**
No other positions.

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Age: 57
Nationality: Dutch
Gender: Male

* For the maximum period of four years.
** Under 'Other positions', functions are listed that may be relevant to the performance of the duties of the Executive Board.
*** Large Dutch Entities are Dutch N.V.s, B.V.s or Foundations (that are required to prepare annual accounts pursuant to Chapter 9 of Book 2 of the Dutch Civil Code or similar legislation) that meet two of the following criteria (on a consolidated basis) on two consecutive balance sheet dates:
(i) The value of the assets (according to the balance sheet with the explanatory notes and on the basis of acquisition and manufacturing costs) exceeds €25 million;
(ii) The net turnover exceeds €50 million;
(iii) The average number of employees is at least 250.

Corporate Governance statement

Diversity

We strive to embrace diversity in everything we do, as also recognised and described in the Diversity Policy of the Supervisory Board, Executive Board and Executive Team. The Policy was updated in December 2021 and is available on our corporate website. The Policy considers the elements of a diverse composition in terms of nationality, gender, age and background, including expertise and experience. It is the aim of the Company to reflect this in the composition of the Supervisory Board, Executive Board and Executive Team.

For the Executive Board, appropriate weight is placed on diversity considerations in the selection and appointment process, while taking into account the overall profile and selection criteria for the appointments of suitable candidates to the Executive Board. The aim is that the Executive Board comprises of at least 30% male and at least 30% female members, as set out in the Diversity Policy. Currently, the Executive Board is composed of two male members. It is recognised that the current composition of the Executive Board leaves room for improvement on gender diversity. However, the composition is also impacted by the limited size of the Executive Board. In the event of succession planning, we will continue to look for opportunities to strengthen the gender diversity in the Executive Board.

For the Supervisory Board, the diversity details are set out on page 52 of this Annual Report as well as in the Report of the Supervisory Board in this Annual Report.

With respect to diversity within Company, increasing the gender diversity in the Company's senior management is an important ambition. The Executive Team consists of two female members and 9 male members (18% women and 82% men). In 2024 27% of new hires in the Company were women and 73% men, 22% of the total attrition were women and 78% men, and 31% of promotions were women compared to 69% men.

More details on diversity and inclusion in the Company and in the senior management group of the Company can be found in the Raise the Bar section as well as the Sustainability Statements in this Annual Report. These sections also set out the goals of the diversity and inclusion policy, the strategy to achieve the goals and more details of the results of the strategy.

Conflict of Interest

The Articles of Association and the Code prescribe how to deal with (apparent) conflicts of interest between the Company and members of the Executive Board.

A member of the Executive Board shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a personal conflict of interest with the Company.

Decisions to enter into transactions under which members of the Executive Board have conflicts of interest that are of material significance to the Company and/or the relevant member(s) of the Executive Board require the approval of the Supervisory Board.

Any such decision shall be published in the Annual Report for the relevant year, along with a reference to the conflict of interest and a declaration that the relevant best practice provisions of the Code have been complied with.

In 2024, no transactions were reported under which a member of the Executive Board had a conflict of interest that was of material significance.

Remuneration

In line with the remuneration policy adopted by the AGM, the remuneration of members of the Executive Board is determined by the Supervisory Board, upon recommendation of the Remuneration Committee.

The remuneration policy and the elements of the remuneration of Executive Board members are set out in the Remuneration Report and Notes 6.5 and 13.3 to the Financial Statements.

The main elements of the service agreements with Mr. Van den Brink and Mr. Van den Broek are available on our corporate website.

Supervisory Board

General

The role of the Supervisory Board is to supervise the management of the Executive Board and the general affairs of the Company and its affiliated enterprises, as well as to assist the Executive Board by providing advice.

In discharging its role, the Supervisory Board shall be guided by the interests of the Company and its affiliated enterprises and shall take into account the relevant interest of the Company's stakeholders.

The supervision of the Executive Board by the Supervisory Board includes the achievement of the Company's objectives, the culture in the Company, the corporate strategy and the risks inherent in the business activities, the design and effectiveness of the internal risk and control system, the financial reporting process, compliance with primary and secondary legislation, the Company-shareholder relationship and corporate social responsibility matters that are relevant to the Company.

The Supervisory Board evaluates at least once a year the corporate strategy and main risks to the business, the result of the assessment by the Executive Board of the design and effectiveness of the internal risk management and control system, and any significant changes thereto.

Supervisory Board members are appointed by the AGM from a non-binding nomination drawn up by the Supervisory Board.

The AGM can dismiss members of the Supervisory Board by a majority of the votes cast, if the subject majority at least represents one-third of the issued capital.

Composition of the Supervisory Board

The Supervisory Board consists of ten members since the AGM in 2024: Jean-Marc Huët (Chair), Maarten Das, Michel de Carvalho, Pamela Mars Wright, Marion Helmes, Rosemary Ripley, Nitin Paranjpe, Beatriz Pardo, Lodewijk Hijmans van den Bergh and Peter Wennink (Vice-Chair).

The Supervisory Board endorses the principle that the composition of the Supervisory Board shall be such that its members are able to act critically and independently of one another and of the Executive Board and any particular interests. Each Supervisory Board member is capable of assessing the broad outline of the overall strategy of the Company and its businesses and carrying out its duties properly.

Given the structure of the Heineken Group, the Company is of the opinion that, in the context of preserving the continuity of the Heineken Group and ensuring a focus on sustainable long-term value creation, it is in its best interest and that of its stakeholders that the Supervisory Board includes a fair and adequate representation of persons who are related by blood or affinity in the direct line descent to the late Mr. A.H. Heineken (former Chair of the Executive Board), or who are members of the Board of Directors of Heineken Holding N.V., even if those persons would not, formally speaking, be considered 'independent' within the meaning of best practice provision 2.1.8 of the Code.

Currently, the vast majority of the Supervisory Board (i.e. eight of its ten members) qualify as 'independent' as per best practice provision 2.1.8 of the Code. There are two members who in a strictly formal sense do not meet the applicable criteria for being 'independent' as set out in the Code: Mr. de Carvalho (who is the spouse of Mrs. C.L. de Carvalho-Heineken, the daughter of the late Mr. A.H. Heineken, and who is also an Executive Director of Heineken Holding N.V.) and Mr. Das (who is the Chair of the Board of Directors of Heineken Holding N.V.).

However, the Supervisory Board has ascertained that Mr. de Carvalho and Mr. Das in fact act critically and independently. Since Mr. de Carvalho and Mr. Das are representing or are affiliated with Heineken Holding N.V. , that holds more than 10% of the shares in the Company, the maximum of one representative or affiliate per such shareholder of best practice provision 2.1.7 sub iii of the Code is not complied with. As a consequence, the Company also does not comply with best practice provision 2.1.10 of the Code, to the extent that this provision provides that the Supervisory Board report shall state that best practice provision 2.1.7 through 2.1.9 has been fulfilled.

In line with the belief that the focus on sustainable long-term value creation is best ensured by a fair and adequate representation of persons who are related by blood or affinity in the direct line descent to the late Mr. A.H. Heineken (former Chair of the Executive Board), or who are members of the Board of Directors of Heineken Holding N.V., best practice provision 2.2.2 of the Code, which provides that a person may be appointed to the Supervisory Board for a maximum of two four-year terms, followed by two terms of two years each with an explanation in the Corporate Governance statement, is not applied to Mr. de Carvalho and Mr. Das. In the interest of preserving the core values and the structure of the Heineken Group, the Company does not apply the maximum appointment period to members who are related by blood or affinity in the direct line descent to Mr. A.H. Heineken or who are members of the Board of Directors of Heineken Holding N.V.

The Supervisory Board has drawn up a rotation schedule to avoid, as far as possible, a situation in which many Supervisory Board members retire at the same time. The rotation schedule is available on our corporate website.

Profile and diversity

The Supervisory Board has prepared a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and background of the Supervisory Board members. The profile deals with the aspects of diversity in the composition of the Supervisory Board that are relevant to the Company and states what specific objective is pursued by the Supervisory Board in relation to diversity.

At least one member of the Supervisory Board shall be a financial expert with relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities. The composition of the Supervisory Board shall be such that it is able to carry out its duties properly. The profile is available on our corporate website.

The importance of diversity in the composition of the Supervisory Board is described in the Diversity Policy of the Supervisory Board, Executive Board and Executive Team and in the Profile of the Supervisory Board (that is part of the regulations of the Supervisory Board). These policies emphasise elements of a diverse composition in terms of nationality, gender, age and background including expertise and experience.

Dutch law stipulates that supervisory boards of large Dutch public companies, such as the Company, are deemed to have a balanced composition if they consist of at least one-third female and one-third male members. The Supervisory Board consists of ten members, six male (60%) and four female (40%) members. The Supervisory Board will continue to take the balanced composition requirements into account when nominating and selecting new candidates for the Supervisory Board.

The Supervisory Board notes that, in its opinion, gender is only one element of diversity, and that experience, background, knowledge, skills and insight are equally important and relevant criteria in selecting new members as is also reflected in its profile. The Supervisory Board has updated its profile in December 2023. The profile is published on our corporate website as part of the regulations (terms of reference) of the Supervisory Board.

Corporate Governance statement

Regulations of the Supervisory Board

The tasks, responsibilities and internal procedural matters for the Supervisory Board are addressed in the regulations (terms of reference) of the Supervisory Board and are available on our corporate website.

The Supervisory Board appoints a Chair from among its members (currently Mr. Huët). The Chair of the Supervisory Board may not be a former member of the Executive Board. The Chair of the Supervisory Board determines the agenda, chairs the meetings of the Supervisory Board, ensures the proper functioning of the Supervisory Board and its Committees, arranges for the adequate provision of information to its members and acts on behalf of the Supervisory Board as the main contact for the Executive Board and for shareholders regarding the functioning of the Executive Board and the Supervisory Board members. The Chair also ensures the orderly and efficient conduct of the AGM.

The Chair of the Supervisory Board is assisted in his role by the Company Secretary. All members of the Supervisory Board have access to the advice and services of the Company Secretary. The Company Secretary is responsible for ensuring that due procedures are followed and that the Supervisory Board acts in accordance with its statutory obligations as well as its obligations under the Articles of Association.

The Supervisory Board appoints a Vice-Chair from among its members (currently Mr. Wennink). The Vice-Chair serves as the deputy for the Chair and acts as a point of contact for individual Supervisory Board members and Executive Board members regarding the functioning of the Chair.

The Supervisory Board can only adopt resolutions in a meeting if the majority of its members are present or represented at that meeting. In such meetings, resolutions must be adopted by absolute majority of the votes cast. In addition, approval of a resolution by the Supervisory Board, as referred to in Article 8 paragraph 6 under a, b and c of the Articles of Association, requires the affirmative vote of the Delegated Member.

Induction and training

After appointment to the Supervisory Board, members receive an induction programme drawn up by the Company in consultation with the Chair of the Supervisory Board.

Mr. Wennink followed the introduction programme in 2024. The programme included a general information package in respect of the Company and its corporate governance. It also included various meetings with members of the Executive Team and other senior management leaders. Furthermore, in addition to attending the Supervisory Board meetings including the strategy meeting and the visit to Brazil, the introduction programme also included a visit to the breweries in Zoeterwoude and Den Bosch.

Information

The Executive Board provides regular updates to the Supervisory Board on the Company's operations, results, legal matters, corporate governance, accounting, sustainability and compliance. This takes place in the scheduled Supervisory Board meetings as well as via email in case of ad hoc material developments.

Conflict of Interest

The Articles of Association and the regulations (terms of reference) of the Supervisory Board prescribe how to deal with (apparent) conflicts of interest between the Company and members of the Supervisory Board.

A member of the Supervisory Board shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a personal conflict of interest with the Company.

Decisions to enter into transactions under which Supervisory Board members have conflicts of interest that are of material significance to the Company and/or the relevant member(s) of the Supervisory Board require the approval of the Supervisory Board.

Any such decision shall be published in the Annual Report for the relevant year, along with a reference to the conflict of interest and a declaration that the relevant best practice provisions of the Code have been complied with. Note 13.3 of the 2024 Financial Statements sets out the related party transactions in 2024.

In 2024, no transactions were reported under which a Supervisory Board member had a conflict of interest that was of material significance.

Remuneration

Supervisory Board members receive a fixed annual remuneration fee determined by the AGM.

More information on the remuneration of Supervisory Board members can be found in Note 13.3 to the 2024 Financial Statements.

Other Appointments

While the Supervisory Board has not adopted a policy with regard to the maximum number of (other) appointments of its members, it does ascertain that its members (i) comply with the Dutch Act on Management and Supervision as regards the maximum number of supervisory board seats and non-executive board memberships in Large Dutch Entities and (ii) have sufficient time to devote to their duties and responsibilities, as provided by Principle 2.4 of the Code.

Resolutions subject to Supervisory Board approval

Certain resolutions of the Executive Board are subject to the approval of the Supervisory Board. Examples are resolutions concerning the operational and financial objectives of the Company, the strategy designed to achieve the objectives, the parameters to be applied in relation to the strategy (for example, in respect of the financial ratios) and corporate social responsibility matters that are relevant to the Company (including the sustainability strategy).

Also, decisions to enter into transactions under which Executive Board or Supervisory Board members would have conflicts of interest that are of material significance to the Company and/or to the relevant Executive Board member/Supervisory Board member require the approval of the Supervisory Board.

Further reference is made to Article 8 paragraph 6 of the Articles of Association, which contains a list of resolutions of the Executive Board that require Supervisory Board approval.

Delegated Member

The AGM may appoint one of the Supervisory Board members as Delegated Member. Mr. Das currently acts as the Delegated Member. The delegation to the Delegated Member does not extend beyond the duties of the Supervisory Board and does not comprise the management of the Company. It intends to effect a more intensive supervision and advice and more regular consultation with the Executive Board.

The Delegated Member has a veto right concerning resolutions of the Supervisory Board to approve the resolutions of the Executive Board referred to in Article 8 paragraph 6 under a, b and c of the Articles of Association of the Company.

The role of the Delegated Member is consistent with best practice provision 2.3.8 of the Code, except insofar that the delegation is not temporary but is held for the term for which the member concerned is appointed by the AGM. The Company is of the opinion that the position of Delegated Member, which has been in existence since 1952, befits the structure of the Company.

Corporate Governance statement

Committees

The Supervisory Board comprises five committees: the Preparatory Committee, the Audit Committee, the Remuneration Committee, the Selection and Appointment Committee and the Sustainability and Responsibility Committee. These committees are responsible for preparing the decision-making processes of the Supervisory Board.

The Supervisory Board has drawn up regulations (terms of reference) for each committee, setting out the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. These regulations (terms of reference) are available on our corporate website.

In 2024, more than half of the members of the Audit Committee, of the Remuneration Committee, of the Selection and Appointment Committee and of the Sustainability and Responsibility Committee were independent within the meaning of best practice provision 2.1.8 of the Code. The Report of the Supervisory Board states the composition of the committees, the number of committee meetings and the main items discussed.

Preparatory Committee

The Preparatory Committee prepares decision-making of the Supervisory Board on matters not already handled by any of the other committees, such as in relation to acquisitions and investments.

The current Chair of the Preparatory Committee is Mr. Huët.

Audit Committee

The Audit Committee focuses on supervising the activities of the Executive Board with respect to: (i) the operation of the internal risk management and control systems, including the enforcement of the relevant primary and secondary legislation and supervising the operation of codes of conduct; (ii) the provision of financial and sustainability information by the Company; (iii) compliance with recommendations and observations of internal and external auditors; (iv) the role and functioning of Global Audit, the internal audit function; (v) the policy of the Company on tax risk management; (vi) relations with the external auditor, including, in particular, its independence, remuneration and any non-audit services for the Company; (vii) the financing of the Company; and (viii) the applications of information and communication technology.

The Audit Committee acts as the principal contact for the external auditor if the external auditor discovers irregularities in the content of the financial reporting. The Audit Committee meets with the external auditor as often as it considers necessary, but at least once a year, without the Executive Board members being present.

The Audit Committee may not be chaired by the Chair of the Supervisory Board or by a former member of the Executive Board. At least one member of the Audit Committee shall be a financial expert with relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities.

The current Chair of the Audit Committee is Mrs. Helmes.

Remuneration Committee

The Remuneration Committee, inter alia, makes the proposal to the Supervisory Board for the remuneration policy for the Executive Board and Supervisory Board to be pursued, and makes a proposal for the remuneration of the individual members of the Executive Board for adoption by the Supervisory Board.

The Remuneration Committee may not be chaired by the Chair of the Supervisory Board or by a former member of the Executive Board. However, given the structure of the Heineken Group and the character of the Board of Directors of Heineken Holding N.V., the regulations of the Remuneration Committee permit that the Remuneration Committee is chaired by a Supervisory Board member who is a member of the Board of Directors of Heineken Holding N.V.

The current Chair of the Remuneration Committee is Mr. Hijmans van den Bergh.

Selection and Appointment Committee

The Selection and Appointment Committee focuses on: (i) drawing up selection criteria and appointment procedures for Supervisory Board members and Executive Board members; (ii) periodically assessing the size and composition of the Supervisory Board and the Executive Board, and making a proposal for a composition profile of the Supervisory Board; (iii) periodically assessing the functioning of individual Supervisory Board members and Executive Board members, and reporting on this to the Supervisory Board; (iv) drawing up a plan for the succession of Supervisory Board members and Executive Board members; (v) making proposals for appointments and re-appointments of Supervisory Board and Executive Board members; (vi) supervising the policy of the Executive Board regarding the selection criteria and appointment procedures for senior management; (vii) drawing up a diversity policy for the composition of the Executive Board, the Supervisory Board and the Executive Team; and (viii) deciding on a request from Executive Board members to accept an external board membership of a Large Dutch Entity or foreign equivalent.

The current Chair of the Selection and Appointment Committee is Mr. Huët.

Sustainability and Responsibility Committee

The Sustainability and Responsibility Committee focuses on: (i) the periodic review and evaluation of the Company's sustainability and responsibility strategy and related objectives and the performance on these objectives, including in the areas of the environment, social and responsible consumption; (ii) the relationships of the Company with its stakeholders on sustainability and responsibility matters; (iii) external sustainability and responsibility-related developments relevant for the Company; and (iv) such other matters concerning the Company's sustainability and responsibility matters as the Committee shall see fit and proper or as shall be referred by the Executive Board or Supervisory Board from time to time.

The current Chair of the Sustainability and Responsibility Committee is Mr. Paranjpe.

Corporate Governance statement

General Meeting

Annually, within six months after the end of the financial year, the AGM shall be held, in which, inter alia, the following items shall be brought forward: (i) the discussion of the management report; (ii) the adoption of the Executive Board's and Supervisory Board's remuneration policy insofar as adjustments to those policies lead to a new policy or four years after adoption; (iii) the Remuneration Report of the members of the Executive Board and members of the Supervisory Board; (iv) the discussion and adoption of the financial statements; (v) the discharge of the members of the Executive Board for their management; (vi) the discharge of the members of the Supervisory Board for their supervision of the management; and (vii) the appropriation of profits.

According to the Articles of Association, the AGM shall be held in Amsterdam. The AGM reflecting on the financial year 2023 was held on 25 April 2024 in DeLaMar Theatre in Amsterdam. Shareholders could attend in person or virtually.

Convocation

Pursuant to Dutch law, the Executive Board or the Supervisory Board shall convene the AGM with a convocation period of at least 42 days (excluding the date of the meeting, but including the convocation date).

The Executive Board and the Supervisory Board are obliged to convene an AGM upon request of shareholders individually or collectively owning at least 10% of the shares issued. Such meeting shall be held within eight weeks of the request and shall deal with the subjects as stated by those who wish to hold the meeting, failing which the shareholders may seek judicial leave to call a general meeting.

Right to include items on the agenda

If the Executive Board has been requested in writing not later than 60 days prior to the date of the AGM to deal with an item by one or more shareholders who solely or jointly represent at least 1% of the issued capital, the item will be included in the convocation or announced in a similar way.

A request of a shareholder for an item to be included on the agenda of the AGM needs to be substantiated. The principles of reasonableness and fairness may allow the Executive Board to refuse the request.

The Code provides the following in best practice provision 4.1.6: "A shareholder should only exercise the right to put items on the agenda after they have consulted with the management board on this. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the Company's strategy, for example as a result of the dismissal of one or several management board or supervisory board members, the management board should be given the opportunity to stipulate a reasonable period in which to respond (the response time)."

The opportunity to stipulate the response time should also apply to an intention as referred to above for judicial leave to call an AGM pursuant to Section 2:110 of the Dutch Civil Code. The relevant shareholder should respect the response time stipulated by the management board, within the meaning of best practice provision 4.1.7 of the Code.

If the Executive Board invokes a response time, such period shall not exceed 180 days from the moment the Executive Board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the AGM at which the item is to be dealt with. The Executive Board shall use the response time for further deliberation and constructive consultation. This shall be monitored by the Supervisory Board. The response time shall be invoked only once for any given AGM and shall not apply to an item in respect of which the response time has been previously invoked.

Record date

For each AGM, Dutch law provides a record date for the exercise of the voting rights and participation in the meeting, which record date shall be the 28th day prior to the date of the meeting. The record date shall be included in the convocation notice, as well as the manner in which those entitled to attend and/or vote in the meeting can be registered and the manner in which they may exercise their rights.

Only persons who are shareholders on the record date may participate and vote in the AGM.

Participation in person, by proxy or through electronic communication

Each shareholder is entitled, either personally or by proxy authorised in writing, to attend the AGM, to address the meeting and to exercise his or her voting rights.

The Executive Board may determine that the powers set out in the previous sentence may also be exercised by means of electronic communication.

If a shareholder wants to exercise his or her rights by proxy authorised in writing, the written power of attorney must be received by the Company no later than on the date indicated for that purpose in the convocation notice. Through its corporate website, the Company generally facilitates that shareholders can give electronic voting instructions.

Attendance list

Each person entitled to vote or otherwise entitled to attend a meeting, or such person's representative, shall have to sign the attendance list, stating the number of shares and votes represented by such person.

Chair of the AGM

The AGM shall be presided over by the Chair or the Vice-Chair of the Supervisory Board or, in its absence, by one of the Supervisory Board members present at the meeting, to be designated by them in mutual consultation. If no members of the Supervisory Board are present, the meeting shall appoint its own chair.

Voting

All resolutions of the AGM shall be adopted by an absolute majority of the votes cast, except for those cases in which the law or the Articles of Association prescribe a larger majority.

Each share confers the right to one vote. Blank votes shall be considered as not having been cast.

The Executive Board may determine in the convocation notice that any vote cast prior to the AGM by means of electronic communication shall be deemed to be a vote cast in the AGM. Such a vote may not be cast prior to the record date. A shareholder who has cast his or her vote prior to the AGM by means of electronic communication remains entitled, whether or not represented by a holder of a written power of attorney, to participate in the AGM.

Minutes

The proceedings in the AGM shall be recorded in minutes taken by a secretary to be designated by the chair of the meeting. Upon request, the record of the proceedings of the AGM shall be submitted to shareholders, ultimately within three months after the conclusion of the meeting.

Corporate Governance statement

Resolutions to be adopted by the AGM

The AGM has authority to adopt resolutions concerning, inter alia, the following matters:

- Issue of shares by the Company or rights on shares (and to authorise the Executive Board to resolve that the Company issues shares or rights on shares);
- Authorisation of the Executive Board to resolve that the Company acquires its own shares;
- Cancellation of shares and reduction of share capital;
- Appointment of Executive Board members;
- The remuneration policy for Executive Board members;
- Suspension and dismissal of Executive Board members;
- Appointment of Supervisory Board members;
- The remuneration policy for Supervisory Board members;
- The remuneration of Supervisory Board members;
- Suspension and dismissal of Supervisory Board members;
- Appointment of the Delegated Member of the Supervisory Board;
- Adoption of the financial statements;
- Granting discharge to Executive and Supervisory Board members;
- Dividend distributions;
- A material change in the corporate governance structure;
- Appointment of the external auditor;
- Amendment of the Articles of Association; and
- Liquidation.

Resolutions on a major change in the identity or character of the Company or enterprise shall be subject to the approval of the AGM. This would at least include (a) the transfer of the enterprise or the transfer of practically the entire enterprise of the Company to a third party, (b) the entering into or the termination of a lasting co-operation of the Company or a subsidiary with another legal entity or company or a fully liable partner in a limited partnership or general partnership, if such co-operation or termination is of fundamental importance to the Company and (c) acquiring or disposing of a participation in the capital of a company by the Company or a subsidiary amounting to at least one-third of the amount of assets according to the Company's consolidated balance sheet plus explanatory notes as laid down in the last adopted Financial Statements of the Company.

Article 10 of the EU Take-Over Directive Decree

Shares

The issued capital of the Company amounts to €921,604,180.80, consisting of 576,002,613 shares of €1.60 each. Each share carries one vote. The shares are listed on Euronext Amsterdam.

All shares carry equal rights and are freely transferable (unless provided otherwise below).

Shares repurchased by the Company for the share-based Long-Term Incentive Plan (LTIP) or for any other purpose do not carry any voting rights and dividend rights.

Shareholders who hold shares on a predetermined record date are entitled to attend and vote at the AGM. The record date for the AGM of 17 April 2025 is 28 days before the AGM, i.e. on 20 March 2025.

Law on the Conversion of Bearer Shares

As of 1 July 2019, the Dutch Law on the Conversion of Bearer Shares (*Wet omzetting aandelen aan toonder*) has entered into effect. All (bearer) shares in the Company's authorised capital have already been registered as per earlier amendment of the Articles of Association. However, there still are share certificates for bearer shares circulating which are eligible for submission with the Company.

Pursuant to Dutch law, the Company received 12,037 certificates for bearer shares without consideration on 31 December 2020.

Any holder of certificates for bearer shares submitting its share certificates with the Company before 2 January 2026, shall receive a corresponding amount of registered shares by the Company as per the transitory provisions laid down in Article 18 of the Articles of Association.

Substantial shareholdings

Based on the Financial Supervision Act (*Wet op het financieel toezicht*) and the Decree on Disclosure of Major Holdings and Capital Interests in Issuing Institutions (*Besluit melding zeggenschap en kapitaalbelang in uitgevende instellingen*) the Netherlands Authority for the Financial Markets has been notified about substantial shareholdings regarding the Company. Based on such filings, and to the best of the Company's knowledge, as applicable at 31 December 2024 the following shareholders held a substantial shareholding in the Company:

- Mrs. C.L. de Carvalho-Heineken indirectly holds 50.005% of the issued share capital of the Company; the direct 50.005% shareholder is Heineken Holding N.V.). Further details can be found in the Annual Report of Heineken Holding N.V.
- Massachusetts Financial Services Company holds (directly and indirectly combined) 2.09% of the issued share capital of the Company and holds (directly and indirectly combined) 3.07% of the voting rights in the share capital of the Company.

Share plans

There is a share-based Long-Term Incentive Plan (LTIP) for both the Executive Board members and senior management. Eligibility for participation in the LTIP by senior management is based on objective criteria.

Each year, performance shares are awarded to the participants. Depending on the fulfilment of certain predetermined performance conditions during a three-year performance period, the performance shares will vest and the participants will receive Heineken N.V. shares.

Shares received by Executive Board members upon vesting under the LTIP are subject to a holding period of five years as from the date of award of the respective performance shares, which is approximately two years from the vesting date.

Under the Short-Term Incentive Plan (STIP) for the Executive Board, Executive Board members are entitled to receive a cash bonus subject to the fulfilment of predetermined performance conditions.

Executive Board members are obliged to invest at least 25% of their STIP payout in Heineken N.V. shares ('investment shares') to be delivered by the Company; the maximum they can invest in Heineken N.V. shares is 50% of their STIP payout (at their individual discretion).

The investment shares (which are acquired by the Executive Board members in the year after the year over which the STIP payout is calculated) are subject to a holding period of five years as from 1 January of the year in which the investment shares are acquired.

Executive Board members are entitled to receive one additional Heineken N.V. share (a 'matching share') for each investment share held by them at the end of the respective holding period.

Corporate Governance statement

The entitlement to receive matching shares shall lapse upon the termination by the Company of the service agreements of Mr. Van den Brink and Mr. Van den Broek, as the case may be, for an urgent reason ('dringende reden') within the meaning of the law or in case of dismissal for cause ('ontslag met gegronde redenen') whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member.

In exceptional situations, extraordinary share entitlements may be awarded by the Executive Board to employees. These share entitlements are usually non-performance-related and the employees involved are usually entitled to receive Heineken N.V. shares after the expiry of a period of time.

The shares required for the LTIP, the STIP and the extraordinary share entitlements will be acquired by the Company on the basis of an authorisation granted by the AGM and subject to approval of the Supervisory Board of the Company.

Change of control

There are no important agreements to which the Company is a party and that will automatically come into force, be amended or be terminated under the condition of a change of control over the Company as a result of a public offer.

However, the contractual conditions of most of the Company's important financing agreements and notes issued (potentially) entitle the banks and noteholders respectively to claim early repayment of the amounts borrowed by the Company in the situation of a change of control over the Company (as defined in the respective agreement).

Also, some of the Company's important joint venture agreements provide that in case of a change of control over the Company (as defined in the respective agreement), the other party to such agreement may exercise its right to purchase the Company's shares in the joint venture, as a result of which the respective joint venture agreement will terminate.

Appointment and dismissal of Supervisory and Executive Board members

Members of the Supervisory Board and the Executive Board are appointed by the AGM on the basis of a non-binding nomination by the Supervisory Board.

The AGM can dismiss members of the Supervisory Board and the Executive Board by a majority of the votes cast, if the subject majority at least represents one-third of the issued capital.

Amendment of the Articles of Association

The Articles of Association can be amended by resolution of the AGM in which at least half of the issued capital is represented and exclusively either at the proposal of the Supervisory Board or at the proposal of the Executive Board that has been approved by the Supervisory Board, or at the proposal of one or more shareholders representing at least half of the issued capital.

Acquisition of own shares

On 25 April 2024, the AGM authorised the Executive Board (for the statutory maximum period of 18 months) to acquire own shares subject to the following conditions and with due observance of the law and the Articles of Association (which require the approval of the Supervisory Board):

The maximum number of shares which may be acquired is 10% of the issued capital of the Company as per 25 April 2024.

Transactions must be executed at a price between the nominal value of the shares and 110% of the opening price quoted for the shares in the Official Price List (*Officiële Prijscourant*) of Euronext Amsterdam on the date of the transaction or, in the absence of such a price, the latest price quoted therein.

Transactions may be executed on the stock exchange or otherwise.

The authorisation may be used in connection with the LTIP and the STIP for the members of the Executive Board and the LTIP for senior management, but may also serve other purposes, such as acquisitions. A new authorisation will be submitted for approval at the next AGM on 17 April 2025.

Issue of shares

On 25 April 2024, the AGM authorised the Executive Board (for a period of 18 months) to issue shares or grant rights to subscribe for shares and to restrict or exclude shareholders' pre-emption rights, with due observance of the law and Articles of Association (which require the approval of the Supervisory Board).

The authorisation is limited to 10% of the Company's issued capital as per 25 April 2024.

The authorisation may be used in connection with the LTIP and the STIP for the members of the Executive Board and the LTIP for senior management, but may also serve other purposes, such as funding of acquisitions.

A new authorisation will be submitted for approval to the AGM at 17 April 2025.

Compliance with the Corporate Governance Code

The Code was first adopted in 2003 and was amended in 2008, 2016 and 2022. In the years since the last revision of the Code in 2016, a number of important developments have been observed in the field of governance, such as the greater emphasis on sustainability and digitisation and diversity and inclusion as well as addressing changed legislation and regulations. These developments have been addressed in the latest update of the Code. The Code is available via http://www.mccg.nl.

The Code contains principles and best practice provisions that regulate relations between the management board, the supervisory board and the general meeting/shareholders. The principles in the Code may be regarded as reflecting widely held general views on good corporate governance. The principles have been expressed in the form of best practice provisions. These provisions contain standards for the conduct of management board members, supervisory board members and shareholders. They reflect best practices and supplement the general principles of good corporate governance.

As stated in the Code, there should be a basic recognition that corporate governance must be tailored to the company-specific situation and, therefore, that non-application of individual provisions by a company may be justified.

Corporate Governance statement

The Company, in principle, endorses the Code's principles and applies virtually all best practice provisions. However, given the structure of the Heineken Group and, specifically, the relationship between the Company and its controlling shareholder Heineken Holding N.V., the Company does not (fully) apply the following best practice provisions:

- 2.1.7, 2.1.8 and 2.1.10 4: Number of independent Supervisory Board members; in that light the Supervisory Board report does not state that best practice provisions 2.1.7 through 2.1.9 have been fulfilled;
- 2.2.2: Maximum terms of appointment Supervisory Board members; and
- 2.3.8: Temporary nature of appointing a delegated Supervisory Board member.

The agreement with Mr. Van den Brink and Mr. Van den Broek with regards to their terms comply with the Code. For more information please see the Remuneration Report.

Other best practice provisions which are not applied relate to the fact that these principles and/or best practice provisions are not applicable to the Company:

- 2.8.1: This best practice provision situation has not arisen;
- 3.1.2: sub vii: The Company does not grant options on shares;
- 4.1.5: This best practice provision relates to shareholders;
- 4.2.6: The Company has no anti-takeover measures;
- 4.3.1: This best practice provision relates to shareholders;
- 4.3.4: The Company has no financing preference shares;
- 4.3.5 and 4.3.6: This best practice provision relates to institutional investors;
- 4.5: The Company has no depositary receipts of shares, nor a trust office; and
- 4.3.3 and 5.1: The Company does not have a one-tier management structure.

In respect of transactions with related parties as disclosed in note 13.3, best practice provisions 2.7.3, 2.7.4 and 2.7.5 of the Code have been observed.

Various topics included in the updated Code are addressed in detail in other sections of this Annual Report, including with respect to sustainable long-term value creation, company culture, diversity and inclusion and a policy for an effective dialogue with stakeholders with regard to sustainability aspects of the Company's strategy. Please refer to these dedicated sections to read more about these topics.

Statement of the Executive Board

This Report of the Executive Board, together with the Sustainability Review, serves as the management report for the purpose of Section 391, Book 2 of the Dutch Civil Code.

In accordance with best practice provision 1.4.3 of the Code, we are of the opinion that:

- This report provides sufficient insights into any major failings in the effectiveness of the internal risk management and control systems
- The aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis
- This report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of this report

It should be noted that the foregoing does not imply that these systems and these procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliance with legislation, rules and regulations.

For a detailed description of the risk management system and the principal risks identified, please refer to the Risk Management section.

In accordance with Article 5:25c paragraph 2 sub c of the Financial Markets Supervision Act, we confirm that, to the best of our knowledge:

- the financial statements in this Annual Report 2024 give a true and fair view of our assets and liabilities, our financial position at 31 December 2024, and the results of our consolidated operations for the financial year 2024; and
- the Report of the Executive Board includes a fair review of the position at 31 December 2024 and the development and performance during the financial year 2024 of Heineken N.V. and the undertakings included in the consolidation taken as a whole, and describes the principal risks that Heineken N.V. faces.

This statement cannot be construed as a statement in accordance with the requirements of Section 404 of the US Sarbanes-Oxley Act, which Act is not applicable to Heineken N.V.

Executive Board
R.G.S. van den Brink
H.P.J. van den Broek

Amsterdam, 11 February 2025

The Report of the Executive Board continues on page 138 with the Sustainability Statements – which form an integral part of the Report of the Executive Board.

To the shareholders

During 2024, the Supervisory Board performed its duties in accordance with primary and secondary legislation and the Articles of Association of Heineken N.V. and supervised and advised the Executive Board on an ongoing basis.

Financial statements and results appropriation

The Supervisory Board hereby submits to the shareholders the financial statements and the report of the Executive Board for the financial year 2024, as prepared by the Executive Board and approved by the Supervisory Board in its meeting of 11 February 2025.

Deloitte Accountants B.V. audited the financial statements. Its report can be found in the Other Information section.

The Supervisory Board recommends that shareholders, in accordance with the Articles of Association, adopt these financial statements.

The underlying principle of the dividend policy is that 30–40% of net profit before exceptional items and amortisation of acquisition-related intangible assets (net profit beia) is placed at the disposal of shareholders for distribution as dividend.

The proposed dividend amounts to €1.86 per share of €1.60 nominal value, of which €0.69 was paid as an interim dividend on 8 August 2024.

HEINEKEN intends to implement a two-year programme to repurchase own shares for an aggregate amount of €1.5 billion. Heineken Holding N.V., the Company's majority shareholder, intends to participate pro rata in this share buyback programme. The Company's share buyback programme will be executed within the authority granted by the Annual General Meeting of Shareholders on 25 April 2024 and the authority granted by future general meetings. All shares repurchased under the programme will be cancelled. The share buyback programme may be suspended, modified, or discontinued at any time.

Supervisory Board composition, skills, independence and remuneration

Composition

The Supervisory Board started the year 2024 with 9 members: Jean-Marc Huët (Chair), Maarten Das, Michel de Carvalho, Pamela Mars Wright, Marion Helmes, Rosemary Ripley, Nitin Paranjpe, Lodewijk Hijmans van den Bergh and Beatriz Pardo.

At the Annual General Meeting of Shareholders (AGM) on 25 April 2024, both Mr. Huët and Mrs. Mars Wright were re-appointed for a period of two years and Mr. Peter Wennink was appointed for a period of four years as members of the Supervisory Board.

Supervisory Board composition

Nationality	%
American	20%
British	20%
Dutch	40%
German	10%
Spanish	10%

Gender	Weighed average*	%
Male	59%	60%
Female	41%	40%

Tenure	%
0–4 years	40%
5–8 years	20%
9–12 years	20%
>12 years	20%

* The weighed average reflects changes in the composition of the Supervisory Board during the reporting year.

To the shareholders

Jean-Marc (R.J.M.S.) Huët

1969 | Dutch nationality | Male

Appointed in 2014; Chair (as of 2019); latest re-appointment in 2024*

Profession:

Company Director

Supervisory board seats (or non-executive board memberships) in Large Dutch Entities***:
Vermaat Groep (Chair Supervisory Board)

Other positions**:**

Lonza Group Ltd. (Chair)

Maarten (M.) Das

1948 | Dutch nationality | Male

Appointed in 1994; latest re-appointment in 2021**
Delegated Member (as of 1995)

Profession:

Lawyer

Supervisory board seats (or non-executive board memberships) in Large Dutch Entities***:
Heineken Holding N.V. (Chair)

Other positions**:**

L'Arche Green N.V. (Chair),
L'Arche Holding B.V.

Michel (M.R.) de Carvalho

1944 | British nationality | Male

Appointed in 1996; latest re-appointment in 2023**

Profession:

Chair Capital Generation Partners

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Other positions**:**

Heineken Holding N.V. (Executive Director),
L'Arche Green N.V., Koç Holding A.Ş.

Pamela (P.) Mars Wright

1960 | American nationality | Female

Appointed in 2016; latest re-appointment in 2024*

Profession:

Company Director

Supervisory board seats (or non-executive board memberships) in Large Dutch Entities***:
SHV Holdings N.V. (Member Supervisory Board)

Other positions**:**

Moffitts National Board of Advisors

Marion (M.) Helmes

1965 | German nationality | Female

Appointed in 2018; latest re-appointment in 2022**

Profession:

Company Director

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Other positions**:**

Siemens Healthineers AG, Lonza Group Ltd

Rosemary (R.L.) Ripley

1954 | American nationality | Female

Appointed in 2019; latest re-appointment in 2023**

Profession:

Managing Director at NGEN

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Other positions**:**

Zevia PBC, Ripley Waterfowl Conservancy, Better World Acquisition Corp (CEO and Director)

Nitin (N.) Paranjpe

1963 | British nationality | Male

Appointed in 2021**

Profession:

Chief Transformation Officer and Chief People Officer of Unilever (until 1 June 2024). Company Director.

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Other positions**:**

Hindustan Unilever Ltd (Chair), Infosys Limited (Independent Director), Indian School of Business, Kedaara Capital, Chinmaya Mission Advisory Council

Lodewijk (L.J.) Hijmans van den Bergh

1963 | Dutch nationality | Male

Appointed in 2023**

Profession:

Lawyer, Company Director

Supervisory board seats (or non-executive board memberships) in Large Dutch Entities***:
ING Groep N.V. (Member Supervisory Board),
HAL Holding N.V. (Vice-Chair Supervisory Board)

Other positions**:**

Utrecht Universiteitsfonds (Chair),
Vereniging Aegon (Chair)

Beatriz (B.) Pardo

1969 | Spanish nationality | Female

Appointed in 2023**

Profession:

General Manager of Starbucks Reserve (until February 2024). Company Director.

No supervisory board seats (or non-executive board memberships) in Large Dutch Entities***

Other positions**:**

Apheon (Member of the Advisory Board)

Peter (P.T.F.M.) Wennink

1957 | Dutch nationality | Male

Appointed in 2024**

Profession:

CEO of ASML (until 24 April 2024). Company Director.

Supervisory board seats (or non-executive board memberships) in Large Dutch Entities***:
VDL Groep B.V. (Member Supervisory Board)

Other positions**:**

Eindhoven University of Technology (Chair), Dutch National Growth Fund (Vice-Chair Advisory Board), Eindhoven Manufacturers Circle (Chair),

* For a term of two years, in line with the Corporate Governance Code.
** For the maximum term of four years.
*** Large Dutch Entities are Dutch N.V.s, B.V.s or Foundations (that are required to prepare annual accounts pursuant to Chapter 9 of Book 2 of the Dutch Civil Code or similar legislation) that meet two of the following criteria (on a consolidated basis) on two consecutive balance sheet dates:
(i) The value of the assets (according to the balance sheet with the explanatory notes and on the basis of acquisition and manufacturing costs) exceeds €20 million;
(ii) The net turnover exceeds €40 million;
(iii) The average number of employees is at least 250.
**** Under 'Other positions', other functions are mentioned that may be relevant to the performance of the duties of the Supervisory Board.

To the shareholders

Supervisory Board composition and skills matrix

	Jean-Marc (R.J.M.S.) Huët	Maarten (M.) Das	Michel (M.R.) de Carvalho	Pamela (P.) Mars Wright	Marion (M.) Helmes	Rosemary (R.L.) Ripley	Nitin (N.) Paranjpe	Lodewijk (L.J.) Hijmans van den Bergh	Beatriz (B.) Pardo	Peter (P.T.F.M.) Wennink *
Year of birth	1969	1948	1944	1960	1965	1954	1963	1963	1969	1957
Gender	Male	Male	Male	Female	Female	Female	Male	Male	Female	Male
Nationality	Dutch	Dutch	British	American	German	American	British	Dutch	Spanish	Dutch
Committee memberships	AC, PC (Chair), RC, SAC (Chair)	PC	PC, RC, SAC, SRC	SAC, SRC	AC (Chair), RC	RC, SRC	SRC (Chair)	RC (Chair), SRC	SAC	AC, RC, SAC
Skills and experience										
Business leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
International business	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Consumer goods	✓		✓	✓	✓	✓	✓	✓	✓	
Finance / Governance	✓	✓	✓		✓	✓		✓		✓
Marketing / Innovation				✓			✓		✓	✓
Sustainability				✓		✓	✓	✓		✓
Digital / Technology						✓				✓

AC – Audit Committee, PC – Preparatory Committee, RC – Remuneration Committee, SAC – Selection and Appointment Committee, SRC – Sustainability and Responsibility Committee

* Appointed at the AGM 2024.

To the shareholders

The Supervisory Board has a diverse composition in terms of experience, gender, nationality and age. Four out of ten members are women and six out of ten members are non-Dutch. There are six nationalities (American, British, Dutch, German, Indian and Spanish) and the age of the members ranges between 55 and 80.

The Supervisory Board is of the opinion that a diversity of experience and skills is represented on its board. The elements of a diverse composition of the Supervisory Board are laid down in the Diversity Policy of the Supervisory Board, Executive Board and Executive Team (available on our corporate website) as per best practice provision 2.1.5 of the Code. Currently, 40% (i.e. four out of ten) of the Supervisory Board members are female.

The profile of the Supervisory Board and the Diversity Policy of the Supervisory Board, Executive Board and Executive Team provides that a minimum of one-third of the seats of the Supervisory Board shall be held by women and a minimum of one-third of the seats shall be held by men. The composition of the Supervisory Board of the Company is compliant with the Diversity Policy and Dutch law.

Diversity and gender are important drivers in the selection process. With reference thereto, the Supervisory Board is committed to retain an active and open attitude as regards selecting female candidates. The Supervisory Board is keen to embrace diversity at large and considers gender, experience, background, nationality, knowledge, skills and insight equally important and relevant criteria in selecting new members.

More details on the skills and experience of the various Supervisory Board members are provided on the previous page.

Composition and AGM 2025

Mr. Huët will resign as Chair and member of the Supervisory Board at the 2025 AGM after being member of the Supervisory Board for eleven years, six of which as its Chair. The Supervisory Board has resolved to appoint Mr. Wennink as Chair of the Supervisory Board, effective upon conclusion of the 2025 AGM.

Mr. Das will retire from the Supervisory Board when his current term ends at the 2025 AGM, after being member of the Supervisory Board for more than three decades, and chairing the Remuneration Committee for 20 years.

A non-binding nomination for the re-appointment of Mr. Paranjpe as member of the Supervisory Board for a period of four years shall be submitted to the 2025 AGM.

A non-binding nomination for the appointment of Mr. Alexander de Carvalho as member of the Supervisory Board for a period of four years shall be submitted to the 2025 AGM. Subject to his re-appointment, Mr. Paranjpe will become Vice-Chair of the Supervisory Board.

It is the aim of the Supervisory Board that its composition, also in terms of skills and expertise, supports the Company in its goal to future-proof the business and deliver superior and balanced growth with greater focus on meeting the needs of consumers and customers.

Independence

The Supervisory Board endorses the principle that the composition of the Supervisory Board shall be such that its members are able to act critically and independently of one another and of the Executive Board and any particular interests.

Given the structure of the Heineken Group, the Company is of the opinion that, in the context of preserving the continuity of the Heineken Group and ensuring a focus on long-term value creation, it is in its best interest and that of its stakeholders that the Supervisory Board includes a fair and adequate representation of persons who are related by blood or affinity in the direct line of descent to the late Mr. A.H. Heineken (former Chair of the Executive Board), or who are members of the Board of Directors of Heineken Holding N.V., even if those persons would not, formally speaking, be considered 'independent' within the meaning of best practice provision 2.1.8 of the Code.

Currently, the majority of the Supervisory Board (i.e., eight of its ten members) qualify as 'independent' as per best practice provision 2.1.8 of the Code.

There are two members who in a strictly formal sense do not meet the applicable criteria for being 'independent' as set out in the Code: Mr. de Carvalho (who is the spouse of Mrs. C.L. de Carvalho-Heineken, the daughter of the late Mr. A.H. Heineken, and who also is an executive director of Heineken Holding N.V.), Mr. Das (who is the Chair of the Board of Directors of Heineken Holding N.V.). However, the Supervisory Board has ascertained that Mr. de Carvalho and Mr. Das in fact act critically and independently.

Remuneration

The AGM determines the remuneration of the members of the Supervisory Board. Details of the remuneration can be found in Note 13.3 to the Financial Statements.

Meetings and activities of the Supervisory Board

In 2024, the Supervisory Board held six meetings with the Executive Board. Five meetings were held in person and one meeting was held virtually. The agenda for the Supervisory Board regularly included topics such as:

- The business and financial performance of the Company;
- The Company's EverGreen strategy aimed at sustainable long-term value creation, as well as the manner in which the Executive Board implements the Company's strategy;
- The financial position of the Company, including the financing, liquidity position, dividend policy and credit rating;
- An update of the operationalisation and progress made in the execution of the Brew a Better World strategy;
- Large investment proposals, as well as the overall business development and acquisition landscape, taking into account the geographical footprint of the Company;
- The annual budget and plan as well as the three-year strategic plan;
- The Company's people strategy and priorities, including employee engagement, retention and talent management, succession planning, inclusion and diversity strategy;
- Succession planning for the Executive Board, Supervisory Board and senior management;
- The internal risk management and control system;
- An update on investor relations reflecting on the Company's shareholder base, related engagements and developments;
- A deep dive on capital return priorities;
- The agenda for the 2025 Annual General Meeting of Shareholders.

During the year, several representatives of senior management and the Executive Team were invited to give presentations to the Supervisory Board.

The external auditor attended the meeting in which the annual results were discussed.

The Supervisory Board also had a two-day meeting with the Executive Team in Ermelo, the Netherlands, to discuss the Company's strategic priorities. Additionally, each Regional President provided an overview of the performance, growth, productivity and sustainability developments in their regions and key markets. The various functional Chiefs presented about boosting growth, stepping up productivity, supply chain optimization, leveraging technology, and carbon reduction.

To the shareholders

The Supervisory Board furthermore visited Brazil together with the Executive Board and the President Americas. The Managing Directors of the operating companies in Brazil, Mexico, Peru and the Bahamas presented an update on business performance and the organisational risks and opportunities in their local organisation and markets. In addition, a market visit and engagements with customers and consumers provided insights in the local commercial environment. The Supervisory Board was able to interact with many colleagues in the business. The Chief People Officer also attended the programme in Brazil and presented an update on various topics.

To ensure permanent education, the Supervisory Board is provided with regular deep dives on strategic topics of the Company, both in the meetings of the Supervisory Board as well as in the meetings of the committees of the Supervisory Board. The education is provided by internal as well as external experts. By way of external education a presentation on future-fit leadership was provided by a professor related to (amongst others) the University of Cambridge.

In addition to the foregoing, the following deep dives were discussed in 2024:

- Sustainability, hosted by a professor of the International Institute for Management Development (IMD);
- Business development related projects;
- The Company's People strategy, particularly on talent management, employee engagement and succession planning;
- The strategy of Global Commerce, with specific attention to the Company's portfolio in various regions and markets;
- Digital & Technology, with specific attention to the (progress in the) Company's digital transformation programs and cybersecurity; and
- Share price developments of the Company, also compared to competitors and peers in the FMCG industry.

The Chairs of the various Committees of the Supervisory Board provided an update of each of the Committee meetings to the full Supervisory Board, focusing on the key topics and developments that were discussed.

The Chair of the Supervisory Board met frequently with the CEO throughout the year and kept the Supervisory Board informed.

Regular Executive Sessions were held without the Executive Board being present. The purpose of these sessions was to evaluate the Supervisory Board meetings and, where relevant, further reflect on particular subjects discussed in the meetings.

One Executive Session was dedicated to the evaluation of the Supervisory Board relating to the performance, working methods, procedures and functioning of the Supervisory Board, its Committees and its individual members as well as the functioning of the Executive Board and its individual members.

The evaluations were conducted on the basis of individual interviews of the Supervisory Board members with the Chair. The individual interviews facilitated open dialogue and allowed for a deep and broad discussion. The periodic engagement of an external facilitator to guide the evaluation will continue to be taken into consideration.

The evaluation encompassed various topics, including the composition and expertise of the Supervisory Board, the execution of its advisory and supervisory roles, the role and responsibilities of the Chair of the Supervisory Board, the subjects addressed in the meetings, the frequency and quality of these meetings, the quality and timeliness of the meeting materials, the relationship and collaboration with the Executive Board and the company culture.

The results of the evaluations were discussed during a meeting of the Supervisory Board. The findings were highly positive, indicating that the Supervisory Board members believe the Board functions very well. It was collectively concluded that there is ample opportunity for open and constructive discussions, which are effectively facilitated by the Chair of the Supervisory Board. The members emphasized that the Chair promotes harmony within the Board and fosters an inclusive, effective, and positive environment. Additionally, the evaluation highlighted the highly appreciated and valued fruitful and constructive relationship between the Supervisory Board and the Executive Board.

To further enhance the ways of working of the Supervisory Board, several suggestions resulting from the evaluations will be implemented in the course of 2025. As an example, the Supervisory Board has suggested deep dives on various strategic and emerging topics with the Executive Board, including in the commerce area and developments in the alcohol landscape. The Supervisory Board would also appreciate a continuation of the internal and external education, including on topics such as sustainability and digital and technology including responsible AI. Furthermore, a few changes in the set-up of the Committees were implemented to align the skills and expertise of all members to the right Committees. Furthermore, the Supervisory Board is implementing new ways of working including preparation materials as a video opposed to presenting in the meeting itself, to enable more time for debate and discussion in the meetings on such topic.

Committees

The Supervisory Board has five Committees: the Preparatory Committee, the Audit Committee, the Selection and Appointment Committee, the Remuneration Committee and the Sustainability and Responsibility Committee. The regulations (terms of reference) for the Committees are available on our corporate website.

The function of the Committees is to prepare the decision-making of the full Supervisory Board. The full Supervisory Board retains overall responsibility for the activities of the Committees.

Preparatory Committee

Composition: Mr. Huët (Chair), Mr. de Carvalho, and Mr. Das. The Preparatory Committee met six times in 2024.

The Committee prepares decision-making by the Supervisory Board on matters not already handled by any of the other committees, such as in relation to acquisitions and investments. The Chair of the Executive Board also attends the Preparatory Committee meetings.

Audit Committee

Composition: Mrs. Helmes (Chair), Mr. Huët, Mrs. Ripley and Mr. Wennink (as per 2024 AGM).

The Audit Committee met five times in 2024.

The members collectively have the experience and financial expertise to supervise the Executive Board in its activities in relation to the publication of Financial Statements and operation of the internal risk management and control systems, including the risk profile of the Company.

The Executive Board attended all meetings, and so did the external auditor, the Executive Director Global Audit, as well as the Senior Director Global Accounting and Risk Management.

The Executive Director Global Audit has direct access to the Audit Committee, primarily through its Chair. During the year, the Audit Committee met once with the external auditors and once with the Executive Director Global Audit, in both instances without management being present. In addition, the Chair of the Audit Committee and the Executive Director Global Audit held regular update meetings during the year.

To the shareholders

The Audit Committee supervises the activities of the Executive Board with respect to the publication of financial information. The Committee reviews, in the presence of the Executive Board and the external auditor, the appropriateness of the half year reporting and the annual financial statements, focusing on:

- The decisions made on the selection and application of accounting policies;
- The reliability and completeness of disclosures;
- Compliance with financial and sustainability reporting requirements; and
- Significant judgements, estimates and assumptions used in preparing the reports in respect of, among others, accounting for acquisitions and divestments, the annual impairment test and determining the level of provisions.

At the beginning of the year, the Audit Committee reviews and approves the audit plans of the external auditor as well as the internal audit function. The Committee focuses mainly on the scoping, key risks, staffing and budget.

During the year, the Audit Committee reviews the reports of the external auditor and Global Audit.

The Chair of the Audit Committee held regular update meetings with the CFO and other senior executives.

During the year, the Chair of the Audit Committee informed the Supervisory Board of the discussions held in the Audit Committee.

Furthermore, in the course of 2024 the Audit Committee discussed recurring topics, including:

- The effectiveness and the outcome of the internal control and risk management systems, as well as changes made and improvements planned to these systems;
- Functional updates in respect of Business Conduct and Global Legal Affairs, Global Digital & Technology, Global Tax, Global Procurement, Global Treasury & Insurance, Pensions, as well as Risk Management;
- A dedicated deep dive in respect of Global Digital & Technology, including on cyber security;
- Specific updates in the area of sustainability reporting and the Company's preparations for, and progress on, reporting in line with the European Union's Corporate Sustainability Reporting Directive.
- The Company's governance, risk and compliance (GRC) activities, including the HEINEKEN Company Rules and the HEINEKEN Code of Business Conduct;
- The outcome of the internal audit activities;
- The outcome of the annual Letter of Representation process and the report from the Integrity Committee related to fraud reporting and the Speak Up policy;
- A dedicated separate meeting on themes and developments affecting the role and scope of the audit committee, presented by the external auditor as of book year 2025, KPMG Accountants N.V.
- The developments in the area of the Statement on Risk Management (Verklaring omtrent Risicobeheersing), that is proposed to be added to the Corporate Governance Code, were also discussed. The discussions on this topic included associated actions taken by the Company in light of the preparation and implementation thereof;
- The evaluation of the current external auditor, Deloitte Accountants B.V.; and
- A post investment review of material asset and equity investments that have been operationally live for a certain period of time.

The selection process for the Company's new external auditor was finalized in the course of 2023. The 2024 AGM approved the Supervisory Board's proposal to appoint KPMG Accountants N.V. as the Company's external auditor for the financial year 2025. Representatives of KPMG Accountants N.V. attended the meetings of the Audit Committee since that moment, in preparation of the hand-over.

Selection and Appointment Committee

Composition: Mr. Huët (Chair), Mr. de Carvalho, Mrs. Mars Wright, Mrs. Pardo and Mr. Wennink (member as per the 2024 AGM).

The Selection and Appointment Committee met three times in 2024.

In 2024, the following subjects were on the agenda:

- The profile, composition, performance and rotation schedule of the members of the Executive Board. This review has resulted in the recommendation for the nomination for reappointment of Mr. Van den Broek for another four year term as CFO and member of the Executive Board;
- The profile, composition and rotation schedule of the members of the Supervisory Board. This review has resulted in recommendations to nominate Mr. Alexander de Carvalho for appointment and the nomination for reappointment of Mr. Paranjpe at the AGM 2025;
- The composition of the committees of the Supervisory Board, considering the skills and expertise of the various members and the focus areas of the various committees. This review has resulted in several proposed changes throughout the year in the committee composition;
- The evaluation of the Supervisory Board and the Executive Board; and
- The Company's Global People strategy, with a particular focus on retention, (next generation) talent management and succession planning.

Remuneration Committee

Composition: Mr. Hijmans van den Bergh (Chair), Mr. de Carvalho, Mr. Huët, Mrs. Helmes and Mr. Wennink (member as per 1 July 2024).

The Remuneration Committee met four times in 2024.

The Committee made recommendations to the Supervisory Board regarding the achievement of the 2023 targets and associated compensation of the Executive Board as well as the target setting for 2024. The recommendations were endorsed by the Supervisory Board. In formulating its recommendations, the Remuneration Committee considered the Executive Board members' perspectives on the amount and structure of their own remuneration.

The Remuneration Committee furthermore received a report detailing the status and trends in executive remuneration and related governance and legislation, in order to fulfil its responsibilities in this field. The report aimed, among other things, to review alignment of the Company's remuneration practices with its remuneration principles, provide an overview of the Company's competitive remuneration positioning in the market, assess the relationship between actual remuneration and performance, and update the Committee on trends in executive compensation, regulatory developments (including in the context of the Corporate Sustainability Reporting Directive), and perspectives of investors and external stakeholders, including public opinion.

Furthermore, the Committee discussed the payment principles in the remuneration policy in light of the actual remuneration level of the Executive Board. Governance related elements of this topic was also discussed with shareholder interest organisations. Subsequently, the Supervisory Board, with advice from the Committee, decided to propose several changes to the remuneration policy for voting at the AGM 2024. The adjusted remuneration policy for the Executive Board and adjusted remuneration policy for the Supervisory Board were adopted at the AGM 2024.

The details of the remuneration practices and outcome of 2024 are in the 2024 remuneration report, which is included in this Annual Report.

Sustainability and Responsibility Committee

Composition: Mr. Paranjpe (Chair), Mr. de Carvalho, Mrs. Mars Wright, Mrs. Ripley, and Mr. Hijmans van den Bergh.

The Sustainability and Responsibility Committee met three times in 2024.

In 2024, the following subjects were on the agenda:

- The operationalisation of the Brew a Better World 2030 strategy and the progress made against the KPIs across the three key pillars of the strategy, being environmental, social and responsible consumption;
- Various deep dives within the three pillars, including on responsible consumption, carbon reduction, biodiversity, social impact strategy and value chain due diligence; and
- The update of the Brew a Better World goals, triggered by the fact that various goals were set or 2023, including the principles guiding this update.

To the shareholders

Attendance

The Supervisory Board confirms that all Supervisory Board members have adequate time available to give sufficient attention to the concerns of the Company.

In 2024, the attendance rate was 100% for the Supervisory Board meetings and 97.6% for the committee meetings. In case of absence, members are fully informed in advance, enabling them to provide input to the Chair of the meeting in advance, and they are also updated on the meeting outcome.

The table below provides an overview of the attendance record of the individual members of the Supervisory Board. Attendance is expressed as a number of meetings attended out of the number eligible to attend.

	Supervisory Board	Preparatory Committee	Audit Committee	Selection and Appointment Committee	Remuneration Committee	Sustainability and Responsibility Committee
Mr. Huët	6/6	6/6	4/5	3/3	4/4	
Mr. Das	6/6	5/6				
Mr. de Carvalho	6/6	6/6		3/3	4/4	3/3
Mrs. Mars Wright	6/6			3/3		3/3
Mrs. Ripley	6/6		5/5			3/3
Mrs. Helmes	6/6		5/5		4/4	
Mr. Paranjpe	6/6					2/3
Mrs. Pardo	6/6			3/3		
Mr. Hijmans van den Bergh	6/6				4/4	3/3
Mr. Wennink*	5/5		4/4	2/2	3/3	

* Mr. Wennink's term started on 25 April 2024 at the AGM.

Executive Board composition and remuneration

Composition

Best practice provision 2.2.1 of the Code recommends that an Executive Board member is appointed for a period of four years and that a member may be reappointed for a term of not more than four years at a time.

In compliance with this best practice provision, the Supervisory Board has drawn up a rotation schedule to avoid, as much as possible, a situation in which Executive Board members retire at the same time.

Mr. Dolf van den Brink was appointed for a period of four years during the AGM in 2024 as Chair and CEO of the Executive Board.

Mr. Harold van den Broek was appointed for a period of four years during the AGM in 2021 as CFO and member of the Executive Board. As announced on 1 October 2024, the Supervisory Board has decided to nominate Mr. Van den Broek for re-appointment as member of the Executive Board at the 2025 AGM.

Remuneration

The AGM approved the current remuneration policy for the Executive Board in 2024.

Appreciation

The Supervisory Board wishes to express its gratitude to the members of the Executive Board and all HEINEKEN employees for their hard work and dedication in 2024.

Supervisory Board Heineken N.V.

Huët	Helmes
Das	Paranjpe
de Carvalho	Pardo
Mars Wright	Hijmans van den Bergh
Ripley	Wennink

Amsterdam, 11 February 2025

Remuneration Report 2024

Annual statement from the Remuneration Committee Chair

Dear Shareholder,

I am pleased to present our remuneration report for 2024. This report outlines our remuneration policies for the Executive Board and the Supervisory Board and details how these policies were put into practice.

Support in society

Our remuneration policies have received strong support from our shareholders. During the Annual General Meeting on April 25, 2024, the Executive Board remuneration policy was adopted by 97.36% of shareholders, while the Supervisory Board remuneration policy saw an approval rate of 99.51%.

Our remuneration policies are rooted in our long-standing remuneration principles and aim to support sustainable growth in the diverse markets where we operate. In developing and implementing our policies, the Supervisory Board has considered feedback from internal and external stakeholders, alongside public opinion, to the best of its ability .

Recognising the societal sensitivity surrounding executive remuneration, the Supervisory Board is committed to setting remuneration levels that fairly reflect market practice and company performance. Through this approach, we aim to foster maximum support within society for our remuneration practices.

Stakeholder engagement

Throughout the year, we actively engaged with major shareholders, proxy advisors, and other stakeholders regarding remuneration and related topics. Leading up to the Annual General Meeting, we had extensive engagements with stakeholders on potential adjustments to our remuneration policies. After carefully considering their feedback, the Supervisory Board, upon the recommendation of the Remuneration Committee, decided to present the Executive Board remuneration policy, which included recommended increases in short-term and long-term incentive opportunities, for a vote at the General Meeting. Subsequently, the remuneration policy was adopted with strong support during the 2024 Annual General Meeting.

We also received positive feedback on improvements to our remuneration report, most notably the introduction of a new "At a Glance" page.

We greatly appreciate the ongoing dialogue and support from our shareholders and stakeholders and will continue to consider their valuable input when shaping future updates to our remuneration policies.

Scenario analyses

The Remuneration Committee annually reviews various company performance scenarios to assess their potential impact on individual remuneration outcomes. After the financial year ends, the Committee performs an additional pay-for-performance analysis. This evaluation determines whether the payouts for short-term and long-term incentives are aligned with the company's performance in comparison to its peers. The company's performance and incentive payouts linked to financial metrics are evaluated against our Global Peer Group, positioning the company within a specific percentile range relative to that group. Any discrepancies between relative performance and payout will prompt the Committee to investigate the underlying causes and decide if any adjustments are necessary. Both analyses contribute to the Committee's discussions about potential future policy changes as well as incentive target setting.

Executive Board remuneration in 2024

Base salary adjustments

During its annual review of executive board remuneration, the Remuneration Committee found that the target salary levels for both the CEO and CFO were considerably lower than the median target established by the policy. To address this disparity in competitiveness and begin closing the gap with the median of the peer group, both the CEO and CFO were awarded a 7.5% increase in their base salaries in January of 2024.

2024 Short-term incentive outcomes and vesting of 2022-2024 Long-term incentive

Continued investment in premium brand building along with our focus on improving productivity have helped us achieve strong top and bottom-line growth in 2024. This is reflected in the results of the 2024 Short-term incentive, which achieved an overall payout of 157% of target. We exceeded the targets for all financial metrics. Furthermore, due to the substantial progress made in cost savings and the acceleration of the EverGreen strategy, the performance on the individual leadership objectives set for the CEO and CFO also exceeded the target level.

The overall achievement for the 2022-2024 Long-term Incentive was 161% of target. We exceeded the targets for all financial metrics. This Long-term Incentive is our first to incorporate the ESG metrics introduced to the Executive Board remuneration policy in 2021. These metrics are aligned with our Brew a Better World strategy, reflecting our commitment to achieving net-zero emissions and promoting an inclusive, fair, and equitable world. We surpassed our targets for carbon emissions reduction, water efficiency improvement, and the representation of women at the Senior Manager level. Our progress highlights our dedication to these important topics, and we look forward to driving further positive change.

Part III of this report includes further details of the Executive Board's remuneration in 2024.

Supervisory Board remuneration in 2024

The Committee thoroughly reviewed the remuneration for the Supervisory Board to ensure it remains competitive and attractive to highly qualified international candidates. The last adjustment to the fixed annual remuneration and Committee fees had been made in 2019. As part of this review, the Committee performed a benchmark analysis, considering the increased complexity and time commitment associated with the role of the Supervisory Board. Based on this assessment, the Supervisory Board, upon the Committee's recommendation, proposed adjustments to the fixed annual remuneration and Committee fees effective January 2024. These changes were later approved by the Annual General Meeting.

Part IV of this report includes further details of the Supervisory Board's remuneration in 2024.

Looking forward

Part V of this report outlines any proposed changes to the remuneration policies and their implementation for 2025.

I want to thank our shareholders for their continued support and look forward to presenting this remuneration report at the 2025 AGM.

Lodewijk Hijmans van den Bergh
Chairman of the Remuneration Committee

Remuneration Report 2024

This Remuneration Report includes five sections:

Part I
Describes the prevailing Executive Board remuneration policy, as adopted by the AGM in 2024, and as it has been implemented in 2024.

Part II
Describes the prevailing Supervisory Board remuneration policy, as adopted by the AGM in 2024, and as it has been implemented in 2024.

Part III
Provides details of the Executive Board's actual remuneration for performance ending in, or at year-end, 2024.

Part IV
Provides details of the Supervisory Board's actual remuneration ending in, or at year-end 2024.

Part V
Outlines adjustments to the remuneration policy and implementation in 2025.

Part I – Executive Board remuneration policy

Remuneration principles

The Executive Board remuneration policy is designed to meet four key principles:

- **Support the business strategy**
  We align our remuneration policy with business strategies focused on creating long-term sustainable growth and shareholder value while maintaining a tight focus on short-term financial results.
- **Pay for performance**
  We set clear and measurable targets for our short-term and long-term incentive plans, and we pay higher remuneration when targets are exceeded and lower remuneration when targets are not met.
- **Pay competitively**
  We set target remuneration to be competitive with other relevant multinational corporations of similar size and complexity.
- **Pay fairly**
  We set target remuneration to be internally consistent and fair; we regularly review internal pay relativities between the Executive Board and the wider employee population and aim to achieve consistency and alignment in, amongst others, remuneration changes, salary structures and the design of variable compensation where possible.

Summary overview of remuneration elements

The Executive Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Remuneration element	Description	Strategic role
Base salary	– Involves fixed cash compensation – Aims for the median of the labour market peer group	– Facilitates attraction and is the basis for competitive pay – Rewards performance of day-to-day activities

Short-term incentive	– Is based on achievements of annual measures, of which 75% relate to financial and operational measures for Heineken N.V. and 25% to individual leadership measures
	– Aims, at target level, for the median of the labour market peer group
	– Is partly paid in cash, and partly in investment shares with a holding period of five calendar years:
	  – the part paid in shares is between 25% and 50% of the full before-tax Short-term incentive amount, depending on the individual's choice whether, and to what extent, to exceed the mandatory 25% share investment
	  – the part paid in cash is paid net of taxes (i.e., after deduction of withholding tax due on the full before-tax Short-term incentive amount)
	– Investment shares are matched on a 1:1 basis after the holding period
		– Drives and rewards sound business decisions for the long-term health of HEINEKEN
		– Aligns Executive Board and shareholder interests

Long-term incentive	– Is based on achievements of three-year targets for Heineken N.V., of which 75% relate to financial measures and 25% relate to ESG measures – Aims, at target level, for the median of the labour market peer group – Is awarded through the vesting of shares, net of taxes (i.e., after deduction of withholding tax due on the full before-tax Long-term incentive amount) – Vested shares are blocked for another two years, to arrive at a five-year holding restriction after the date of the conditional performance grant	– Drives and rewards sound business decisions for the long-term health of HEINEKEN – Aligns Executive Board and shareholder interests – Supports Executive Board retention
Pensions	– Defined Contribution Pension Plan and/or Capital Creation Plan	– Provides for employee welfare and retirement needs
Benefits	– Provides a range of benefits, including, but not limited to, company car, fuel and health insurance – Aims to be in line with local market practice	– Provides market competitive benefits to aid retention

Remuneration Report 2024

Labour market peer group

A global labour market peer group was adopted by the AGM in 2011 and subsequently adjusted in 2012 and 2017. The median target remuneration of this peer group is a reference point for the target remuneration of the CEO and CFO. Each year, the Remuneration Committee validates the peer group to ensure relevance and recommends adjustments to the Supervisory Board if needed, for final adoption by the AGM.

The peer group consists of the following companies:

Anheuser-Busch InBev (BE)	Diageo (UK)	Nestlé (CH)
Carlsberg (DK)	Henkel (DE)	PepsiCo (US)
Coca-Cola (US)	Kimberly-Clark (US)	Pernod Ricard (FR)
Colgate-Palmolive (US)	Mondelēz International (US)	Unilever (UK)
Danone (FR)	L'Oréal (FR)	

Base salary

Every year, the peer group and base salary levels are reviewed, and the Remuneration Committee may propose adjustments to the Supervisory Board. HEINEKEN aims to compensate at median on-target remuneration of the peer group. However, when changes in base salary are considered, broader factors are taken into account, including but not limited to individual and business performance and internal pay relativities.

Short-term incentive

The Short-term incentive (STI) is designed to drive and reward the achievement of HEINEKEN's annual performance targets. Through its payout in both cash and investment shares it also drives and rewards sound business decisions for HEINEKEN's long-term health while aligning Executive Board and shareholder interests at the same time. The target STI opportunities are 150% of base salary for the CEO and 110% of base salary for the CFO.

The STI opportunities are for a weighted 75% based on financial and operational measures for Heineken N.V., and for a weighted 25% on individual leadership measures. At the beginning of each year, the Supervisory Board establishes the performance measures, their relative weights and corresponding targets based on HEINEKEN's business priorities for that year. The Supervisory Board ensures that a balanced mix of financial, operational and individual performance measures is selected, which incentivises executives to achieve our annual business strategy and the growth of shareholder value.

The financial and operational measures and their relative weights are reported in the Remuneration Report upfront (ex-ante); the numerical performance targets are disclosed after the close of the financial year (ex-post) as they are considered commercially sensitive. In the first weeks of the following year, the Supervisory Board reviews Company and individual performance against the pre-set targets and approves the STI payout levels based on the performance achieved. The performance on the financial measures will be reported on actual measure achievement results.(cf. Part III).

The STI payout for 2024 is subject to four performance measures: Organic Net Revenue Growth (weight: 35%), Organic Operating Profit beia Growth (weight: 15%), Free Operating Cash Flow (weight: 25%) and Individual Leadership measures (weight: 25%). The individual leadership objectives were tied to the achievement of our EverGreen strategy and are detailed in Part III of this report. The STI payout for 2025 will be subject to the same four performance measures: Organic Net Revenue Growth (weight: 35%), Organic Operating Profit beia Growth (weight: 15%), Free Operating Cash Flow (weight: 25%) and Individual leadership measures (weight: 25%). The individual leadership objectives are tied to the achievement of our EverGreen strategy.

For each performance measure, a threshold, target and maximum performance level are set with the following STI payout, as a percentage of target payout:

Threshold performance

50% of target payout

Target performance

100% of target payout

Maximum performance

200% of target payout.

For each measure, payout in between these performance levels is on a straight-line basis; below threshold performance, the payout is zero, whereas beyond maximum performance it is capped at 200% of payout at target.

In line with policy, 25% of the STI payout is paid out in shares, referred to as investment shares. At their discretion, the Executive Board members have the opportunity to indicate before the end of the performance year whether they wish to receive up to another 25% of their STI payout in additional investment shares. All investment shares thus received are then blocked and cannot be sold under any circumstance, including resignation, for five calendar years to link the value of the investment shares to long-term Company performance. Withholding tax on the investment shares and on the cash part of the STI payout is settled with the cash part at the time of payout. After the blocking period is completed after five calendar years, the Company will match the investment shares 1:1 in the first weeks of the following year, i.e., one matching share is granted for each investment share. As of then, there are no holding requirements on these investment shares anymore, and there are no holding requirements on the resulting matching shares that remain after withholding tax on these shares.

According to plan rules, matching entitlements will be forfeited in case of dismissal by the Company for an urgent reason within the meaning of the law ('dringende reden'), or in case of dismissal for cause ('gegronde reden') whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member. With this 'deferral-and-matching' proposition a significant share ownership by the Executive Board is ensured, creating an increased alignment with the interests of shareholders. The Supervisory Board has the power to revise the amount of the STI payout to an appropriate amount if the STI payout that would have been payable in accordance with the agreed payment schedule would be unacceptable according to standards of reasonableness and fairness. The Supervisory Board is entitled to claw back all or part of the STI payout (in cash, investment shares or matching shares) insofar as it has been made on the basis of incorrect information about achieving the performance conditions.

Remuneration Report 2024

Long-term incentive

The Long-term incentive (LTI) is designed to drive and reward sound business decisions for HEINEKEN's long-term health, and to align the Executive Board with shareholder interests by linking rewards to HEINEKEN's share price performance. The target LTI opportunities are 170% of base salary for the CEO and 135% of base salary for the CFO.

Each year, a target number of performance shares is conditionally granted based on the aforementioned target LTI opportunity percentage, the base salary of that year, and the closing share price of 31 December of the preceding year. The vesting of these performance shares is contingent on HEINEKEN's performance over a period of three years on four fundamental financial performance measures:

Organic Net Revenue Growth (25%)

To drive top line growth

Earnings Per Share (EPS) beia Growth (25%)

To drive overall long-term Company performance

Free Operating Cash Flow (25%)

To drive focus on cash

ESG measures (25%)

To drive the Sustainability & Responsibility agenda

These four performance measures have equal weight to minimise the risk that participants over-emphasise one performance measure to the detriment of others. At the beginning of each performance period, the Supervisory Board establishes the corresponding numerical targets for these performance measures based on HEINEKEN's business priorities. The financial targets are not disclosed upfront as they are considered to be commercially sensitive.

In the first weeks after the end of the performance period, the Supervisory Board reviews the Company's performance against the pre-set targets, and approves the LTI vesting based on the performance achieved. The performance on each of the measures is reported on actual measure achievement results in the Remuneration Report after the performance period has been completed.

The ESG measures and corresponding performance targets for the 2024-2026 Long-term incentive were set in line with our Brewing a Better World ambitions. They are as follows:

ESG Measures		Weight	Threshold	Target[1]	Maximum
Carbon emissions reduction in scope 1&2	% vs 2022 baseline	8.33 %	-44.0 %	-47.0 %	≥50.0 %
Water efficiency improvement	% vs 2018 baseline	8.33 %	-12.0 %	-15.0 %	≥18.0 %
Women at senior manager level	% in 2026	8.33 %	30.0 %	32.0 %	≥34.0 %

1 Target to have been achieved at the end of the 2024-2026 performance period.

For each performance measure, a threshold, target and maximum performance level are set with the following performance share vesting schedule:

Threshold performance

50% of performance shares vests

Target performance

100% of performance shares vests

Maximum performance

200% of performance shares vests.

For each measure, vesting in between these performance levels is on a straight-line basis; below threshold performance the vesting is zero, whereas beyond maximum performance it is capped at 200% of vesting at target.

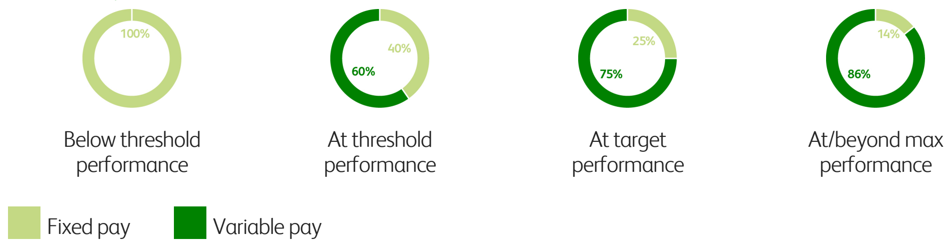
The Supervisory Board has the power to revise the amount of performance shares that will vest to an appropriate number if the number of performance shares that would have vested under the agreed vesting schedule would be unacceptable according to standards of reasonableness and fairness. The Supervisory Board is entitled to claw back all or part of the shares transferred to the Executive Board members upon vesting (or the value thereof) insofar as vesting occurred on the basis of incorrect information about achieving the performance conditions. The vested performance shares that remain after withholding tax are subject to an additional holding restriction of two years, to arrive at a five-year holding restriction after the date of the conditional performance grant.

Pay mix

The mix between fixed pay and variable pay for various levels of performance is illustrated below. In these charts, fixed pay refers to base salary only, excluding pensions and other emoluments, and variable pay consists of the aforementioned Short-term and Long-term incentive opportunities, including the 'deferral-and-matching' proposition. Share price movements during performance and holding periods are hereby not included since these are unknown in the context of target remuneration.

CEO target pay mix 2024

CFO target pay mix 2024



Remuneration Report 2024

Pensions

The members of the Executive Board participate in a defined contribution Capital Creation Plan. As of 2015, following pension reforms in the Netherlands, new members of the Executive Board receive the same contribution as new executives under Dutch employment contract below the Executive Board, which is currently 18% of base salary. This applies to our current CEO and CFO. Both Executive Board members have chosen to receive their full pension contributions as taxable income, as opposed to applying tax deferral to the maximum amount possible.

Benefits

The members of the Executive Board are eligible to receive benefits in line with HEINEKEN's most senior employees. The benefits include, but are not limited to, company car, fuel and health insurance. Other benefits could be offered in circumstances where this allows executives to successfully fulfil the responsibilities of their role. For example, in case of a relocation the appropriate relocation support is provided. The levels of the benefits will be competitive in the relevant local market and could be changed year on year.

Loans

HEINEKEN does not provide loans to the members of the Executive Board.

Term of appointment

New members of the Executive Board are appointed by the AGM for the duration of 4 years, subject to reappointment by the AGM.

Notice period

The service agreement may either be terminated by the member of the Executive Board or by the Company. The notice period will not be more than 12 months for both the Company and the individual.

Compensation rights on termination of employment/service agreement

If the Company gives notice of termination of the employment agreement of a member of the Executive Board for a reason which is not an urgent reason ('dringende reden') within the meaning of the law, or decides not to extend the service agreement upon its expiry, or if the AGM does not re-appoint them as member of the Executive Board for a subsequent term, the Company shall pay an amount equal to one year of base salary.

The treatment of incentive awards will depend on the circumstances of departure. A proposal will be made by the Remuneration Committee to be pursued by the Supervisory Board. In case of dismissal by the Company for an urgent reason within the meaning of the law ('dringende reden'), or in case of dismissal for cause ('gegronde reden') whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member, the unvested incentive awards will be forfeited.

Derogation clause

The Supervisory Board, upon recommendation of the Remuneration Committee, may temporarily deviate from any sections of the Policy based on its discretion in the circumstances described below:

– Upon change of the Executive Board member in accordance with the new hire policy
– In any other circumstance where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability

New hire policy

Our recruitment policy is to offer a compensation package that allows HEINEKEN to attract, retain and motivate the individual with the right skills for the required role. When determining remuneration for an Executive Board member, the Supervisory Board will, at the recommendation of the Remuneration Committee, consider the role's requirements, business needs, the individual's skills and experience and the relevant external talent market.

Where an individual is recruited externally for an Executive Board member position, the remuneration package in their prior role will be taken into account. The Supervisory Board will seek to align the new member's remuneration package with the Executive Board Remuneration Policy. The Company may offer compensation to buy out awards or other lost compensation which the candidate held prior to joining HEINEKEN, but which lapsed upon leaving their previous employer. The rationale of any such award will be disclosed in the Remuneration Report.

Where an individual is appointed to the Executive Board through internal promotion or following a corporate transaction (e.g., an acquisition), the Board retains the ability to honour any legally binding legacy arrangements agreed prior to the appointment.

Remuneration Governance

The Remuneration Committee makes the proposal to the Supervisory Board for the Remuneration Policy to be pursued and makes a proposal for the remuneration of the individual members of the Executive Board for adoption by the Supervisory Board. In accordance with Dutch Law, the remuneration policy will be submitted for approval to the AGM at least every four years, or in case of material amendments to the policy. The Executive Board members shall not participate in the decision making regarding their own remuneration to avoid conflict of interest.

Remuneration Report 2024

Part II – Supervisory Board remuneration policy

Remuneration principles

The Supervisory Board remuneration policy is designed to attract and retain high-class and diverse profiles with relevant skills and experience that are required to perform the Supervisory Board's duties and it ensures appropriate corporate governance by meeting the following key principles:

- **Support the business strategy**
  We align our remuneration policy with business strategies focused on creating long-term sustainable growth and shareholder value.
- **Pay for purpose**
  We align our remuneration policy to promote the independence and objectivity of our Supervisory Board members, which is a key element to best serve the long-term interest of the company.
- **Pay competitively**
  We set remuneration levels to be competitive with other relevant multinational corporations of similar size and complexity.

While establishing and implementing the policy, the perspective and input of internal and external stakeholders and the external environment in which HEINEKEN operates, are taken into consideration. HEINEKEN is also committed to an ongoing dialogue with shareholders and seeks the views of significant shareholders before any material changes to remuneration arrangements are put forward for approval.

Summary overview of remuneration elements

The Supervisory Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Element	Purpose	Description
Base Board Fees	– Supervisory Board members receive a fixed cash compensation for their services. – In line with the Dutch Corporate Governance code, no variable pay and/or equity awards are offered. – In order to provide a fee level that is competitive with other companies comparable to HEINEKEN, reviews are conducted on a regular basis.	– The Remuneration Committee is responsible for reviewing the compensation levels on a regular basis and to bring forward proposals (if any) to the Supervisory Board. Proposals are submitted to the Annual General Meeting for approval. – This review is done through a benchmark assessment against a pan-European peer group consisting of companies that are of comparable size to HEINEKEN.
Committee Fees	– Supervisory Board members are compensated for additional responsibilities such as Committee membership. – In order to provide a fee level that is competitive with other companies comparable to HEINEKEN, reviews are conducted on a regular basis.	– Members are eligible to receive additional fees in respect of serving as a Chairman or Member of a Committee. – Fee levels between Committees can differ if this is deemed appropriate depending on the time commitment and responsibilities associated with the Committee membership. – Fees are additive; if a Board member serves in multiple Committees, the compensation will consist of the Board membership fee and the sum of the corresponding Committee fees.
Allowances and Benefits	– Supervisory Board members are reimbursed and compensated for additional efforts that enable them to exercise their role.	– Members receive reimbursement of travel expenses and are compensated for intercontinental travel required to exercise their role. – Small benefits such as retirement gifts may also be provided.

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Company performance

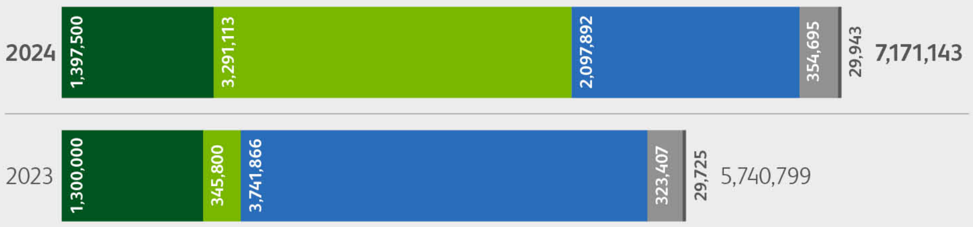
Organic Net Revenue Growth
5.0%
2023: 5.5%

Operating Profit beia Growth
8.3%
2023: 1.7%

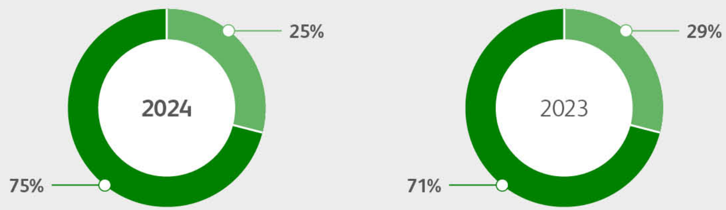
Free Operating Cash Flow
€3,058m
2023: €1,759m

Chief Executive Officer

Actual remuneration

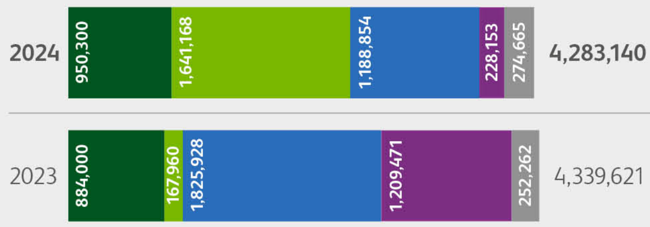


Total fixed versus total variable remuneration

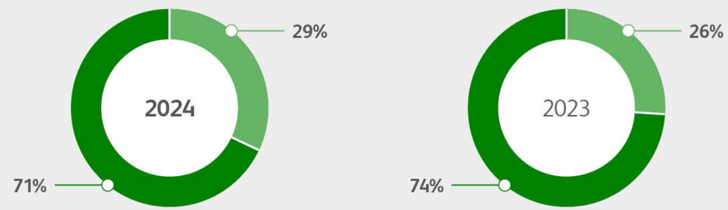


Chief Financial Officer

Actual remuneration

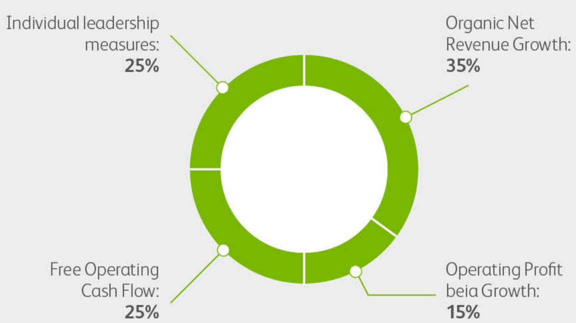


Total fixed versus total variable remuneration

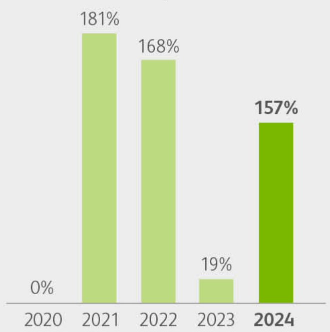


Short- and long-term incentive performance

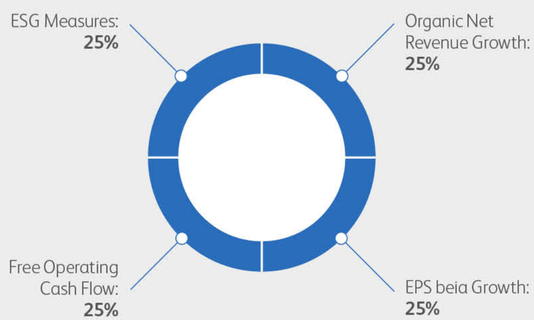
Performance measures 2024 STI



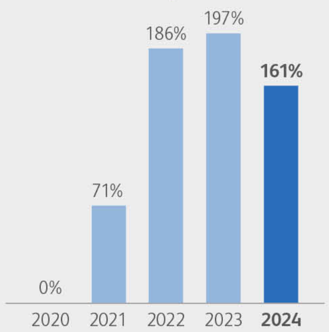
Historical STI performance



Performance measures 2024-2026 LTI



Historical LTI performance



Key: Base salary · Short-term incentive (STI) · Long-term incentive (LTI) · Extraordinary share award · Pension contributions · Other emoluments · Fixed remuneration · Variable remuneration

Remuneration Report 2024

The following table provides an overview of the Executive Board actual remuneration that became unconditional in, or at year-end of, 2024. For disclosures in line with IFRS reporting requirements, which are 'accrual-based' over earning/performance periods and partly depend on estimations/assumptions, see note 13.3 'Related parties' on page 129.

As part of its annual agenda, the Remuneration Committee conducted scenario analyses to evaluate the potential financial outcomes of meeting different performance levels. These analyses considered how such outcomes would affect the structure and value of the Executive Board's total remuneration and whether they would align with our remuneration policy principles. Further details on these analyses can be found in the Annual Statement from the Remuneration Committee Chair.

			2022-2024 Long-term incentive		Matching entitlements			Extraordinary Share Grants			
	(1) Base salary in €	(2) 2024 Short-term incentive in €	(3) No. of performance shares vesting	(4) Value of performance shares vesting in €	(5) No. of matching entitlements vesting	(6) Value of matching entitlements vesting in €	(7) Pension cost in €	(8) No. of extraordinary shares vesting[1]	(9) Value of extraordinary shares vesting in €	(10) Other emoluments in €	(11) Total in €
Van den Brink	1,397,500	3,291,113	30,537	2,097,892	—	—	354,695	—	—	29,943	7,171,143
Van den Broek	950,300	1,641,168	17,305	1,188,854	—	—	274,665	3,321	228,153	—	4,283,140

1 See details on Mr. Van den Broek's extraordinary share grant under point ad(8).

ad (1) – Base salary

These base salaries have been paid to the members of the Executive Board for 2024.

ad (2) – 2024 Short-term incentive

The 2024 Short-term incentive (STI) relates to the performance year 2024 and becomes payable in 2025. The target opportunities were 150% of base salary for the CEO and 110% of base salary for the CFO.

The 2024 STI was subject to four performance measures: Organic Net Revenue Growth (weight: 35%), Organic Operating Profit beia Growth (weight: 15%), Free Operating Cash Flow (weight: 25%) and Individual leadership measures (weight: 25%). The following table shows the performance targets and intervals, as well as the actual achievements as determined by the Supervisory Board for each of these measures.

Performance Measure	Weight	Threshold	Target	Maximum	Achievement	Payout
Organic Net Revenue Growth (%)	35 %	2.0 %	4.5 %	6.5 %	5.0 %	43 %
Operating Profit beia Growth (%)	15 %	3.0 %	6.5 %	10.0 %	8.3 %	23 %
Free Operating Cash Flow (€ m)	25 %	1,900	2,300	2,600	3,058	50 %
Individual leadership measures	25 %	-	-	-	-	41 %
Total	100 %					157 %

The Individual leadership measures were a mix of quantitative and qualitative measures tied to the achievement of our EverGreen strategy. They included Organic Net Profit beia Growth (weight: 10%), Fixed cost as a percentage of revenue (weight: 3.75%), Embedding a cost-conscious culture (weight: 3.75%) and Accelerating the EverGreen Strategic Plan delivery (weight: 7.5%). Performance on all four measures exceeded targets, leading to a combined outcome for the Individual leadership measures of 41%.

The resulting STI payout for 2024 is 157% of the target opportunity for both members of the Executive Board. In line with policy, 25% of the STI payout is paid out in investment shares against the closing share price of 12 February 2025, the publication date of the full year results. In addition, the Executive Board members had the opportunity to indicate before the end of the 2024 performance year whether they wished to receive up to another 25% of their STI payout in additional investment shares. For 2024, both Executive Board members elected to receive an additional 25% investment shares beyond the mandatory 25% share investment.

The investment shares are restricted for sale for five calendar years, after which they are matched 1:1 by matching shares. Revision and clawback provisions apply to the STI, including the related matching share entitlement. The table below provides an overview of the investment shares at year-end that were awarded as part of STI payouts in the past, and that have remained blocked and await 1:1 matching by the Company, provided the conditions thereto are met. Only when the holding period of the investment shares has been completed will the matching share entitlements be converted into shares and transferred to the recipient.

	STI payout for	% of STI payout invested in shares	Award date	No. of investment shares awarded	Value of investment shares as of the award date in €	End of blocking period	Value of investment shares as of 31.12.2024[1] in €
Van den Brink	2024	50 %	12.02.2025	t.b.d.	ca. 1,645,556	31.12.2029	n/a
	2023	50 %	15.02.2024	1,984	186,060	31.12.2028	136,301
	2022	50 %	15.02.2023	15,674	1,469,908	31.12.2027	1,076,804
	2021	50 %	16.02.2022	16,327	1,583,719	31.12.2026	1,121,665
Van den Broek	2024	50 %	12.02.2025	t.b.d.	ca. 820,584	31.12.2029	n/a
	2023	50 %	15.02.2024	963	90,310	31.12.2028	66,158
	2022	50 %	15.02.2023	7,613	713,947	31.12.2027	523,013
	2021	50 %	16.02.2022	4,626	448,722	31.12.2026	317,806

1 The closing share price on 31 December 2024 was €68.70.

ad (3) – 2022-2024 Long-term incentive: Number of performance shares vesting

The 2022-2024 Long-term incentive (LTI) relates to the performance period 2022-2024 and vests shortly after 12 February 2025, the publication date of the full year 2024 results. The target LTI opportunities at grant were 150% of base salary for the CEO and 125% of base salary for the CFO.

The vesting of the LTI award for performance period 2022-2024 was subject to company performance on three financial measures with equal weight and three ESG measures with equal weight. The table to the right shows the weights, performance targets and intervals, as well as the actual achievements as determined by the Supervisory Board for each of these measures.

As a result, the vesting of the LTI grant for performance period 2022-2024 will be equal to 161% of the vesting at target level. For the CEO, this performance implies that 30,537 shares will vest shortly after 12 February 2025, as a result of the 18,967 conditional performance shares granted to him in 2022 as CEO and Member of the Executive Board. For the CFO, this performance implies that 17,305 shares will vest as a result of the 10,748 conditional performance shares granted to him in 2022 as CFO and Member of the Executive Board. The resulting share awards are defined in before-tax terms (i.e., before the deduction of withholding tax due). Revision and clawback provisions apply to this award.

Performance Measure	Weight	Threshold	Target	Maximum	Achievement	Vesting
Organic Net Revenue Growth (%)	25 %	5.5 %	7.0 %	8.5 %	10.6 %	50 %
EPS beia Growth (%)	25 %	7.0 %	11.5 %	16.0 %	12.8 %	32 %
Free Operating Cash Flow (€ m)	25 %	6,500	7,000	7,500	7,227	36 %
Carbon emissions reduction (%)	8.33 %	28.0 %	33.0 %	38.0 %	43.0 %	17 %
Water efficiency improvement (%)[1]	8.33 %	9.0 %	12.0 %	15.0 %	12.1 %	9 %
Women at Senior Manager level (%)	8.33 %	27.0 %	28.5 %	30.0 %	30.4 %	17 %
Total	100 %					161 %

1 Adjusted to account for acquisitions and divestitures in the period.

The table below provides an overview of outstanding LTI awards (awards granted but not yet vested, or awards vested but still blocked) as of 31 December 2024.

	Grant date	No. of shares conditionally granted at target level[1]	Value of shares conditionally granted in €	Vesting date[2]	No. of shares vesting on the vesting date[3] (before tax)	No. of shares vesting on the vesting date[4] (after tax)	End of blocking period	Value of unvested or blocked shares as of 31.12.2024[5] in €
Van den Brink	2024	25,841	2,375,822	02.2027	t.b.d.	t.b.d.	15.02.2029	943,182
	2023	22,190	1,950,057	02.2026	t.b.d.	t.b.d.	16.02.2028	809,904
	2022	18,967	1,875,078	12.02.2025	30,537	16,224	17.02.2027	1,114,589
	2021	20,555	1,875,027	14.02.2024	40,699	21,623	15.02.2026	1,485,500
	2020	12,144	1,021,310	15.02.2023	22,588	12,000	14.02.2025	824,400
Van den Broek	2024	13,954	1,282,931	02.2027	t.b.d.	t.b.d.	15.02.2029	509,273
	2023	12,574	1,105,003	02.2026	t.b.d.	t.b.d.	16.02.2028	458,916
	2022	10,748	1,062,547	12.02.2025	17,305	9,194	17.02.2027	631,628
	2021	10,030	914,937	14.02.2024	19,860	10,551	15.06.2026	724,854

1 Determined according to plan rules, using the closing share price on 31 December of the year preceding the grant date.
2 The vesting date is shortly after the publication of the financial statements after completion of the performance period.
3 Vested shares are disclosed in before-tax terms (i.e., before deduction of withholding tax due).
4 Vested shares are disclosed in after-tax terms (i.e., after deduction of withholding tax due).
5 The values for the grants in 2020, 2021 and 2022 are based on the actual number of shares vesting on the vesting date after tax withholding, i.e., after applying the relevant income tax rate, whereas the values for the grants in 2023 and 2024 are based on the number of performance shares conditionally granted at target level (since the number of performance shares vesting is yet unknown) after applying the currently prevailing income tax rate. The closing share price on 31 December 2024 was €68,70.

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ad (4) – 2022-2024 Long-term incentive: Value of performance shares vesting

The value of performance shares vesting is based on the closing share price on 31 December 2024 of €68.70.

ad (5) – Matching entitlements: Number of matching entitlements vesting

These entries refer to the number of matching share entitlements that vested after year-end 2024 as a result of the investment in shares of part of the STI payout for performance year 2019 and the holding of these investment shares until year-end 2024. Since neither Mr. Van den Brink nor Mr. Van den Broek were part of Executive board in 2019, no matching shares entitlements vested after year-end 2024.

ad (6) – Matching entitlements: Value of matching entitlements vesting

The value of matching share entitlements vesting is based on the closing share price on 31 December 2024 of €68.70. Since neither Mr. Van den Brink nor Mr. Van den Broek were part of Executive board in 2019, no matching shares entitlements vested after year-end 2024.

ad (7) – Pension cost

The pension costs involve the employer contributions paid in the Capital Creation Plan as well as the employer contributions to the risk insurances for death and disability.

ad (8) – Extraordinary Share Grants: Number of extraordinary shares vesting

The table below provides an overview of Extraordinary Share grants as of 31 December 2024.

As compensation for lost long-term incentive remuneration that Mr. Van den Broek held with his previous employer, an Extraordinary Share Award of 39,466 shares of Heineken N.V. (gross) was granted as of the moment of his appointment as CFO and member of the Executive Board by the 2021 annual general meeting. This was a time-vested conditional grant, of which 6,578 shares vested on 1 June 2021, 13,155 shares vested on 1 June 2022, and 13,155 shares vested on 1 June 2023. The remainder vested on 1 March 2024.

In line with the retention requisite of best practice provision 3.1.2 of the Dutch Corporate Governance Code, Mr. Van den Broek has an obligation to retain and hold the shares for a period of five years from the date of the award. This holding period will continue to apply in respect of vested shares after termination of the Assignment Agreement for whatever reason.

	Award	Grant date	No. of the shares granted[1]	Value of shares conditionally granted as of the grant date in €	Vesting date	No. of shares vesting on the vesting date[2]	End of blocking period	Value of unvested or blocked shares as of 31.12.2024 in €[3]
Van den Broek	Extraordinary share award	01.06.2021	6,578	642,144	01.06.2021	3,321	01.06.2026	228,153
	Extraordinary share award	01.06.2021	13,155	1,284,191	01.06.2022	6,643	01.06.2026	456,374
	Extraordinary share award	01.06.2021	13,155	1,284,191	01.06.2023	6,643	01.06.2026	456,374
	Extraordinary share award	01.06.2021	6,578	642,144	01.03.2024	3,321	01.06.2026	228,153

1 The 'Number of shares granted' refers to the grant in before-tax terms (i.e., before tax withholding).
2 Vested shares are disclosed in after-tax terms (i.e., after deduction of withholding tax due).
3 The closing share price on 31 December 2024 was €68.70.

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ad (9) – Extraordinary Share Grants: Value of shares vesting

The value of the share awards is based on the 'No. of shares vesting' against the closing share price on 31 December 2024 of €68.70.

ad (10) – Other emoluments

The amounts primarily concern car benefits-in-kind.

ad (11) – Total

The sum of all remuneration elements as described in points (1) to (10).

Actual remuneration paid to former members of the Executive Board

Mr. Van Boxmeer stepped down as CEO and Chairman of the Executive Board of Heineken on 1 June 2020. Mrs. Debroux stepped down as CFO and member of the Executive Board of Heineken on 30 April 2021. In line with contractual obligations, Mr. Van Boxmeer's and Mrs. Debroux's existing investment shares/share matching entitlements are subject to a holding period of 5 years. As a result of the investment in shares of part of the STI payout for the performance year 2019, the following number of matching shares will vest shortly after year-end 2024.

	No. of matching entitlements vesting[1]	Value of matching entitlements vesting in €[2]
van Boxmeer	5,402	371,117
Debroux	2,623	180,200

1 The 'number of matching entitlements vesting' are before-tax (i.e. before tax withholding).
2 The share price on 31 December 2024 was €68.70.

Pay Ratio

In 2024, the ratio between the CEO's annual total remuneration and the average annual total remuneration for HEINEKEN employees was 186. For the CFO, this ratio was 103. Both ratios increased in comparison to 2023, when ratios were significantly lower due to the low payout of the 2023 Short-term incentive.

The ratios were calculated by dividing the 2024 total remuneration for the CEO and CFO by the 2024 average total remuneration of all other employees worldwide. As per the revised Dutch Corporate Governance Code, the average total remuneration of all other employees worldwide is derived from note 6.4 on page 93 by dividing the 2024 total personnel expense (after subtracting the expense for the Executive Board and external contractors) by the reported FTE (minus two, and excluding external contractors), leading to an amount of 48,427 (versus 46,476 in 2023). The total remuneration for the CEO and CFO is retrieved from note 13.3 on page 129.

In accordance with the Dutch Corporate Governance Code, the Supervisory Board takes into account the internal pay ratios as one factor to determine the appropriateness of the implementation of the remuneration policy. However, pay ratios are affected by various factors such as a company's industry, geographical reach, and organisational structure. HEINEKEN has a wide geographical footprint, with the majority of its business and employees in emerging markets where pay levels and structures differ widely from those in the Netherlands and Europe. The company also has a large number of breweries and in-house sales forces across the world, which further adds to the diversity of pay within the organization. This will differ for other companies in other industries. Therefore, external comparison of pay ratios will not always be meaningful.

Moreover, pay ratios can also be highly variable over time due to factors such as fluctuations in exchange rates, and are heavily influenced by the Company's annual performance, which impacts the Executive Board's remuneration more significantly than it does for all other employees. To address these limitations, the Supervisory Board evaluates not only the actual pay ratios but also their evolution, particularly in relation to the Company's performance.

Comparative overview of remuneration and company performance

The following table provides a comparative overview since 2020 of annual Executive Board remuneration, average employee remuneration, Executive Board pay ratio, and company performance:

	Total remuneration in thousands of €[1]		Average employee total remuneration in thousands of €[2]	Pay ratio[3]		Organic net revenue growth %[4]
Year	CEO	CFO		CEO	CFO	
2024	8,998	5,003	48.4	186	103	5.0 %
2023	3,879	2,902	46.5	83	62	5.5 %
2022	8,944	5,794	45.3	198	128	21.2%
2021	8,437	4,228	40.8	207	104	12.2%
2020	1261	835	41.9	30	20	(11.9)%

1 Total remuneration for the CEO and CFO as per note 13.3 Related Parties (i.e., fixed salary, short-term and long-term incentives, pension contributions and other emoluments).
2 Total personnel expense in thousands of € (after subtracting the expense for the Executive Board and external contractor) divided by the reported FTE (minus two).
3 Total remuneration for the CEO and CFO divided by the average total remuneration of all other employees worldwide.
4 Organic net revenue growth percentage for the financial year (performance measure for Short-term and Long-term incentives).

Remuneration Report 2024

Part IV – The Supervisory Board actual remuneration for performance ending in, or at year-end, 2024

In accordance with the Supervisory Board remuneration policy, the Members of the Supervisory Board receive a fixed remuneration for their services. Members are also compensated for intercontinental travel required to exercise their role. The following table provides an overview of the Supervisory Board actual remuneration for year-end, 2024. In alignment with IFRS reporting requirements, this disclosure can also be found in note 13.3 Related Parties.

In thousands of €	2024 Base Board Fee	2024 Committee Fees	2024 Allowances and Benefits	2024 Total Remuneration	2023 Total Remuneration	2022 Total Remuneration	2021 Total Remuneration	2020 Total Remuneration
J.M. Huët	150	145	10	305	231	225	225	225
M.R. de Carvalho	115	75	10	200	141	135	135	135
P. Mars-Wright	115	50	50	215	144	144	126	126
M. Helmes	115	70	10	195	146	133	125	125
R.L. Ripley	115	55	50	220	148	148	125	110
N.K. Paranjpe[1]	115	35	23	173	119	110	78	—
B. Pardo[2]	115	25	38	178	91	—	—	—
L.J. Hijmans van den Bergh[2]	115	65	10	190	83	—	—	—
P.T.F.M. Wennink[3]	78	50	10	138	—	—	—	—
M. Das[4]	115	—	—	115	130	130	130	130
I.H. Arnold[5]	—	—	—	—	55	110	110	115
J.A. Fernández Carbajal[6]	—	—	—	—	33	166	142	154
F.J. Camacho Beltran[6]	—	—	—	—	28	100	—	—
J.G. Astaburuaga Sanjinés[7]	—	—	—	—	—	55	122	116
V.C.O.B.J. Navarre[8]	—	—	—	—	—	—	45	105
	1,148	570	211	1,929	1,349	1,456	1,363	1,341

1 Appointed on 22 April 2021
2 Appointed on 20 April 2023
3 Appointed on 25 April 2024
4 Stepped down on 25 April 2024
5 Stepped down on 20 April 2023
6 Stepped down on 15 February 2023
7 Stepped down on 21 April 2022
8 Stepped down on 22 April 2021

Remuneration Report 2024

Part V – Adjustments to the remuneration policy and implementation in 2025

Policy

No changes to the remuneration policies for the Executive Board and Supervisory Board will be proposed to the Annual General Meeting in 2025.

Implementation

To maintain alignment with the policy target level of the median target remuneration of the labour market peer group, the base salary for the CEO was increased by 5% from €1,397,500 to €1,467,375, effective January 1, 2025. Similarly, the base salary for the CFO was increased by 4% from €950,300 to €988,312, effective on the same date. These salary adjustments are consistent with the increases received by other HEINEKEN employees based in the Netherlands and pay developments in the external market.

Supervisory Board Heineken N.V.
Amsterdam, 11 February 2025

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Consolidated Income Statement

For the year ended 31 December

In millions of €	Note	2024	2023
Revenue	6.1	**35,955**	**36,375**
Excise tax expense	6.1	(6,134)	(6,013)
Net revenue	6.1	**29,821**	**30,362**
Other income	6.2	**80**	**393**
Raw materials, consumables and services	6.3	(19,313)	(20,077)
Personnel expenses	6.4	(4,466)	(4,353)
Amortisation, depreciation and impairments	6.6	(2,605)	(3,096)
Total other expenses		**(26,384)**	**(27,526)**
Operating profit		**3,517**	**3,229**
Interest income	11.1	110	90
Interest expenses	11.1	(680)	(640)
Other net finance income/(expenses)	11.1	(235)	(375)
Net finance expenses		**(805)**	**(925)**
Share of profit/(loss) of associates and joint ventures	10.3	(705)	218
Profit before income tax		**2,007**	**2,522**
Income tax expense	12.1	(846)	(121)
Profit		**1,161**	**2,401**
Attributable to:			
Shareholders of the Company (net profit)		978	2,304
Non-controlling interests		183	97
Profit		**1,161**	**2,401**
Weighted average number of shares – basic	6.7	560,188,961	563,448,845
Weighted average number of shares – diluted	6.7	560,639,030	563,979,620
Basic earnings per share (€)	6.7	1.75	4.09
Diluted earnings per share (€)	6.7	1.74	4.09

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December

In millions of €	Note	2024	2023
Profit		**1,161**	**2,401**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss:			
Remeasurement of post-retirement obligations	12.3	68	(66)
Net change in fair value through OCI investments	12.3	(106)	—
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences	5(b)/12.3	(567)	(170)
Change in fair value of net investment hedges	12.3	14	(28)
Change in fair value of cash flow hedges	12.3	166	(135)
Cash flow hedges reclassified to profit or loss	12.3	(9)	12
Net change in fair value through OCI investments – debt investments	12.3	1	1
Cost of hedging	11.6/12.3	(1)	2
Share of other comprehensive income of associates/joint ventures	10.3/12.3	59	(75)
Other comprehensive income/(expense), net of tax	12.3	**(375)**	**(459)**
Total comprehensive income/(expense)		**786**	**1,942**
Attributable to:			
Shareholders of the Company		506	2,032
Non-controlling interests		280	(90)
Total comprehensive income/(expense)		**786**	**1,942**

Consolidated Statement of Financial Position

As at 31 December

In millions of €	Note	2024	2023
Intangible assets	8.1	21,701	21,781
Property, plant and equipment	8.2	14,677	14,772
Investments in associates and joint ventures	10.3	3,500	4,130
Loans and advances to customers	8.3	258	239
Deferred tax assets	12.2	1,264	1,292
Equity instruments	8.4	465	562
Other non-current assets	8.5	1,009	978
Total non-current assets		**42,874**	**43,754**
Inventories	7.1	3,572	3,721
Trade and other receivables	7.2	4,588	5,019
Current tax assets		165	196
Derivative assets	11.6	169	58
Cash and cash equivalents	11.2	2,350	2,377
Assets classified as held for sale	10.2	55	28
Total current assets		**10,899**	**11,399**
Total assets		**53,773**	**55,153**

In millions of €	Note	2024	2023
Shareholders' equity	11.4	19,581	20,056
Non-controlling interests	11.4	2,821	2,733
Total equity		**22,402**	**22,789**
Borrowings	11.3	13,783	14,046
Post-retirement obligations	9.1	519	586
Provisions	9.2	586	627
Deferred tax liabilities	12.2	2,155	2,213
Other non-current liabilities	11.6	90	67
Total non-current liabilities		**17,133**	**17,539**
Borrowings	11.2/11.3	3,266	4,192
Trade and other payables	7.3	9,912	9,432
Returnable packaging deposits	7.4	525	531
Provisions	9.2	176	206
Current tax liabilities		307	332
Derivative liabilities	11.6	52	132
Total current liabilities		**14,238**	**14,825**
Total equity and liabilities		**53,773**	**55,153**

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Consolidated Statement of Cash Flows

For the year ended 31 December

In millions of €	Note	2024	2023
Operating activities			
Profit		**1,161**	**2,401**
Adjustments for:			
Amortisation, depreciation and impairments	6.6	2,605	3,096
Net interest expenses	11.1	570	550
Other income	6.2	(37)	(352)
Share of profit of associates and joint ventures and dividend income on fair value through OCI investments		687	(226)
Income tax expenses	12.1	846	121
Other non-cash items		226	537
Cash flow from operations before changes in working capital and provisions		**6,058**	**6,127**
Change in inventories		(39)	(4)
Change in trade and other receivables		347	(42)
Change in trade and other payables and returnable packaging deposits		543	(100)
Total change in working capital		**851**	**(146)**
Change in provisions and post-retirement obligations		(6)	(32)
Cash flow from operations		**6,903**	**5,949**
Interest paid		(668)	(624)
Interest received		120	118
Dividends received		199	147
Income taxes paid		(1,051)	(1,160)
Cash flow related to interest, dividend and income tax		**(1,400)**	**(1,519)**
Cash flow from operating activities		**5,503**	**4,430**

In millions of €	Note	2024	2023
Investing activities			
Proceeds from sale of property, plant and equipment and intangible assets		152	154
Purchase of property, plant and equipment		(2,184)	(2,434)
Purchase of intangible assets		(281)	(243)
Loans issued to customers and other investments		(221)	(244)
Repayment on loans to customers and other investments		89	96
Cash flow used in operational investing activities		**(2,445)**	**(2,671)**
Free operating cash flow		**3,058**	**1,759**
Acquisition of subsidiaries, net of cash acquired		(4)	(806)
Acquisition of/additions to associates, joint ventures and other investments		(44)	(409)
Disposal of subsidiaries, net of cash disposed of		14	257
Disposal of associates, joint ventures and other investments		44	53
Cash flow used in acquisitions and disposals		**10**	**(905)**
Cash flow used in investing activities		**(2,435)**	**(3,576)**
Financing activities			
Proceeds from borrowings		3,076	6,751
Repayment of borrowings		(4,091)	(4,614)
Payment of principal portion of lease commitments		(355)	(390)
Dividends paid		(1,199)	(1,335)
Purchase own shares and shares issued		(5)	(942)
Acquisition of non-controlling interests		—	(286)
Cash flow used in financing activities		**(2,574)**	**(816)**
Net cash flow		**494**	**38**
Cash and cash equivalents as at 1 January		1,425	1,618
Effect of movements in exchange rates		(166)	(231)
Cash and cash equivalents as at 31 December	11.2	**1,753**	**1,425**

Consolidated Statement of Changes in Equity

In millions of €	Note	Share capital	Share Premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of the company	Non-controlling interests	Total equity
Balance as at 1 January 2023		**922**	**2,701**	**(3,619)**	**(47)**	**(9)**	**70**	**1,242**	**(60)**	**18,351**	**19,551**	**2,369**	**21,920**
Hyperinflation restatement to 1 January 2023[1]	5(c)	—	—	—	—	—	—	—	—	40	40	—	40
Balance as at 1 January 2023 after restatement		**922**	**2,701**	**(3,619)**	**(47)**	**(9)**	**70**	**1,242**	**(60)**	**18,391**	**19,591**	**2,369**	**21,960**
Profit		—	—	—	—	—	—	204	—	2,100	2,304	97	2,401
Other comprehensive income/(loss)	12.3	—	—	(86)	(123)	2	1	—	—	(66)	(272)	(187)	(459)
Total comprehensive income/(loss)		**—**	**—**	**(86)**	**(123)**	**2**	**1**	**204**	**—**	**2,034**	**2,032**	**(90)**	**1,942**
Realised hedge results from non-financial assets	12.3	—	—	—	156	—	—	—	—	—	156	—	156
Transfer to/from retained earnings		—	—	—	—	—	—	534	—	(534)	—	—	—
Dividends to shareholders		—	—	—	—	—	—	—	—	(1,080)	(1,080)	(270)	(1,350)
Purchase own shares or contributions received from NCI shareholders	11.4	—	—	—	—	—	—	—	(943)	—	(943)	1	(942)
Own shares delivered		—	—	—	—	—	—	—	37	(37)	—	—	—
Share-based payments		—	—	—	—	—	—	—	—	2	2	—	2
Acquisition/disposal of non-controlling interests without losing control		—	—	—	—	—	—	—	—	(214)	(214)	(9)	(223)
Hyperinflation impact		—	—	—	—	—	—	—	—	163	163	—	163
Changes in consolidation		—	—	—	—	—	—	—	—	349	349	732	1,081
Balance as at 31 December 2023		**922**	**2,701**	**(3,705)**	**(14)**	**(7)**	**71**	**1,980**	**(966)**	**19,074**	**20,056**	**2,733**	**22,789**

In millions of €	Note	Share capital	Share Premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of the company	Non-controlling interests	Total equity
Balance as at 1 January 2024		**922**	**2,701**	**(3,705)**	**(14)**	**(7)**	**71**	**1,980**	**(966)**	**19,074**	**20,056**	**2,733**	**22,789**
Profit		—	—	—	—	—	—	(8)	—	986	978	183	1,161
Other comprehensive income/(loss)	12.3	—	—	(592)	157	(1)	(103)	—	—	67	(472)	97	(375)
Total comprehensive income/(loss)		**—**	**—**	**(592)**	**157**	**(1)**	**(103)**	**(8)**	**—**	**1,053**	**506**	**280**	**786**
Realised hedge results from non-financial assets	12.3	—	—	—	(43)	—	—	—	—	—	(43)	—	(43)
Transfer to/from retained earnings		—	—	—	—	—	—	6	—	(6)	—	—	—
Dividends to shareholders		—	—	—	—	—	—	—	—	(969)	(969)	(237)	(1,206)
Purchase own shares or contributions received from NCI shareholders	11.4	—	—	—	—	—	—	—	(60)	—	(60)	55	(5)
Own shares delivered		—	—	—	—	—	—	—	37	(37)	—	—	—
Share-based payments		—	—	—	—	—	—	—	—	18	18	—	18
Acquisition/disposal of non-controlling interests without losing control		—	—	—	—	—	—	—	—	10	10	(10)	—
Hyperinflation impact		—	—	—	—	—	—	—	—	70	70	—	70
Changes in consolidation		—	—	—	—	—	—	—	—	(7)	(7)	—	(7)
Balance as at 31 December 2024		**922**	**2,701**	**(4,297)**	**100**	**(8)**	**(32)**	**1,978**	**(989)**	**19,206**	**19,581**	**2,821**	**22,402**

1 Includes impairment related to the hyperinflationary impact on the opening balance.

Notes to the Consolidated Financial Statements

1. Reporting entity

Heineken N.V. (the 'Company') is a public company domiciled in the Netherlands, with its head office in Amsterdam. The address of the Company's registered office is Tweede Weteringplantsoen 21, 1017 ZD, Amsterdam. The consolidated financial statements of the Company as at 31 December 2024 comprise the Company, its subsidiaries (together referred to as 'HEINEKEN') and HEINEKEN's interests in joint ventures and associates. The Company is registered in the Trade Register of Amsterdam No. 33011433. HEINEKEN is primarily involved in the brewing and selling of beer and cider. Led by the Heineken® brand, HEINEKEN has a range of more than 340 international, regional, local and speciality beers and ciders.

2. Basis of preparation

The consolidated financial statements are:

- Prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year-end 2024 have been adopted by the EU.
- Prepared by the Executive Board of the Company and authorised for issue on 11 February 2025 and will be submitted for adoption to the Annual General Meeting of Shareholders on 17 April 2025.
- Prepared on the historical cost basis unless otherwise indicated.
- Prepared on a going concern basis.
- Presented in Euro, which is the Company's functional currency.
- Rounded to the nearest million unless stated otherwise.

3. Significant events in the period and accounting estimates and judgements

a) Significant accounting estimates and judgement

In preparing these consolidated financial statements, management is required to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The application of accounting policies requires judgements that impact the amounts recognised. Additionally, amounts recognised are based on factors that are by default associated with uncertainty. Actual results may therefore differ from estimates. Where applicable, the estimates and judgements are described per note within the consolidated financial statements.

The following notes contain the most significant estimates and judgements:

Particular area involving significant estimates and judgements	Note
Significant judgement	
Judgement on acting as principal versus agent with respect to excise tax expense	6.1 Operating segments
Judgement used in assessing significant or prolonged decline in the fair value of the investment for indication of impairment	10.3 Investments in associates and joint ventures
Assessment of the recoverability of past tax losses	12.2 Deferred tax assets and liabilities
Significant estimates	
Assumptions used in impairment testing	8.1 Intangible assets and 8.2 Property, plant and equipment
Assumptions for discount rates, future pension increases and life expectancy to calculate the defined benefit obligation	9.1 Post-retirement obligations
Estimating the likelihood and timing of potential cash flows relating to claims and litigations	9.2 Provisions and 9.3 Contingencies

All estimates and judgements are disclosed in the notes to the consolidated financial statements (if applicable).

(b) Climate change

In preparing the consolidated financial statements, HEINEKEN has considered climate change, including climate change scenarios and the Brew a Better World (BaBW) ambitions, on the estimates and judgements used in preparing the consolidated financial statements.

The following impacts were assessed in the consolidated financial statements:

- The impact of climate change on the residual values and useful lives of assets were considered in determining the carrying value of non-current assets (refer to note 8.1 and 8.2).
- The impact of climate change was considered in relation to the recognition and measurement of provisions and contingencies (refer to note 9.2 and 9.3).
- The impact of climate change was considered in relation to indications of impairment and the forecast of cash flows used in the impairment assessments of non-current assets including goodwill (refer to note 8.1 and 8.2).

For the year ended 31 December 2024, no material impact on financial reporting judgement and estimates arising from climate change was identified. As a result the valuations of assets or liabilities have not been significantly impacted by climate change risks.

Notes to the Consolidated Financial Statements

4. Changes in accounting policies

(a) Changed accounting policies in 2024

The following accounting policy changes have been adopted in 2024 and are reflected in the consolidated financial statements:

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangement

HEINEKEN has adopted the amendments to IAS 7 and IFRS 7 relating to supplier finance arrangements. These amendments introduce new disclosure requirements with regard to supplier finance arrangements, relating to the effect on liabilities, cash flows and the exposure to liquidity risk.

HEINEKEN has supplier finance arrangements in place, to which the disclosure requirements apply. Refer to note 7.3 'Trade and other payables'.

No other new standards or amendments to existing standards effective in 2024, had a significant impact on HEINEKEN's consolidated financial statements.

(b) Upcoming changes in accounting policies for 2025 .

No new standards or amendments to existing standards, effective in 2025, will have a significant impact on HEINEKEN 's consolidated financial statements.

(c) New relevant standards and interpretations not yet adopted

The following new standard is effective for annual periods beginning after 1 January 2025, which HEINEKEN has not applied in preparing these consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18, Presentation and Disclosure in Financial Statements, was issued in April 2024, replacing IAS 1, Presentation of Financial Statements. The standard will be effective on 1 January 2027. HEINEKEN is in the process of reviewing the impact of this new standard.

5. General accounting policies

General

The accounting policies described in these consolidated financial statements have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

The consolidated financial statements are prepared as a consolidation of the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by HEINEKEN. HEINEKEN controls an entity when it has power over the investee, is exposed or has the right to variable returns from its involvement with that entity and can affect those returns through its power over the entity. Control is generally obtained by ownership of more than 50% of the voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted and applied by HEINEKEN.

On consolidation, intra-HEINEKEN balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-HEINEKEN transactions, are eliminated. Unrealised gains arising from transactions with associates and joint ventures (refer to note 10.3) are eliminated against the investment to the extent of HEINEKEN's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of HEINEKEN entities using the exchange rates at the transaction date, except for HEINEKEN entities in hyperinflationary economies, refer to note 5(c). Receivables, payables and other monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency using the exchange rates at the balance sheet date. The resulting foreign currency differences are recognised in the income statement, except for foreign currency differences arising on re-translation of Fair Value through Other Comprehensive Income (FVOCI) investments and financial liabilities designated as a hedge of a net investment, which are recognised in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured at cost are translated into the functional currency at the exchange rate at the transaction date.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, and of intercompany loans with a permanent nature (quasi-equity) are translated to Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to Euro at the exchange rates that approximates the exchange rates ruling at the dates of the transactions, except for foreign operations in hyperinflationary economies.

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Foreign currency differences are recognised in other comprehensive income and are presented within equity in the translation reserve. However, if the operation is not a wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. The cumulative amount in the translation reserve is (either fully or partly) reclassified to the income statement upon disposal (either fully or partly) or liquidation.

Exchange rates of key currencies

The following exchange rates, for the most important countries in which HEINEKEN has operations, were used while preparing these consolidated financial statements:

In €	Year-end 2024	Year-end 2023	%	Average 2024	Average 2023	%
Brazilian Real (BRL)	0.1556	0.1865	(16.6)	0.1723	0.1852	(7.0)
Great Britain Pound (GBP)	1.2060	1.1507	4.8	1.1818	1.1497	2.8
Indian Rupee (INR)	0.0112	0.0109	2.8	0.0111	0.0112	(0.9)
Mexican Peso (MXN)	0.0473	0.0532	(11.1)	0.0508	0.0521	(2.5)
Nigerian Naira (NGN)	0.0006	0.0010	(40.0)	0.0006	0.0015	(60.0)
Polish Zloty (PLN)	0.2340	0.2300	1.7	0.2324	0.2203	5.5
Singapore Dollar (SGD)	0.7060	0.6854	3.0	0.6920	0.6886	0.5
United States Dollar (USD)	0.9626	0.9050	6.4	0.9252	0.9246	0.1
Vietnamese Dong in 1,000 (VND)	0.0379	0.0373	1.6	0.0369	0.0388	(4.9)
South African Rand (ZAR)	0.0510	0.0492	3.7	0.0505	0.0502	0.6

(c) Hyperinflation economies

To determine the existence of hyperinflation, HEINEKEN assesses the qualitative factors of the country's economic environment, such as the dominance of foreign currency in the local market, and the quantitative factors, such as the cumulative inflation rate over the previous three years. For Egypt and Nigeria, HEINEKEN's assessment of the quantitative characteristics indicates potential hyperinflation; however, the qualitative factors were inconclusive as of 31 December 2024. Therefore, these countries are not considered hyperinflationary for the year ended 31 December 2024.

The Ethiopian economy was designated as hyperinflationary from the period ended 31 December 2022 and the Haitian economy was designated as hyperinflationary for the period ended 31 December 2023. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to Heineken Ethiopia, whose functional currency is the Ethiopian Birr and Brasserie Nationale d'Haiti S.A., whose functional currency is the Haitian Gourde.

On the application of IAS 29 to Heineken Ethiopia, a cumulative inflation factor was applied using the consumer price index (CPI) in Ethiopia, published by the Central Statistics Agency of Ethiopia. The movement in the CPI for the year ended 31 December 2024 was 17% (2023: 29%).

On the application of IAS 29 to Brasserie Nationale d'Haiti S.A., a cumulative inflation factor was applied using the consumer price index (CPI) in Haiti, published by the L'Institut Haïtien de Statistique et d'Informatique (IHSI). The movement in the CPI for the year ended 31 December 2024 was 27% (2023: 21%).

The application of IAS 29 includes the following:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date
- Adjustment of the income statement for inflation during the reporting period
- The income statement is translated at the period-end foreign exchange rate instead of an average rate
- A net monetary gain/(loss) adjustment, recognised in the income statement, to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency
- Reduction of the restated amount of a non-monetary item, in accordance with the appropriate standards, when it exceeds its recoverable amount

(d) Cash flow statement

The cash flow statement is prepared using the indirect method. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Dividends paid to shareholders are included in financing activities. Dividends received are classified as operating activities, as well as interest paid and interest received.

(e) Offsetting financial instruments

If HEINEKEN has a legal right to offset financial assets with financial liabilities and if HEINEKEN intends to either to settle on a net basis or to realise the asset and settle the liability simultaneously, financial assets and liabilities are presented in the statement of financial position as a net amount.

Notes to the Consolidated Financial Statements

6. Operating activities

6.1 Operating segments

HEINEKEN distinguishes five reportable segments: Europe; Americas; Africa & Middle East; Asia Pacific and Head Office & Other/Eliminations. Information about these reportable segments are provided in the table below:

		Europe		Americas		Africa & Middle East		Asia Pacific		Head Office & Other/Eliminations		Consolidated	
In millions of €	Note	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Net revenue (beia)[1]		**11,845**	**12,211**	**10,407**	**10,469**	**4,133**	**4,229**	**4,226**	**4,157**	**(648)**	**(758)**	**29,964**	**30,308**
Third party revenue[2]		13,895	14,185	10,632	10,700	5,004	5,260	6,346	6,179	78	51	35,955	36,375
Interregional revenue		720	803	5	5	—	—	1	—	(726)	(808)	—	—
Revenue		**14,615**	**14,988**	**10,637**	**10,705**	**5,004**	**5,260**	**6,347**	**6,179**	**(648)**	**(757)**	**35,955**	**36,375**
Excise tax expense[3]		(2,825)	(2,777)	(211)	(211)	(977)	(1,002)	(2,121)	(2,023)	—	—	(6,134)	(6,013)
Net revenue		**11,790**	**12,211**	**10,426**	**10,494**	**4,027**	**4,258**	**4,226**	**4,156**	**(648)**	**(757)**	**29,821**	**30,362**
Other income	6.2	**29**	**302**	**47**	**53**	**2**	**36**	**1**	**2**	**1**	**—**	**80**	**393**
Operating profit		**1,093**	**1,439**	**1,526**	**1,382**	**251**	**(487)**	**658**	**737**	**(11)**	**158**	**3,517**	**3,229**
Net finance expenses	11.1											**(805)**	**(925)**
Share of profit of associates and joint ventures[4]	10.3	24	22	96	69	(62)	25	(763)	102	—	—	(705)	218
Income tax expense	12.1											(846)	(121)
Profit												**1,161**	**2,401**
Attributable to:													
Shareholders of the Company (net profit)												978	2,304
Non-controlling interests												183	97
Operating profit reconciliation													
Operating profit		1,093	1,439	1,526	1,382	251	(487)	658	737	(11)	158	3,517	3,229
Eia[1]		261	(86)	304	149	172	937	256	189	3	25	995	1,214
Operating profit (beia)[1]		**1,354**	**1,353**	**1,830**	**1,531**	**423**	**450**	**914**	**926**	**(8)**	**183**	**4,512**	**4,443**

1 Note that this is a non-GAAP measure. Due to rounding, this balance will not always cast.
2 Includes other revenue of €457 million (2023: €509 million).
3 Next to the €6,134 million of excise tax expense included in revenue (2023: €6,013 million), €2,056 million of excise tax expense is collected on behalf of third parties and excluded from revenue (2023: €2,190 million).
4 Asia Pacific includes the impairment of the investment in CR Beer of €874 million (2023: nil). Refer to note 10.3.

Notes to the Consolidated Financial Statements

In millions of €	Note	Europe 2024	Europe 2023	Americas 2024	Americas 2023	Africa & Middle East 2024	Africa & Middle East 2023	Asia Pacific 2024	Asia Pacific 2023	Head Office & Other/Eliminations 2024	Head Office & Other/Eliminations 2023	Consolidated 2024	Consolidated 2023
Current segment assets		2,699	2,917	3,197	3,292	2,325	2,341	1,911	1,798	541	687	10,673	11,035
Non-current segment assets		12,887	12,494	8,954	9,430	3,508	3,772	11,117	11,003	1,544	1,582	38,010	38,281
Investments in associates and joint ventures		213	200	884	794	179	227	2,224	2,909	—	—	3,500	4,130
Total segment assets		**15,799**	**15,611**	**13,035**	**13,516**	**6,012**	**6,340**	**15,252**	**15,710**	**2,085**	**2,269**	**52,183**	**53,446**
Unallocated assets												1,590	1,707
Total assets												**53,773**	**55,153**
Segment liabilities		**4,356**	**4,292**	**3,465**	**3,640**	**1,760**	**2,008**	**1,540**	**1,373**	**1,759**	**2,324**	**12,880**	**13,637**
Unallocated liabilities												18,491	18,727
Total equity												22,402	22,789
Total equity and liabilities												**53,773**	**55,153**
Purchases of owned property, plant and equipment	8.2	739	784	864	778	454	496	210	176	55	21	2,322	2,255
Acquisition of goodwill	8.1	9	11	—	—	7	652	—	21	—	—	16	684
Purchases of intangible assets	8.1	65	60	39	41	5	7	5	10	167	123	281	241
Depreciation of owned property, plant and equipment	8.2	(555)	(541)	(492)	(459)	(246)	(288)	(186)	(165)	(14)	(11)	(1,493)	(1,464)
Impairment (net of reversal) of owned property, plant and equipment and assets classified as held for sale	8.2, 10.2	(22)	(7)	(187)	(70)	—	(60)	(2)	—	—	—	(211)	(137)
Amortisation of intangible assets	8.1	(100)	(94)	(87)	(98)	(31)	(24)	(185)	(188)	(43)	(44)	(446)	(448)
Impairment (net of reversal) of intangible assets	8.1	(1)	—	(12)	(41)	—	(491)	(50)	—	(25)	—	(88)	(532)

Notes to the Consolidated Financial Statements

Reconciliation of segment profit or loss

The table below presents the reconciliation of operating profit before exceptional items and amortisation of acquisition-related intangibles (operating profit beia) to profit before income tax.

In millions of €	2024	2023
Operating profit (beia)	**4,512**	**4,443**
Amortisation of acquisition-related intangible assets recorded in operating profit	(337)	(385)
Exceptional items included in operating profit	(658)	(829)
Share of profit of associates and joint ventures	(705)	218
Net finance expenses	(805)	(925)
Profit before income tax	**2,007**	**2,522**

The 2024 exceptional items and amortisation of acquisition-related intangibles recorded in operating profit amount to €995 million, net expense (2023: €1,214 million, net expense). This amount consists of:

- €337 million (2023: €385 million) of amortisation of acquisition-related intangibles recorded in operating profit.
- €658 million net exceptional expense (2023: €829 million, net expense) recorded in operating profit. This includes:
  - a net impairment of €305 million recorded in amortisation, depreciation and impairments, of which €158 million relates to Haiti (2023: €683 million, net impairment)
  - net restructuring expenses recorded in personnel expenses of €96 million (2023: €130 million)
  - €59 million net exceptional expense relating to hyperinflation accounting adjustments (2023: €50 million, net expense), of which €87 million expense recorded in revenue (2023: €55 million, income), €28 million income in raw materials consumables and services (2023: €69 million, expense), €3 million expense in amortisation, depreciation and impairments (2023: €32 million) and €3 million income in personnel expenses (2023: €4 million, expense)
  - €198 million of other net exceptional expenses, mainly relating to the disposal and closure of breweries (2023: €8 million, net benefits)

Accounting estimates and judgements

Due to the complexity and variety in tax legislation, significant judgement is applied in the assessment of whether excise tax expenses are borne by HEINEKEN or collected on behalf of third parties.

HEINEKEN makes estimates when determining discount accruals in revenue at year-end, specifically for conditional discounts. Refer to note 7.3 for more explanation on how discount accruals are estimated.

Accounting policies

Segment reporting

Operating segments are reported consistently with the internal reporting provided to the Executive Board, which is considered to be HEINEKEN's chief operating decision-maker. An operating segment is a component of HEINEKEN that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of HEINEKEN's other components. All operating segments' operating results are reviewed regularly by the Executive Board to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The first four reportable segments as presented in the segmentation tables are HEINEKEN's business regions. These business regions are each managed separately by a Regional President, who reports to the Executive Board, and is directly accountable for the functioning of the segment's results, assets and liabilities. The Head Office operating segment falls directly under the responsibility of the Executive Board. The Executive Board reviews the performance of the segments based on internal management reports monthly.

Segment results, assets and liabilities that are reported to the Executive Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated result items comprise net finance expenses and income tax expenses. Unallocated assets mainly comprise deferred tax assets. Unallocated liabilities mainly comprise borrowings and deferred tax liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Performance is measured based on operating profit (beia), as included in the internal management reports that are reviewed by the Executive Board. Beia stands for 'before exceptional items and amortisation of acquisition-related intangibles'. Exceptional items are defined as items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period. Exceptional items include, among others, impairments of goodwill and fixed assets (and reversal of impairments), gains and losses from acquisitions and disposals, redundancy costs following a restructuring, past service costs and curtailments, hyperinflation accounting adjustments, the tax impact on exceptional items and tax rate changes (the one-off impact on deferred tax positions).

Operating profit and operating profit (beia) are not financial measures calculated in accordance with IFRS. Operating profit (beia) is used to measure performance as management believes that this measurement is the most relevant in evaluating the results of the segments. Beia adjustments are also applied to other metrics. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated. Wherever appropriate and practical, HEINEKEN provides reconciliations for relevant GAAP measures.

HEINEKEN has multiple distribution models to deliver goods to end customers. There is no reliance on major clients. Deliveries to end consumers are country dependent and include deliveries via own wholesalers and pubs, direct to customers and via third-party distribution. As such, distribution models are country-specific and diverse across HEINEKEN. In addition, these various distribution models are not centrally managed or monitored. Consequently, the Executive Board does not allocate resources or assess performance based on business type information. Accordingly, no segment information on business type is provided.

Notes to the Consolidated Financial Statements

Inter-segment transfers or transactions are determined on an arm's length basis. As net finance expenses and income tax expenses are monitored on a consolidated level (and not on an individual regional basis) and Regional Presidents are not accountable for that, net finance expenses and income tax expenses are not provided for the reportable segments.

Revenue

The majority of HEINEKEN's revenue is generated by the sale and delivery of products to customers. The product range of HEINEKEN mainly consists of beer, soft drinks and cider. Products are mostly own-produced finished goods from HEINEKEN's brewing activities, but also contain purchased goods for resale from HEINEKEN's wholesale activities. HEINEKEN's customer group can be split between on-trade customers like cafés, bars and restaurants and off-trade customers like retailers and wholesalers. Due to HEINEKEN's global footprint, its revenue is exposed to strategic and financial risks that differ per region.

Revenue is recognised when control over products has been transferred and HEINEKEN fulfilled its performance obligation to the customer. For the majority of the sales, control is transferred either at delivery of the products or upon pickup by the customer from HEINEKEN's premises.

Revenue is recognised based on the price specified in the contract, net of returns, discounts, sales taxes and excise taxes collected on behalf of third parties.

Other revenues include rental income from pubs and bars, royalties, income from wholesale activities, pub management services and technical services to third parties. Royalties are sales-based and recognised in profit or loss (consolidated income statement) on an accrual basis in accordance with the relevant agreement. Rental income, income from wholesale activities, pub management services and technical services are recognised in profit or loss when the services have been delivered.

Discounts

HEINEKEN uses different types of discounts depending on the nature of the customer. Some discounts are unconditional, like cash discounts, early payment discounts and temporary promotional discounts. Unconditional discounts are recognised at the same moment of the related sales transaction.

HEINEKEN also provides conditional discounts to customers. These contractually agreed conditions include volume and promotional rebates. Conditional discounts are recognised based on estimated target realisation. The estimation is based on accumulated experience supported by historical and current sales information. A discount accrual is recognised at each reporting date for discounts payable to customers based on their expected or actual volume up to that date.

Other discounts include listing and shelving visibility fees charged by the customer whereby the payments to customers are closely related to the volumes sold. HEINEKEN assesses the substance of contracts with customers to determine the classification of payments to customers as either discounts or marketing expenses.

Discounts are accounted for as a reduction of revenue. Only when these payments to customers relate to a distinct service, the amount is classified as operating expense.

Excise tax expense

Local tax authorities impose multiple taxes, duties and fees. These include excise on the sale or production of alcoholic beverages, environmental taxes on the use of certain raw materials or packaging materials, or the energy consumption in the production process. Excise duties are common in the beverage industry but levied differently amongst the countries HEINEKEN operates in. HEINEKEN performs a country by country analysis to assess whether the excise duty is sales-related or effectively a production tax. In most countries, excise duties are effectively a production tax as excise duties become payable when goods are moved from bonded warehouses and are not based on the sales value. In these countries, increases in excise duties are not always (fully) passed on to customers and HEINEKEN cannot, or can only partly, reclaim the excise duty in the case products are eventually not sold to customers. Excise tax is borne by HEINEKEN for these countries and shown as expenses. Only for those countries where excise is levied at the moment of the sales transaction and excise is based on the sales value, the excise duties are collected on behalf of a tax authority and consequently deducted from revenue. Due to the complexity and variety in tax legislation, significant judgement is applied in the assessment of whether taxes are borne by HEINEKEN or collected on behalf of a third party.

To provide transparency on the impact of the accounting for excise, HEINEKEN presents the excise tax expense on a separate line below revenue in the consolidated income statement. A subtotal called 'Net revenue' is therefore included in the Income Statement. This 'Net revenue' subtotal is 'revenue' as defined in IFRS 15 (after discounts) minus the excise tax expense for those countries where the excise is borne by HEINEKEN.

6.2 Other income

Other income includes the gain on sale from transactions that do not arise from contracts with customers and are therefore presented separately from revenue.

In millions of €	2024	2023
Gain on sale of property, plant and equipment	37	47
Gain on sale of intangible assets	—	86
Gain on sale of subsidiaries, joint ventures and associates	—	196
Gain on previously held equity-interests	—	23
Tax credits	43	41
	80	**393**

In 2023, other income mainly relates to a gain on sale of Vrumona B.V. (Vrumona) of €195 million (refer to note 10.1).

Accounting policies

Other income is recognised in profit or loss when control over the sold asset is transferred to the buyer. The amount recognised as other income equals the proceeds obtained from the buyer minus the carrying value of the sold asset.

As part of a step acquisition, any previously held equity interest in the acquiree is remeasured to fair value on the date of the acquisition. The difference between the carrying value and the fair value of the previously held equity interest is recognised in other income.

6.3 Raw materials, consumables and services

In millions of €	2024	2023
Raw materials	2,910	3,097
Non-returnable packaging	5,651	6,114
Goods for resale	1,917	1,997
Inventory movements	(15)	—
Marketing and selling expenses	2,940	2,767
Transport expenses	1,764	1,891
Energy and water	784	968
Repair and maintenance	640	622
Other expenses	2,722	2,621
	19,313	**20,077**

The decrease in raw materials, consumables and services in 2024 was mainly driven by stabilisation of inflation in commodity prices related to raw materials and non-returnable packaging.

The line 'Energy and water' contains costs related to Power Purchase Agreements (PPA). As part of its Brew a Better World (BaBW) ambitions, HEINEKEN enters into either physical PPAs or virtual PPAs. These arrangements are usually entered into for periods up to 10 to 15 years and contain either fixed prices or variable prices.

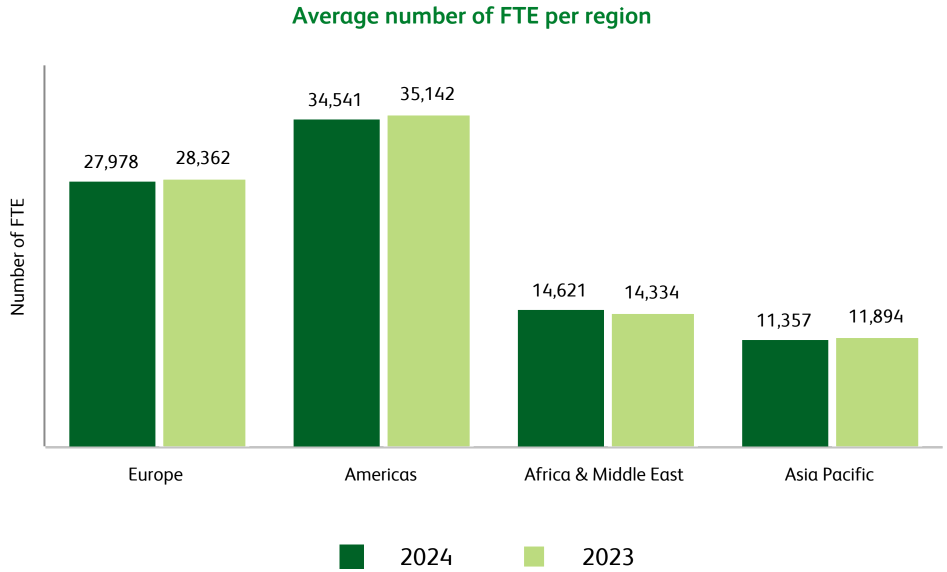
Other expenses in raw materials, consumables and services mainly include consulting expenses of €331 million (2023: €339 million), telecom and office automation of €375 million (2023: €319 million), warehousing expenses of €212 million (2023: €235 million), travel expenses of €134 million (2023: €121 million), other taxes of €179 million (2023: €197 million), short-term lease expenses of €95 million (2023: €110 million) and low-value lease expenses of €42 million (2023: €42 million).

Accounting policies

Expenses are recognised based on accrual accounting. This means that expenses are recognised when the product is received or the service is provided regardless of when cash outflow takes place. Costs related to power purchase agreements are included as part of 'Energy and water' if the own use exemption can be applied. If not, power purchase agreements are considered to be derivative financial instruments, refer to note 11.6.

6.4 Personnel expenses

The average number of full-time equivalent (FTE) employees, excluding contractors, in 2024 was 88,497 (2023: 89,732). FTE, excluding contractors, is divided per region as follows:



A total of 4,135 FTEs are based in the Netherlands (2023: 4,341 FTE, revised for comparative purposes).

HEINEKEN's employees receive compensations such as salaries and wages, pensions (refer to note 9.1) and share-based payments (refer to note 6.5). Other personnel expenses include expenses for contractors of €167 million (2023: €176 million) and net restructuring costs of €59 million (2023: €94 million). Refer to note 9.2 for the restructuring provisions.

In millions of €	Note	2024	2023
Wages and salaries		3,069	2,950
Compulsory social security contributions		468	443
Contributions to defined contribution plans		64	60
Expenses related to defined benefit plans	9.1	44	76
Expenses related to other long-term employee benefits		5	8
Equity-settled share-based payment plan	6.5	42	31
Other personnel expenses		774	785
		4,466	**4,353**

Accounting policies

Personnel expenses

Personnel expenses are recognised when the related service is provided. For more details on accounting policies related to post-retirements obligations and share-based payments refer to notes 9.1 and 6.5 respectively.

6.5 Share-based payments

HEINEKEN has the following share-based compensation plans: long-term incentive plan, extraordinary share plan and matching share plan (as part of the Short-term incentive plan of the Executive Board).

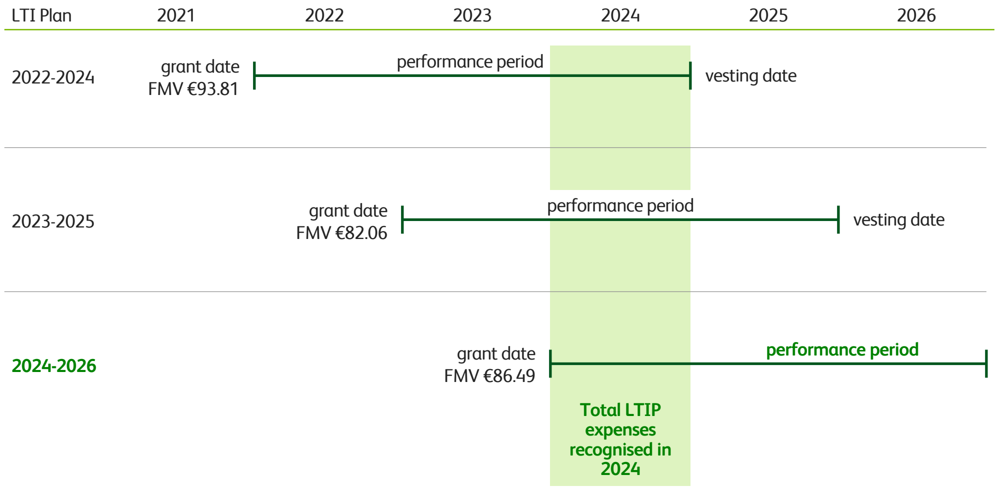
Long-term incentive plan (LTIP)

HEINEKEN has a performance-based LTIP for the Executive Board and senior management. Under this LTIP, share rights are conditionally awarded to participants on an annual basis. The vesting of these rights is subject to the performance of Heineken N.V., on specific internal performance conditions and continued service over a three-calendar year period by the employee. The share rights are not dividend-bearing during the performance period.

At target performance, 100% of the awarded share rights vest. At threshold performance, 50% of the awarded share rights vest and at maximum performance, 200% of the awarded share rights vest.

Notes to the Consolidated Financial Statements

The grant date, fair market value (FMV) at the grant date, service period and vesting date for the LTIP are visualised below:



The number of outstanding share rights and the movement over the year under the LTIP of the Executive Board and senior management is as follows:

	Number of share rights 2024	Number of share rights 2023
Outstanding as at 1 January	**1,379,471**	**2,163,618**
Granted during the year	521,978	539,901
Forfeited during the year	(95,939)	(122,526)
Vested previous year	(676,215)	(639,523)
Performance adjustment	256,634	(561,999)
Outstanding as at 31 December	**1,385,929**	**1,379,471**
Share price as at 31 December	**68.70**	**91.94**

At vesting, HEINEKEN deducts a number of shares to cover payroll taxes and mandatory withholdings on behalf of the individual employees. Therefore, the number of Heineken N.V. shares to be received by LTIP participants is a net (after-tax) number. Ownership of the vested LTIP 2022-2024 shares will transfer to the Executive Board members shortly after the publication of the annual results of 2024 and to senior management on 1 April 2025.

Other share-based compensation plans

In 2024, under the Extraordinary share plans for senior management, 14,528 shares were granted (2023: 13,900) and 10,828 (gross) shares vested (2023: 23,805). These extraordinary grants only have a service condition and vest between one and five years. The expenses relating to these additional grants are recognised in profit or loss during the vesting period. In 2024, expenses amounted to €1 million (2023: €1 million).

Matching shares granted to the Executive Board are disclosed in note 13.3.

Personnel expenses

The total share-based compensation expense that is recognised in 2024 amounts to €42 million (2023: €31 million share-based compensation expense).

In millions of €	Note	2024	2023
Share rights granted in 2021		—	20
Share rights granted in 2022		25	4
Share rights granted in 2023		—	7
Share rights granted in 2024		17	—
Total expense recognised in personnel expenses	6.4	**42**	**31**

Accounting estimates

The grant date fair value is calculated by adjusting the share price at the grant date for estimated foregone dividends during the performance period, as the participants are not entitled to receive dividends during that period. The foregone dividends are estimated by applying HEINEKEN's dividend policy on the latest forecasts of net profit (beia).

At each balance sheet date, HEINEKEN uses its latest forecasts to calculate the expected realisation on the performance targets per plan. The number of shares is adjusted to the new target realisation and HEINEKEN increases/decreases the total plan cost. The cumulative effect is recorded in the profit or loss, with a corresponding adjustment to equity.

Expenses related to employees that voluntarily leave HEINEKEN are reversed as they will not receive any shares from the LTIP. The expense calculation includes the estimated future forfeiture. HEINEKEN uses historical information to estimate this forfeiture rate.

Accounting policies

HEINEKEN's share-based compensation plans are equity-settled share rights granted to the Executive Board and senior management.

The grant date fair value is calculated by deducting expected foregone dividends from the grant date during the performance period share price. The costs of the share plans are adjusted for expected performance and forfeiture and spread evenly over the service period.

Share-based compensation expenses are recorded in the profit or loss, with a corresponding adjustment to equity.

6.6 Amortisation, depreciation and impairments

In millions of €	Note	2024	2023
Property, plant and equipment	8.2	2,015	1,896
Intangible assets	8.1	534	980
Assets classified as held for sale		7	220
Other		49	—
		2,605	**3,096**

Property, plant and equipment include depreciation and impairment of right of use (ROU) assets of €311 million (2023: €304 million).

For more information on impairment losses, refer to note 8.2.

Accounting policies

Refer to note 8.1 for the accounting policy on impairments and amortisation, and to note 8.2 for the policy on depreciation.

6.7 Earnings per share

The calculation of earnings per share (EPS) for the period ended 31 December 2024 is based on the profit attributable to the shareholders of the Company (net profit) and the weighted average number of shares outstanding (basic and diluted) during the year ended 31 December 2024.

In € per share (basic or diluted) for the period ended 31 December	2024	2023
Basic earnings per share	1.75	4.09
Diluted earnings per share	1.74	4.09

Refer to the table below for the information used in the calculation of the basic and diluted earnings per share.

Weighted average number of shares – basic and diluted

	2024	2023
Total number of shares issued	576,002,613	576,002,613
Effect of own shares held	(10,656,871)	(8,489,088)
Shares for which dividend is waived by Heineken Holding N.V.	(5,156,781)	(4,064,680)
Weighted average number of basic shares outstanding for the year	**560,188,961**	**563,448,845**
Dilutive effect of share-based payment plan obligations	450,069	530,775
Weighted average number of diluted shares outstanding for the year	**560,639,030**	**563,979,620**

In 2023, HEINEKEN entered into a cross-holding agreement with Heineken Holding N.V., which includes a waiver by HEINEKEN of payment of any dividends on the Heineken Holding N.V. shares held by HEINEKEN as well as by Heineken Holding N.V. on an equivalent number of HEINEKEN shares held by Heineken Holding N.V. The HEINEKEN shares for which dividend is waived by Heineken Holding N.V. are therefore not part of the number of outstanding ordinary shares of HEINEKEN.

Accounting policies

HEINEKEN presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year, adjusted for the weighted average number of own shares held in the year. Diluted EPS is determined by dividing the profit or loss attributable to shareholders by the weighted average number of shares outstanding, adjusted for the weighted average number of own shares held in the year and for the effects of all dilutive potential shares which comprise share rights granted to employees and the Executive Board. The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted EPS.

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7. Working capital

7.1 Inventories

Inventories include raw and packaging materials, work in progress, spare parts, goods for resale and finished products.

In millions of €	2024	2023
Raw materials	795	815
Work in progress	440	493
Finished products	983	765
Goods for resale	271	481
Non-returnable packaging	408	472
Other inventories and spare parts	675	695
	3,572	**3,721**

In 2024, the inventories written down to net realisable value amounted to €10 million (2023: €11 million, write-down).

Accounting policies

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted average cost and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Cost of inventories are generally updated on annual basis except if a structural change is identified during the period such as the impact of inflationary pressure on input costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

7.2 Trade and other receivables

Trade and other receivables arise during ordinary activities, mainly relating to the sale and delivery of products to customers.

In millions of €	2024	2023
Trade receivables	3,118	3,368
Other receivables	901	1,111
Trade receivables due from associates and joint ventures	7	8
Prepayments	562	532
	4,588	**5,019**

Trade and other receivables contain a net impairment loss of €86 million (2023: €36 million) from contracts with customers, which is included in expenses for raw materials, consumables and services.

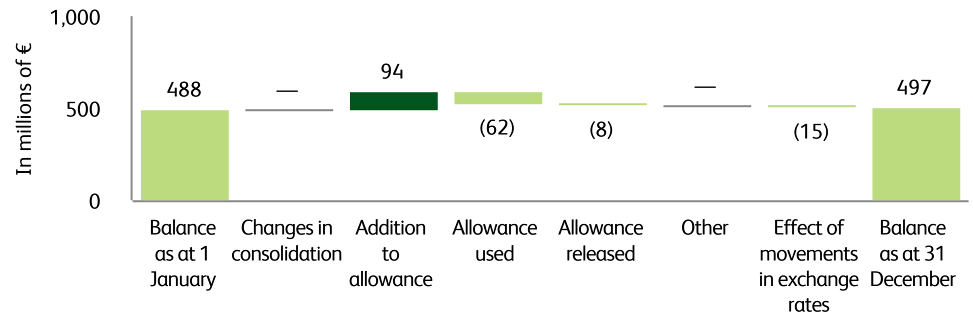
The ageing of trade and other receivables (excluding prepayments) as at 31 December 2024 is as follows:

	2024		**Past due**		
In millions of €	**Total**	**Not past due**	**0-30 days**	**31-120 days**	**> 120 days**
Gross	4,523	3,339	368	225	591
Allowance	(497)	(99)	(29)	(64)	(305)
	4,026	**3,240**	**339**	**161**	**286**

	2023		Past due		
In millions of €	Total	Not past due	0-30 days	31-120 days	> 120 days
Gross	4,975	3,824	390	235	526
Allowance	(488)	(123)	(27)	(44)	(294)
	4,487	**3,701**	**363**	**191**	**232**

The movement in allowance for credit losses for trade and other receivables during the year is as follows:

Allowance for credit losses 2024 - Trade and other receivables



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In millions of €	2024	2023
Balance as at 1 January	**488**	**488**
Changes in consolidation	—	14
Addition to allowance	94	51
Allowance used	(62)	(42)
Allowance released	(8)	(15)
Other	—	(1)
Effect of movements in exchange rates	(15)	(7)
Balance as at 31 December	**497**	**488**

Accounting estimates

HEINEKEN determines on each reporting date the impairment of trade and other receivables using a model (e.g. flow rate method) which estimates the lifetime expected credit losses that will be incurred on these receivables. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Due to the macro-economic environment and uncertainties including increasing inflationary pressure on HEINEKEN's customers, judgement is required in the calculation of expected credit losses. As part of these assessments, HEINEKEN has incorporated all reasonable and supportable information available such as whether there has been a breach of payment terms or deterioration of payment against payment terms, a request for extended payment terms or a request for waived payment terms. For more information on HEINEKEN's credit risk exposure refer to note 11.5.

Accounting policies

Trade and other receivables are held by HEINEKEN to collect the related cash flows. These receivables are measured at fair value and subsequently at amortised cost minus any impairment losses. Trade and other receivables are derecognised by HEINEKEN when substantially all risks and rewards are transferred or if HEINEKEN does not retain control over the receivables.

7.3 Trade and other payables

In the ordinary course of business, payable positions arise towards suppliers of goods and services, as well as to other parties. Refer to the table below for the different types of trade and other payables.

In millions of €	2024	2023
Trade payables	5,986	5,735
Accruals	1,812	1,728
Taxation and social security contributions	1,427	1,420
Interest	230	216
Dividends	18	13
Other payables	439	320
	9,912	**9,432**

Supplier finance arrangements

HEINEKEN has several supplier finance arrangements in place for its suppliers with multiple reputable banks with a strong credit rating. The majority of supplier finance arrangements are used in Europe and Americas. Under a supplier finance arrangement, a bank acts as agent for payments related to a certain invoice. In a fully automated manner, the bank collects a payment from HEINEKEN at due date of the invoice and pays this onwards to the supplier. HEINEKEN has an agency agreement with the bank, as such HEINEKEN is not required to provide assets pledged as security or other forms of guarantees for the supplier finance arrangements. In case the supplier desires to collect the payment before due date of the invoice, the supplier can indicate such to the bank once HEINEKEN has confirmed the invoice. The supplier will then receive the invoice amount at a discount from the bank. The discount represents the time value of money between due date and collection date of the invoice by the supplier and is agreed in a separate arrangement between the supplier and the bank.

The carrying amounts of liabilities part of the arrangements are as follows:

In millions of €	2024
Amount included in trade payables[1]	1,804
Of which suppliers have been paid by paying agent	1,009

1 In 2023: €1,690 million.

The effects of non cash changes did not have a material impact on the carrying amount of liabilities part of the arrangements.

The range of payment due dates are as follows:

In days	Min	Max	Weighted average
Liabilities that are part of the arrangements	7	180	114
Comparable trade payables that are not part of the arrangement[1]	7	180	103

1 Comparable trade payables are payables outside of supplier finance arrangements, that falls within the same jurisdiction or business-line as payables that form part of supplier finance arrangements.

Notes to the Consolidated Financial Statements

Accounting estimates

HEINEKEN makes estimates in the determination of discount accruals. When discounts are provided to customers, these reduce the transaction price and consequently the revenue. The conditional discounts in revenue (refer to note 6.1) are estimated based on accumulated experience supported by historical and current sales information. Expected sales volumes are determined taking into account (historical) sales patterns and other relevant information. A discount accrual is recognised for expected volume and discounts due to customers in relation to sales made until the end of the reporting period.

Accounting policies

Trade and other payables are initially measured at fair value and subsequently at amortised cost. Trade payables are derecognised when the contractual obligation is either discharged, cancelled or expired.

7.4 Returnable packaging materials

HEINEKEN uses returnable packaging materials such as glass bottles, crates and kegs in selling the finished products to the customer.

Returnable packaging materials

The majority of returnable packaging materials are classified as property, plant and equipment. The category 'Other fixed assets' in property, plant and equipment (refer to note 8.2) includes €1,128 million (2023: €1,103 million) of returnable packaging materials.

Returnable packaging deposit liability

In certain markets, HEINEKEN has the legal or constructive obligation to take back the materials from the market. A deposit value is generally charged upon the sale of the finished product, which is reimbursed when the empty returnable packaging material is returned.

In millions of €	2024	2023
Returnable packaging deposits	**525**	**531**

Accounting estimates

The main accounting estimate relating to returnable packaging materials is determining the returnable packaging materials in the market and the expected return thereof. This is based on circulation times and losses of returnable packaging materials in the market.

Accounting policies

Returnable packaging materials

Returnable packaging materials may be classified as property, plant and equipment or inventory. The classification mainly depends on whether ownership is transferred and if HEINEKEN has the legal or constructive obligation to buy back the materials.

Refer to note 8.2 for the general accounting policy on property, plant and equipment. Specifically for returnable packaging materials, the estimated useful life depends on the loss of the materials in the market as well as on HEINEKEN's sites.

Returnable packaging deposit liability

HEINEKEN recognises a deposit liability when a legal or constructive obligation exists to reimburse the customer for returnable packaging materials that are returned. The returnable packaging deposit liability is based on the estimated returnable packaging materials in the market, the expected return thereof and the deposit value.

In the event the deposit value is increased, the relating liability is remeasured through profit and loss taking into account the returnable packaging materials which are already in the market.

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8. Non-current assets

8.1 Intangible assets

Intangible assets within HEINEKEN are mainly goodwill, brands and customer-related intangibles such as customer lists. The majority of intangible assets have been recognised by HEINEKEN as part of acquisitions. Refer to the table below for the historical cost per asset class and the movements during the year including amortisation.

							2024						2023
In millions of €	Note	Goodwill	Brands	Customer-related intangibles	Contract-based intangibles	Software, research and development and other	Total	Goodwill	Brands	Customer-related intangibles	Contract-based intangibles	Software, research and development and other	Total
Cost													
Balance as at 1 January		**13,258**	**9,556**	**1,980**	**1,063**	**1,562**	**27,419**	**12,718**	**8,942**	**2,302**	**1,068**	**1,364**	**26,394**
Hyperinflation restatement to 1 January		—	—	—	—	—	—	51	11	—	—	1	63
Changes in consolidation		16	3	(1)	(4)	(6)	8	684	784	32	—	11	1,511
Purchased/internally developed		—	—	3	15	263	281	1	—	1	13	226	241
Transfer (to)/from assets classified as held for sale		—	—	—	—	—	—	(50)	(5)	—	—	(6)	(61)
Disposals		—	(4)	(81)	(3)	(54)	(142)	—	—	(340)	—	(39)	(379)
Hyperinflation adjustment		17	6	—	—	1	24	44	6	—	—	2	52
Effect of movements in exchange rates		48	143	(7)	(2)	(28)	154	(190)	(182)	(15)	(18)	3	(402)
Balance as at 31 December		**13,339**	**9,704**	**1,894**	**1,069**	**1,738**	**27,744**	**13,258**	**9,556**	**1,980**	**1,063**	**1,562**	**27,419**
Amortisation and impairment losses													
Balance as at 1 January		**(1,020)**	**(2,031)**	**(1,299)**	**(392)**	**(896)**	**(5,638)**	**(468)**	**(1,782)**	**(1,536)**	**(400)**	**(800)**	**(4,986)**
Hyperinflation restatement to 1 January		—	—	—	—	—	—	—	(4)	—	—	(1)	**(5)**
Changes in consolidation		—	1	—	9	—	10	7	—	—	—	—	**7**
Amortisation charge for the year	6.6	—	(217)	(86)	(9)	(134)	(446)	—	(216)	(94)	(10)	(128)	**(448)**
Impairment losses	6.6	—	(53)	—	(9)	(26)	(88)	(559)	(41)	—	—	(1)	**(601)**
Transfer to/(from) assets classified as held for sale		—	—	—	—	—	—	—	3	—	—	5	**8**
Disposals		—	1	82	3	44	130	—	—	339	—	32	**371**
Hyperinflation adjustment		—	(3)	—	—	(1)	(4)	—	(4)	—	—	(2)	**(6)**
Effect of movements in exchange rates		(18)	(15)	15	(7)	18	(7)	—	13	(8)	18	(1)	**22**
Balance as at 31 December		**(1,038)**	**(2,317)**	**(1,288)**	**(405)**	**(995)**	**(6,043)**	**(1,020)**	**(2,031)**	**(1,299)**	**(392)**	**(896)**	**(5,638)**
Carrying amount													
As at 1 January		**12,238**	**7,525**	**681**	**671**	**666**	**21,781**	**12,250**	**7,160**	**766**	**668**	**564**	**21,408**
As at 31 December		**12,301**	**7,387**	**606**	**664**	**743**	**21,701**	**12,238**	**7,525**	**681**	**671**	**666**	**21,781**

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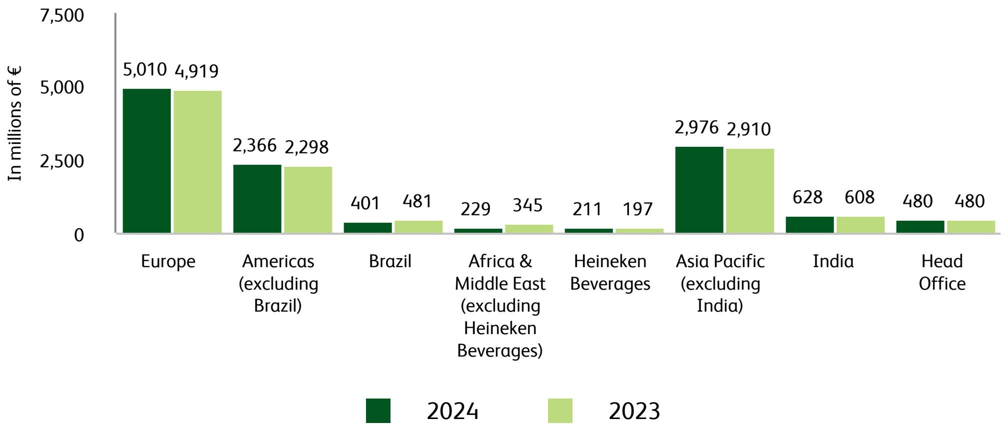
Goodwill impairment testing

For impairment testing, goodwill in respect of Europe, Americas (excluding Brazil) and Asia Pacific (excluding India) is allocated and monitored on a regional basis. For Brazil, India, Heineken Beverages and other subsidiaries within Africa, Middle East and Head Office, goodwill is allocated and monitored on an individual or combined country basis. The total amount of goodwill of €12,301 million (2023: €12,238 million) is allocated to each (group of) Cash Generating Unit (CGU) as follows:

Goodwill per (group of) CGU



The carrying amount of a CGU is compared to the recoverable amount of the CGU. The recoverable amounts of the (group of) CGUs are based on the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU) calculations. CGUs for which the recoverable amount is based on a VIU model represent 95% of goodwill. VIU is determined by discounting the future cash flows generated from the continuing use of the CGU using a pre-tax discount rate.

The key assumptions used for the value in use calculations are as follows:

- Cash flows are projected based on actual operating results and the approved business plan. Cash flows thereafter are extrapolated up to a 10-year period (Europe and Head Office 5-year) using an expected annual volume growth rate per country, which is based on external sources. The extrapolated cash flows are therefore projected using steady or progressively declining net cash flow growth rates. Based on past experience, management considers this period to reflect the long-term development of the local beer and cider business.
- The beer and cider price growth per year, after the forecast period, is assumed to be the expected country-specific annual long-term inflation, which is based on external sources.
- Cash flows after the first 10-year period (Europe and Head Office 5-year) are extrapolated using a perpetual growth rate equal to the expected 30-year average inflation to calculate the terminal recoverable amount. For Europe, a return on inflation-linked bond rates is used to extrapolate cash flows.
- A CGU-specific pre-tax weighted average cost of capital (WACC) was applied per CGU in determining the recoverable amount of the units.

The values assigned to the key assumptions used for the VIU calculations are as follows:

In %	Pre-tax WACC	Expected annual long-term inflation applied for years 2028-2034	Expected volume growth rates applied for years 2028-2034
Europe	9.0	1.9	0.9
Americas (excluding Brazil)	11.2	3.2	2.0
Brazil	13.2	3.5	1.2
Africa & Middle East (excluding Heineken Beverages)	21.5-26.6	7.5-12.7	1.8-2.3
Heineken Beverages	14.4	4.9	2.4
Asia Pacific (excluding India)	11.9	3.0	1.3
Head Office	12.0	3.4	1.6

In 2024, there has been a general decrease in the WACC applied across most CGUs, primarily due to decreased interest rates.

Impairment losses

The annual goodwill impairment test resulted in no impairment loss for the current year (2023: €491 million). In addition, the asset impairment test required as a result of the identification of impairment indicators resulted in an impairment of nil on goodwill and €88 million on intangible assets other than goodwill (2023: €68 million on goodwill and €42 million on intangible assets other than goodwill) (refer to note 8.2).

Sensitivity to changes in assumptions

HEINEKEN assesses that a reasonably possible adverse change in a key assumption (i.e. lower growth rates or higher discount rates respectively) would cause the carrying amount to exceed the recoverable amount.

Brands, customer-related and contract-based intangibles

The main brands capitalised are the brands acquired in various acquisitions. The main customer-related and contract-based intangibles relate to customer relationships (constituted either by way of a contractual agreement or by way of non-contractual relations) and re-acquired rights.

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Accounting estimates and judgements

The cash flow projections used in the VIU calculations for goodwill impairment testing contain various judgements and estimations as described in the key assumptions for the VIU calculations. Such judgements and estimates are subject to change because of changing economic conditions and climate impact and actual cash flows may differ from forecasts. The below additional considerations have been applied by HEINEKEN regarding the potential financial impact of the macro-economic environment and uncertainties including increasing inflationary pressures worldwide:

- Changes in the interest rate environment are taken into consideration when determining the discount rates
- Terminal growth rates do not exceed the long-term annual inflation rate of the country or region, thus excluding any increased inflation growth experiences in the short term
- Sensitivity scenarios are applied to the key assumptions used in the impairment testing

The impact of climate change risk on future cash flows have also been considered at an CGU and asset level, including committed capex and operational expenditure. No material financial impacts to the current year impairment assessment were identified.

For intangible assets, other than goodwill, estimates are required to determine the (remaining) useful lives. Useful lives are determined based on the market position (for brands), estimated remaining useful life of the customer relationships or the period of the contractual arrangements, or estimates on technological and commercial developments (for software/development expenditure).

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful life. HEINEKEN believes that straight-line depreciation most accurately reflects the expected pattern of consumption of the future economic benefits embodied in the intangible asset.

Accounting policies

Goodwill

Goodwill represents the difference between the fair value of the net assets acquired and the transaction price of the acquisition. Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the associates and joint ventures.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to individual or groups of CGUs for impairment testing and is tested annually for impairment. Negative goodwill is recognised directly in profit or loss as other income. An impairment loss in respect of goodwill cannot be reversed.

Brands, customer-related and contract-based intangibles

Brands, customer-related and contract-based intangibles acquired as part of a business combination are recognised at fair value. Otherwise, these acquired intangibles are recognised at cost and amortised over the estimated useful life of the individual brand, respectively over the remaining useful life of the customer relationships or the period of the contractual arrangements.

Strategic brands are well-known international/local brands with a strong market position and an established brand name.

Software, research and development and other intangible assets

Purchased software is measured at cost less accumulated amortisation. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities, otherwise, it is recognised in profit or loss when incurred.

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge, is recognised in profit or loss when incurred.

Amortisation

Amortisation is calculated over the cost of the asset less its residual value. Intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful lives are as follows:

– Strategic brands	40–50 years
– Other brands	5–25 years
– Customer-related and contract-based intangibles	5–25 years
– Re-acquired rights	3–12 years
– Software (including internally generated software)	3–7 years

The amortisation method, useful lives and residual values are reassessed annually. Changes in useful lives or residual value are recognised prospectively.

De-recognition of intangible assets

Intangible assets are derecognised when disposed of or sold. Gains on sale of intangible assets are presented in profit or loss as other income (refer to note 6.2); losses on sale are included in amortisation. Goodwill is derecognised when the related CGU is sold.

Impairment of non-financial assets

At each reporting date, HEINEKEN reviews the carrying amounts of its non-financial assets (except for inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. The existence of any immediate or short-term physical threats due to climate change were also considered in assessing for any indication of impairment. Furthermore, HEINEKEN assesses goodwill and other intangible assets with an indefinite useful life annually for impairment.

For impairment testing, assets are grouped into the smallest group of assets that generate cash inflows from continuing use. The CGU for other non-financial assets is often the operating company on a country level. The recoverable amount of an asset or CGU is the higher of an asset's FVLCD and VIU. In assessing the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its CGU exceeds its recoverable amount, except where IAS 29 requires entities that apply hyperinflation accounting for the first time to recognise impairment related to prior periods in opening equity. Impairment losses are first allocated to goodwill and intangible assets with an indefinite useful life. A remaining impairment loss is then allocated to the other assets in the unit on a pro-rata basis. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised. Impairment losses recognised on goodwill are not reversed in subsequent periods.

8.2 Property, plant and equipment

Property, plant and equipment (P,P&E) are fixed assets that are owned by HEINEKEN, as well as ROU assets under a lease agreement. Owned and ROU assets are held for use in HEINEKEN's operating activities. Refer to the table below for the split between owned assets and ROU assets as per balance sheet date:

In millions of €	2024	2023
Property, plant and equipment - owned assets	13,573	13,732
Right of use assets	1,104	1,040
	14,677	**14,772**

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Owned assets

The table below details the historical cost per asset class and the movements during the year for owned assets.

In millions of €	Note	2024 Land and buildings	2024 Plant and equipment	2024 Other fixed assets	2024 Under construction	2024 Total	2023 Land and buildings	2023 Plant and equipment	2023 Other fixed assets	2023 Under construction	2023 Total
Cost											
Balance as at 1 January		**8,283**	**11,586**	**7,020**	**1,576**	**28,465**	**7,765**	**10,770**	**6,682**	**1,387**	**26,604**
Hyperinflation restatement to 1 January		—	—	—	—	—	66	143	89	1	299
Changes in consolidation and other transfers		(3)	(13)	(24)	—	(40)	172	286	102	96	656
Purchases		38	101	357	1,826	2,322	26	88	289	1,852	2,255
Transfer of completed projects under construction		306	639	466	(1,411)	—	306	760	574	(1,640)	—
Transfer (to)/from assets classified as held for sale		(70)	(12)	(2)	(16)	(100)	(51)	(108)	(42)	(8)	(209)
Disposals		(115)	(298)	(392)	(39)	(844)	(46)	(110)	(460)	(11)	(627)
Hyperinflation adjustment		46	96	70	2	214	67	140	99	3	309
Effect of movements in exchange rates		(174)	(537)	(435)	(153)	(1,299)	(22)	(383)	(313)	(104)	(822)
Balance as at 31 December		**8,311**	**11,562**	**7,060**	**1,785**	**28,718**	**8,283**	**11,586**	**7,020**	**1,576**	**28,465**
Depreciation and impairment losses											
Balance as at 1 January		**(3,014)**	**(6,708)**	**(4,939)**	**(72)**	**(14,733)**	**(2,850)**	**(6,352)**	**(4,732)**	**(60)**	**(13,994)**
Hyperinflation restatement to 1 January		—	—	—	—	—	(12)	(62)	(80)	—	(154)
Changes in consolidation and other transfers		2	3	16	3	24	—	—	1	1	2
Depreciation charge for the year	6.6	(182)	(623)	(686)	(2)	(1,493)	(180)	(575)	(709)	—	(1,464)
Impairment losses	6.6	(114)	(93)	(25)	(10)	(242)	(52)	(73)	(24)	(13)	(162)
Reversals of impairments	6.6	30	—	1	—	31	2	2	—	—	4
Transfer to/(from) assets classified as held for sale		36	8	1	16	61	33	87	34	—	154
Disposals		78	279	385	(13)	729	33	110	453	—	596
Hyperinflation adjustment		(11)	(51)	(47)	—	(109)	(14)	(59)	(75)	—	(148)
Effect of movements in exchange rates		55	224	308	—	587	26	214	193	—	433
Balance as at 31 December		**(3,120)**	**(6,961)**	**(4,986)**	**(78)**	**(15,145)**	**(3,014)**	**(6,708)**	**(4,939)**	**(72)**	**(14,733)**
Carrying amount											
As at 1 January		**5,269**	**4,878**	**2,081**	**1,504**	**13,732**	**4,915**	**4,418**	**1,950**	**1,327**	**12,610**
As at 31 December		**5,191**	**4,601**	**2,074**	**1,707**	**13,573**	**5,269**	**4,878**	**2,081**	**1,504**	**13,732**

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Land and buildings include the breweries and offices of HEINEKEN as well as stores, pubs and bars. The plant and machinery asset class contains all the assets needed in HEINEKEN's brewing, packaging and filling activities. Other fixed assets mainly consist of returnable packaging materials, commercial fixed assets and furniture, fixtures and fittings. Refer to note 7.4 for further information on returnable packaging materials that are included in this category.

Impairment losses

Impairments of nil on goodwill (2023: €68 million), €211 million on owned property, plant and equipment (2023: €158 million), €88 million on intangible assets with finite useful life (2023: €42 million) and €6 million on right of use (ROU) assets (2023: €14 million) were recorded for the year ended 31 December 2024. The impairments mainly relate to Brasserie Nationale d'Haiti S.A. (Haiti) for €158 million which is included in the Americas operating segment.

The impairment for Haiti is primarily driven by the country's deteriorated economic outlook due to political unrest and insecurity, and the continued application of hyperinflation accounting.

The determination of the recoverable amount of the assets of Haiti is based on a VIU valuation, which is based on a discounted 10-year cash flow forecast. The key assumptions used to determine the cash flows are based on market expectations and management's best estimate. Cash flows thereafter are extrapolated using a perpetual growth rate equal to the expected 30-year compounded average inflation, in order to calculate the terminal recoverable amount.

Impairment (reversals) are recorded on the line 'amortisation, depreciation and impairments' in the income statement. For a split per asset class, refer to the movement schedules in notes 8.1 and 8.2.

See the table below for the key assumptions:

	Haiti			
	2024		2023	
In %	2024-2027	2022-2033	2023-2026	2027-2032
Pre-tax WACC (in local currency)	36.9	36.9	33.5	33.5
Expected annual long-term inflation	13.2	13.2	5.9	5.9
Expected volume growth	0.1	2.7	5.5	4.4

Right of use (ROU) assets

HEINEKEN leases stores, pubs, offices, warehouses, cars, (forklift) trucks and other equipment in the ordinary course of business. HEINEKEN has around 35.000 leases with a wide range of different terms and conditions, depending on local regulations and practices. Many leases contain extension and termination options, which are included in the lease term if HEINEKEN is reasonably certain to exercise the option. Refer to the table below for the carrying amount of ROU assets per asset class per balance sheet date:

In millions of €	2024	2023
Land and buildings	862	836
Equipment	242	204
Carrying amount ROU assets as at 31 December	**1,104**	**1,040**

In 2024, €478 million was added to the ROU assets as a result of entering into new lease contracts and the remeasurement of existing leases (2023: €350 million). The depreciation and impairments of ROU assets for the financial year ending 31 December is as follows:

In millions of €	2024	2023
Land and buildings	216	213
Equipment	95	91
Depreciation and impairments for ROU assets	**311**	**304**

Accounting estimates and judgements

Estimates are required to determine the (remaining) useful lives of fixed assets. Useful lives are determined based on an asset's age, the frequency of its use, repair and maintenance policy, technology changes in production, redundancies or changes due to climate risks and expected restructuring.

HEINEKEN estimates the expected residual value per asset item. The residual value is the higher of the expected sales price (based on recent market transactions of similar sold items) and its material scrap value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of P,P&E. HEINEKEN believes that straight-line depreciation most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Judgement is required to determine the lease term. The assessment of whether HEINEKEN is reasonably certain to exercise extension options or to make use of termination options impacts the lease term, which as a result could affect the amount of lease liabilities and ROU assets recognised.

Accounting policies

Owned assets

A fixed asset is recognised when it is probable that future economic benefits associated with the P,P&E item will flow to HEINEKEN and when the cost of the P,P&E can be reliably measured. The majority of the P,P&E of HEINEKEN are owned assets, rather than leased assets.

P,P&E are recognised at historical cost less accumulated depreciation and impairment losses. Historical cost includes all costs directly attributable to the purchase of an asset. The cost of self-constructed assets includes all directly attributable costs to make the asset ready for its intended use. Spare parts that meet the definition of P,P&E are capitalised and accounted for accordingly. If spare parts do not meet the recognition criteria of P,P&E, they are either carried in inventory or consumed and recorded in profit or loss.

Subsequent costs are capitalised only when it is probable that the expenses will lead to future economic benefits and can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

For the contractual commitments on ordered P,P&E refer to note 13.2.

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Depreciation and impairments

Depreciation is calculated using the straight-line method, based on the estimated useful life of the asset class. The estimated useful lives of the main asset classes are as follows:

– Buildings	15–40 years
– Plant and equipment	5–30 years
– Other fixed assets	3–10 years

Land and assets under construction are not depreciated. When assets under construction are ready for their intended use, they are transferred to the relevant category and depreciation starts. All other P,P&E items are depreciated over their estimated useful life to the asset's residual value.

The depreciation method, residual value and useful lives are reassessed annually. Changes in useful lives or residual value are recognised prospectively.

HEINEKEN reviews whether indicators for impairment exist on a CGU level. When an indicator of impairment exists, assets are tested for impairment. Impairment losses on assets, other than goodwill, recognised in prior periods are assessed at each reporting date for any indication of a reversal, due to observable indications that the asset's value has increased significantly or other significant changes with favourable effects.

Derecognition of Property, plant and equipment

P,P&E is derecognised when it is scrapped or sold. Gains on sale of P,P&E are presented in profit or loss as other income (refer to note 6.2); losses on sale are included in depreciation.

Right of use (ROU) assets

Definition of a lease

A contract contains a lease if it provides the right to control the use of an identified asset for a period of time in exchange for an amount payable to the lessor. The right to control the use of the identified asset exists when having the right to obtain substantially all of the economic benefits from the use of that asset and when having the right to direct the use of that asset.

HEINEKEN as a lessee

At the start date of the lease, HEINEKEN (lessee) recognises a ROU asset and a lease liability on the balance sheet. The ROU asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Depreciation is recognised on a straight-line basis over the shorter of the asset's useful life or the lease term. For measurement of the lease liability, refer to note 11.3.

HEINEKEN applies the following practical expedients for the recognition of leases:

– The short-term lease exemption means that leases with a duration of less than a year are expensed in the income statement on a straight-line basis.
– The low-value lease exemption, meaning that leased assets with an individual value of €5,000 or less if bought new, are expensed in the income statement on a straight-line basis.

HEINEKEN as a lessor

A lease is classified as a finance lease when it transfers substantially all the risks and rewards relating to ownership of the underlying asset to the lessee. For contracts where HEINEKEN acts as an intermediate lessor, the subleases are classified with reference to the ROU asset.

Lease related notes

For lease liabilities, refer to note 11.3 Borrowings. For short-term and low-value leases, refer to other expenses in note 6.3 Raw materials, consumables and services. For the lease receivables, refer to other receivables in note 8.5 Other non-current assets and other receivables in note 7.2 Trade and other receivables. For the contractual maturities of lease liabilities, refer to note 11.5 Credit, liquidity and market risk.

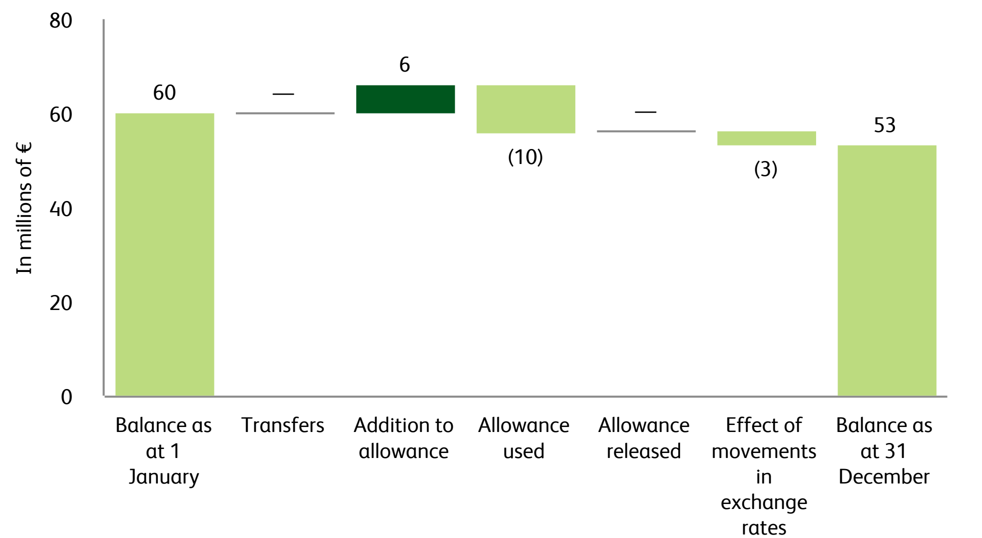
8.3 Loans and advances to customers

Loans and advances to customers are inherent to HEINEKEN's business model. Loans to customers are repaid in cash on fixed dates while the settlement of advances to customers is linked to the sales volume of the customer. Loans and advances to customers are usually backed by collateral such as properties.

In millions of €	**2024**	2023
Loans to customers	48	60
Advances to customers	210	179
Loans and advances to customers	**258**	**239**

The movement in allowance for impairment losses for loans and advances to customers during the year is as follows:

Allowance for credit losses 2024 – Loans and advances to customers



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In millions of €	2024	2023
Balance as at 1 January	**60**	**69**
Transfers	—	2
Addition to allowance	6	4
Allowance used	(10)	(12)
Allowance released	—	(6)
Effect of movements in exchange rates	(3)	3
Balance as at 31 December	**53**	**60**

Accounting estimates

HEINEKEN determines at each reporting date the impairment of loans and advances to customers using an expected credit loss model, which estimates the credit losses over 12 months. If a significant increase in credit risk occurs (e.g. more than 30 days overdue, change in credit rating, payment delays in other receivables from the customer), credit losses over the lifetime of the asset are incurred. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Due to the macro-economic environment and uncertainties including increasing inflationary pressure on HEINEKEN's customers, more judgement is required for the calculation of expected credit losses compared to the prior years. For more information on HEINEKEN's credit risk exposure refer to note 11.5.

Accounting policies

Loans and advances to customers are initially measured at fair value and subsequently at amortised cost minus any impairment losses.

8.4 Equity instruments

Equity instruments mainly consist of shares in Heineken Holding N.V. The investment is not held for trading purposes.

In millions of €	2024	2023
Shares in Heineken Holding N.V.	298	395
Other	167	167
Equity instruments	**465**	**562**

Sensitivity analysis – equity securities

An increase or decrease of 1% in the share price of the equity securities at the reporting date would not have a material impact.

Accounting policies

HEINEKEN's investments in equity securities are classified as FVOCI. These investments are interests in entities where HEINEKEN has less than significant influence. This is generally the case when ownership is less than 20% of the voting rights. Upon the sale of these equity securities the accumulated fair value and currency translation changes are transferred to retained earnings.

FVOCI investments are measured at fair value (refer to note 13.1). The fair value changes are recognised in other comprehensive income (OCI) and presented within equity in the fair value reserve. Dividend income is recognised in profit or loss.

Notes to the Consolidated Financial Statements

8.5 Other non-current assets

Other non-current assets mainly consist of long-term prepayments and other receivables with a duration longer than 12 months.

In millions of €	Note	2024	2023
Fair value through OCI debt investments		14	14
Non-current derivatives	11.6	18	33
Loans to joint ventures and associates		4	10
Long-term prepayments		477	504
Other receivables		496	417
Other non-current assets		**1,009**	**978**

Other receivables include lease receivables of €112 million (2023: €115 million). The average outstanding term of the lease receivables, including the short-term portion of lease receivables, is 2.7 years (2023: 3.0 years). The remainder of other receivables mainly originate from the acquisition of the beer operations of FEMSA and represent a receivable on the Brazilian authorities on which interest is calculated in accordance with Brazilian legislation. The collection of this receivable is expected to be beyond a period of five years. A part of the aforementioned qualifies for indemnification towards FEMSA and is provided for.

Accounting estimates

HEINEKEN determines on each reporting date the impairment of other receivables using an expected credit loss model, which estimates the credit losses over 12 months. Only in case of a significant increase in credit risk occurs (e.g. more than 30 days overdue, change in credit rating, payment delays in other receivables from the customer) the credit losses over the lifetime of the asset are incurred. Individually significant other receivables are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. For more information on HEINEKEN's credit risk exposure refer to note 11.5.

Accounting policies

Non-current derivatives

Refer to the accounting policies on derivative financial instruments in note 11.6.

Other

The remaining non-current assets as presented in the previous table are initially measured at fair value and subsequently at amortised cost minus any impairment losses.

9. Provisions and contingent liabilities

9.1 Post-retirement obligations

HEINEKEN makes contributions to pension plans that provide pension benefits to (former) employees upon retirement, both via defined benefit as well as defined contribution plans. Other long-term employee benefits include long-term bonus plans, termination benefits, medical plans and jubilee benefits. Refer to note 6.4 for the contribution to defined contribution plans. This note relates to HEINEKEN's defined benefit pension plans. Refer to the table below for the present value of the defined benefit plans.

In millions of €	2024	2023
Present value of unfunded defined benefit obligations	147	167
Present value of funded defined benefit obligations	8,428	8,193
Total present value of defined benefit obligations	**8,575**	**8,360**
Fair value of defined benefit plan assets	(8,330)	(8,006)
Present value of net obligations	**245**	**354**
Asset ceiling items	134	145
Defined benefit plans included under non-current assets	66	39
Recognised liability for defined benefit obligations	**445**	**538**
Other long-term employee benefits	74	48
	519	**586**

The vast majority of benefit payments are from pension funds that are held in trusts (or equivalent), however, there is a small portion where HEINEKEN fulfils the benefit payment obligation as it falls due. Plan assets held in trusts are governed by Trustee Boards composed of HEINEKEN representatives and independent and/or member representation, in accordance with local regulations and practice in each country. The relationship and division of responsibility between HEINEKEN and the Trustee Board (or equivalent) including investment decisions and contribution schedules are carried out in accordance with the plan's regulations.

The defined benefit pension plans in the Netherlands (NL) and the United Kingdom (UK) represent the majority of the total defined benefit plan assets and the present value of the defined benefit obligations.

Notes to the Consolidated Financial Statements

Refer to the table below for the split of these plans in the total present value of the net obligations of HEINEKEN.

In millions of €	2024 UK	2023 UK	2024 NL	2023 NL	2024 Other	2023 Other	2024 Total	2023 Total
Total present value of defined benefit obligations	2,554	2,717	4,805	4,386	1,216	1,257	8,575	8,360
Fair value of defined benefit plan assets	(2,426)	(2,581)	(4,798)	(4,324)	(1,106)	(1,101)	(8,330)	(8,006)
Present value of net obligations	**128**	**136**	**7**	**62**	**110**	**156**	**245**	**354**

Defined benefit plan in the Netherlands

HEINEKEN provides employees in the Netherlands with an average pay pension plan based on earnings up to the legal tax limit. Indexation of accrued benefits is conditional on the funded status of the pension fund. HEINEKEN pays contributions to the fund up to a maximum level agreed with the Board of the pension fund and has no obligation to make additional contributions in case of a funding deficit.

During 2024, the coverage ratio of the Dutch pension fund improved slightly. The interest rates showed a small decrease that increased the fund's net defined benefit obligations. The fund's financial position allowed for pension indexation in 2024.

In 2024, the increase in the fair value of the defined benefit plan assets is mainly due to an increase in the value of equities and alternative credits. The higher defined benefit obligation is mainly due to higher indexation assumption, partially offset by a higher discount rate assumption. HEINEKEN's cash contribution to the Dutch pension plan was at the maximum level. The same level will apply in 2025.

In 2023, the Dutch Parliament enacted the "Wet toekomst pensioenen" (Future Pensions Act), introducing substantial reforms to Dutch pension schemes, transitioning from defined benefit to defined contribution plans. In alignment with these regulatory changes, HEINEKEN agreed on a new pension plan with a targeted implementation date of 1 January 2026 onward. As a result HEINEKEN recognised a plan amendment in 2024. The plan amendment did not have a material impact.

Defined benefit plan in the United Kingdom

HEINEKEN's UK plan (Scottish & Newcastle pension plan 'SNPP') was closed to future accrual in 2011 and the liabilities thus relate to past service before plan closure. As required by UK regulation, a full actuarial valuation of the SNPP is conducted at least every three years (the triennial review) and updated annually between triennial reviews, to determine the position of the plan on a funding basis. The last triennial review (as at 31 October 2021) was finalised in April 2022. A schedule of deficit recovery payments was agreed and HEINEKEN made deficit recovery payment until May 2023 when the schedule ended. The triennial review as at 31 October 2024 is underway and is expected to be finalised in 2025.

In addition to the triennial review on a funding basis, an annual valuation of the plan on an accounting basis is carried out by a qualified actuary. Under the accounting basis, the obligations are measured by discounting the best estimate of future cash flows to be paid out by SNPP, using the projected unit credit method.

In 2024, the decrease in the fair value of the defined benefit obligation is mainly due to a higher discount rate assumption and updates to the mortality assumption. The decrease in the fair value of the defined benefit plan assets is mainly due to a decrease in the value of the plan's invested assets, which was slightly offset by an increase in the value of the plan's longevity swap.

Defined benefit plans in other countries

In a few other countries, HEINEKEN offers defined benefit plans, which are individually not significant to HEINEKEN. The majority of these plans are closed for new participants.

Notes to the Consolidated Financial Statements

Movement in net defined benefit obligation

The movement in the net defined benefit obligation during the year is as follows:

		Present value of defined benefit obligations		Fair value of defined benefit plan assets		Present value of net obligations	
In millions of €	Note	**2024**	2023	**2024**	2023	**2024**	2023
Balance as at 1 January		**8,360**	**7,922**	**(8,006)**	**(7,569)**	**354**	**353**
Included in profit or loss							
Current service cost		87	78	—	—	87	78
Past service cost/(credit)		(47)	(4)	—	—	(47)	(4)
Administration expense		—	—	4	4	4	4
Effect of any settlement		—	(2)	—	—	—	(2)
Expense recognised in personnel expenses	6.4	40	72	4	4	44	76
Interest expense/(income)	11.1	356	360	(339)	(339)	17	21
		396	**432**	**(335)**	**(335)**	**61**	**97**
Included in OCI							
Remeasurement loss/(gain):							
Actuarial loss/(gain) arising from	12.3						
Demographic assumptions		(75)	(46)	—	—	(75)	(46)
Financial assumptions		221	336	—	—	221	336
Experience adjustments		(15)	(47)	—	—	(15)	(47)
Return on plan assets excluding interest income[1]		—	—	(219)	(169)	(219)	(169)
Effect of movements in exchange rates		87	45	(83)	(40)	4	5
		218	**288**	**(302)**	**(209)**	**(84)**	**79**
Other							
Changes in consolidation and reclassification		2	93	9	(136)	11	(43)
Contributions paid:							
By the employer		—	—	(97)	(132)	(97)	(132)
By the plan participants		23	26	(23)	(26)	—	—
Benefits paid		(424)	(401)	424	401	—	—
Settlements		—	—	—	—	—	—
		(399)	(282)	**313**	107	**(86)**	(175)
Balance as at 31 December		**8,575**	**8,360**	**(8,330)**	**(8,006)**	**245**	**354**

1 The total OCI impact for the current year also included movement resulting from asset ceiling increase between 2023 and 2024.

Notes to the Consolidated Financial Statements

Defined benefit plan assets

			2024			2023
In millions of €	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity instruments:						
Europe	364	—	364	348	—	348
Northern America	1,165	—	1,165	900	—	900
Japan	118	—	118	132	—	132
Asia other	84	—	84	70	—	70
Other	77	160	237	76	151	227
	1,808	**160**	**1,968**	**1,526**	**151**	**1,677**
Debt instruments:						
Bonds – investment grade	3,961	1,256	5,217	4,278	1,167	5,445
Bonds – non-investment grade	305	412	717	233	442	675
	4,266	**1,668**	**5,934**	**4,511**	**1,609**	**6,120**
Derivatives	51	(1,261)	(1,210)	43	(1,314)	(1,271)
Properties and real estate	226	784	1,010	222	688	910
Cash and cash equivalents	197	(31)	166	186	18	204
Investment funds	10	392	402	26	368	394
Other plan assets	78	(18)	60	82	(110)	(28)
	562	**(134)**	**428**	559	(350)	209
Balance as at 31 December	**6,636**	**1,694**	**8,330**	**6,596**	**1,410**	**8,006**

The HEINEKEN pension funds monitor the mix of debt and equity securities in their investment portfolios based on market expectations. Material investments within the portfolio are managed on an individual basis. Through its defined benefit pension plans, HEINEKEN is exposed to several risks, the most significant are detailed below.

Risks associated with defined benefit plans

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to AA corporate bond yields. If the return on the plan assets is less than the return on the liabilities implied by this assumption, this will create a deficit. The plan in the Netherlands holds a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short term.

In the Netherlands, an Asset-Liability Matching (ALM) study is performed at least on a triennial basis. The last ALM study was performed in 2021. Due to the upcoming transition to the new pension plan, the Board decided to postpone the ALM study by 1 year to 2025. The ALM study is the basis for the strategic investment policies and the (long-term) strategic investment mix. As at 31 December 2024, the strategic asset mix comprises 32% of plan assets in equity securities, 20% in bonds and swaps, 18% in alternative investments, 15% in mortgage and 15% in real estate.

In the UK, the actuarial valuation is performed at least on a triennial basis. The valuation is the basis for the funding plan, strategic investment policies and the (long-term) strategic investment mix. The valuation was performed in 2021. As at 31 December 2024, the strategic mix of assets comprises 33% of plan assets in liability-driven investments, 12.5% in corporate bonds, 15% in higher-yielding credit, 23.5% in private markets, 10% in long lease property and 6% in equities. As part of the Funding Agreement, the strategic asset mix will evolve between now and 2030 to provide greater certainty of return, lower volatility and higher cash generation.

Interest rate risk

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' fixed-rate instruments holdings.

In the Netherlands, interest rate risk is managed through fixed-income investments and interest rate swap instruments. These investments and instruments match the liabilities by 56% as at 31 December 2024 (2023: 54%). In the UK, interest rate risk is managed through the use of a mixture of fixed income investments and interest rate swap instruments. These investments and instruments target a match of 100% of the interest rate sensitivity of the total liabilities as measured on a Gilts +1% liability basis (2023: 100% as measured on the same basis).

Inflation risk

Some of the pension obligations are linked to inflation. Higher inflation will lead to higher liabilities, although in most cases, there are caps on the level of inflationary increases to protect the plan against extreme inflation. The majority of the plan assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will increase the deficit.

HEINEKEN provides employees in the Netherlands with an average pay pension plan, whereby indexation of accrued benefits is conditional on the funded status of the pension fund. In the UK, inflation risk is partly managed through the use of a mixture of inflation-linked fixed income investments and inflation-linked derivative instruments. These instruments target a match of 100% of the inflation-linked liabilities as measured on a Gilts +1% liability basis (2023: 100% as measured on the same basis).

Notes to the Consolidated Financial Statements

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will increase the plans' liabilities. This is particularly significant in the UK plan, where inflation-linked increases result in higher sensitivity to changes in life expectancy. In 2015, the Trustee of HEINEKEN UK's pension plan implemented a longevity hedge to remove the risk of a higher increase in life expectancy than anticipated for the 2015 population of pensioners.

Principal actuarial assumptions as at the balance sheet date

Based on the significance of the Dutch and UK pension plans compared with the other plans, the table below refers to the major actuarial assumptions for those two plans as at 31 December:

	The Netherlands		UK[1]	
In %	**2024**	2023	**2024**	2023
Discount rate as at 31 December	3.6	3.5	5.5	4.8
Future salary increases	4.0	2.0	—	—
Future pension increases	3.4	2.9	3.1	3.0

1 The UK plan is closed for future accrual, leading to certain assumptions being equal to zero.

For the other defined benefit plans, the following actuarial assumptions apply as at 31 December:

	Europe		Americas	
In %	**2024**	2023	**2024**	2023
Discount rate as at 31 December	1.0-3.6	1.5-3.5	9.5-10.7	9.8-11.0
Future salary increases	0.0-4.0	0.0-2.3	0.0-4.5	0.0-4.5
Future pension increases	0.3-3.0	0.3-2.3	0.0-3.5	0.0-3.5
Medical cost trend rate	0.0-2.3	0.0-2.3	5.1-8.5	5.1-9.0

Assumptions regarding future mortality rates are based on published statistics and mortality tables. For the Netherlands, the rates are obtained from the 'AG-Prognosetafel 2022', fully generational. For the UK, the future mortality rates are obtained by applying the Continuous Mortality Investigation 2023 projection model.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 16 years (2023: 16 years).

HEINEKEN expects the contributions to be paid for the defined benefit plans for 2025 to be in line with 2024.

Sensitivity analysis

As at 31 December, changes to one of the relevant actuarial assumptions that are considered reasonably possible, holding other assumptions constant, would have affected the defined benefit obligation by the following amounts:

	2024		2023	
Effect in millions of €	**Increase in assumption**	**Decrease in assumption**	Increase in assumption	Decrease in assumption
Discount rate (0.5% movement)	(612)	700	(588)	671
Future salary growth (0.25% movement)	4	(5)	9	(9)
Future pension growth (0.25% movement)	278	(269)	276	(254)
Medical cost trend rate (0.5% movement)	6	(6)	7	(6)
Life expectancy (1 year)	(389)	389	356	(357)

Accounting estimates

To make the actuarial calculations for the defined benefit plans, HEINEKEN needs to make use of assumptions for discount rates, future pension increases and life expectancy as described in this note. The actuarial calculations are made by external actuaries based on inputs from observable market data, such as corporate bond returns and yield curves to determine the discount rates used, mortality tables to determine life expectancy and inflation numbers to determine future salary and pension growth assumptions.

Accounting policies

Defined contribution plans

A defined-contribution plan is a post-retirement plan for which HEINEKEN pays fixed contributions to a separate entity. HEINEKEN has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay out employees.

Defined benefit plans

A defined benefit plan is a post-retirement plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

HEINEKEN's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; those benefits are discounted to determine its present value. The fair value of any defined benefit plan assets is deducted. The discount rate is the yield at balance sheet date on high quality credit-rated bonds that have maturity dates approximating to the terms of HEINEKEN's obligations and are denominated in the same currency in which the benefits are expected to be paid.

Notes to the Consolidated Financial Statements

The calculations are performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a benefit to HEINEKEN, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in HEINEKEN. An economic benefit is available to HEINEKEN if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are changed, the expense or benefit is recognised immediately in profit or loss.

HEINEKEN recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses and other net finance income and expenses in profit or loss.

For changes to a defined benefit plan, which result in a plan amendment or a curtailment or settlement, HEINEKEN determines the amount of any past service cost, or gain or loss on settlement, by remeasuring the net defined benefit liability before and after the amendment, using current assumptions and the fair value of plan assets at the time of the amendment. In case the net defined benefit liability is remeasured to determine the impact of the changes, current service cost and net interest for the remainder of the year are remeasured using the same assumptions and the same fair value of plan assets.

9.2 Provisions

Provisions within HEINEKEN mainly relate to restructuring, and claims and litigation that arise in the ordinary course of business. The outcome depends on future events, which are by nature uncertain.

In millions of €	Claims and litigation	Taxes	Restruc-turing	Onerous contracts	Other	Total
Balance as at 1 January 2024	**140**	**330**	**219**	**12**	**132**	**833**
Changes in consolidation	(3)	—	—	—	—	**(3)**
Provisions made during the year	47	29	75	8	64	**223**
Provisions used during the year	(3)	(4)	(76)	(12)	(14)	**(109)**
Provisions reversed during the year	(37)	(16)	(17)	(2)	(50)	**(122)**
Effect of movements in exchange rates	(17)	(48)	(1)	1	(6)	**(71)**
Unwinding of discounts	7	2	2	—	—	**11**
Balance as at 31 December 2024	**134**	**293**	**202**	**7**	**126**	**762**
Non-current	121	254	132	3	76	**586**
Current	13	39	70	4	50	**176**

Claims and litigation

The provisions for claims and litigation of €134 million (2023: €140 million) mainly relate to civil and labour claims in Brazil.

Taxes

The provisions for taxes of €293 million (2023: €330 million) relate to indirect taxes not within the scope of IAS 12 and mainly relate to Brazil. Tax legislation in Brazil is highly complex and subject to interpretation, therefore the timing of the cash outflows for these provisions is uncertain.

Other provisions

Included are, among others, provisions for credit risk on surety and guarantees issued of €40 million (2023: €41 million).

Accounting estimates

In determining the likelihood and timing of potential cash outflows, HEINEKEN needs to make estimates. For claims, litigation and tax provisions, HEINEKEN bases its assessment on internal and external legal assistance and established precedents. For a large restructuring, management assesses the timing of the costs to be incurred, which influences the classification as current or non-current liabilities.

Accounting policies

A provision is a liability of uncertain timing or amount. A provision is recognised when HEINEKEN has a present legal or constructive obligation as a result of past events that can be estimated reliably, and it is probable (>50%) that an outflow of economic benefits will be required to settle the obligation. In the case of accounting for business combinations, provisions are also recognised when the likelihood is less than probable but more than remote (>5%).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as part of net finance expenses.

The impact of climate change is also considered in identifying whether HEINEKEN has a present legal or constructive obligation related to fines or penalties.

Restructuring

A provision for restructuring is recognised when HEINEKEN has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for. The provision includes the benefit commitments in connection with early retirement and redundancy schemes.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be received by HEINEKEN are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract, and the expected net cost of continuing with the contract. Before a provision is established, HEINEKEN recognises any impairment loss on the assets associated with that contract.

Other provisions

A provision for guarantees is recognised at the time the guarantee is issued (refer to note 9.3 for the total guarantees outstanding). The provision is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model and the amount initially recognised.

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9.3 Contingencies

HEINEKEN's contingencies are mainly in the area of tax, civil cases and guarantees.

Tax

The tax contingencies mainly relate to tax positions in Latin America and include a large number of cases with a risk assessment lower than probable but possible. Assessing the amount of tax contingencies is highly judgemental, and the timing of possible outflows is uncertain. The best estimate of tax-related contingent liabilities is €1,118 million (2023: €1,233 million), out of which €64 million (2023: €78 million) qualifies for indemnification. For several tax contingencies that were part of acquisitions, an amount of €154 million (2023: €188 million) has been recognised as provisions and other non-current liabilities in the balance sheet (refer to notes 9.2 and 8.5).

Other contingencies

Brazil civil cases

Part of other contingencies relates to civil cases in Brazil. Management's best estimate of the potential financial impact for these cases is €43 million (2023: €52 million).

Other

Part of other contingencies relate to two follow-on damage cases for a total amount claimed of €478 million, which arose as a result of the fine imposed by the Greek Competition Commission in 2014 against our subsidiary Athenian Brewery for alleged abuse of its dominant position. It is not possible to estimate the outcome of these claims with any degree of certainty for a number of reasons, including but not limited to the fact that (i) the question whether the Dutch courts can assume (international) jurisdiction over these claims, insofar they are made against Athenian Brewery, is pending before the Dutch Supreme Court, and (ii) Athenian Brewery and HEINEKEN have raised defences against these claims, both on procedural grounds and on the merits. The amount of these potential liabilities (if any) can therefore not be measured with sufficient reliability. There are no reimbursements applicable for these cases.

Additionally, in late December 2024, our Portuguese subsidiary Sociedade Central de Cervejas e Bebidas S.A. (SCC), received a civil class action claim from a private claims association for alleged harm to consumers due to alleged anti-competitive behaviour. It is not possible to estimate the outcome of the claim with any degree of certainty as it is disputed that SCC engaged in anti-competitive behaviour that resulted in the alleged harm. There is no reimbursement applicable for this claim.

As at 31 December 2024, €24 million (2023: €26 million) of other contingencies related to acquisitions is included in provisions (refer to note 9.2).

Guarantees

In millions of €	Total 2024	Less than 1 year	1-5 years	More than 5 years	Total 2023
Guarantees to banks for loans (to third parties)	450	48	393	9	381
Other guarantees	971	343	506	122	1,115
Guarantees	**1,421**	**391**	**899**	**131**	**1,496**

Guarantees to banks for loans relate to loans and advances to customers, which are given to external parties in the ordinary course of business of HEINEKEN. HEINEKEN provides guarantees to the banks to cover the credit risk related to these loans (refer to note 9.2 for the provision for credit risk on these guarantees).

Accounting estimates and judgements

HEINEKEN operates in a high number of jurisdictions and is subject to a wide variety of taxes per jurisdiction. Tax legislation can be highly complex and subject to interpretation. As a result, HEINEKEN is required to exercise significant judgement in the recognition of taxes payable and determination of tax contingencies.

Also for other contingencies including climate change, HEINEKEN is required to exercise judgement to determine whether the risk of loss is possible but not probable. Contingencies involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions.

Accounting policies

A contingent liability is a liability of uncertain timing and amount. Contingencies are not recognised in the balance sheet because the existence can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of HEINEKEN or because the risk of loss is estimated to be possible (>5%) but not probable (<50%) or because the amount cannot be measured reliably.

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10. Acquisitions, disposals and investments

10.1 Acquisitions and disposals of subsidiaries and non-controlling interests

Acquisitions and disposals in 2024

During 2024, no significant acquisitions or disposals took place.

Prior year adjustments

During 2024, all the provisional accounting periods of the 2023 acquisitions have been closed without material adjustments.

10.2 Assets or disposal groups classified as held for sale

The assets below are classified as held for sale for the year ended 31 December 2024:

In millions of €	2024	2023
Property, plant and equipment	55	28
Assets or assets of disposal group held for sale	**55**	**28**

Accounting estimates and judgements

HEINEKEN classifies assets or disposal groups as held for sale when they are available for immediate sale in their present condition, are expected to be sold within 1 year, and the sale is highly probable. HEINEKEN should be committed to the sale and it should be unlikely that the plan to sell will be withdrawn. This might be difficult to demonstrate in practice and involves judgement.

Accounting policies

Assets or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

Intangible assets and P,P&E once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

10.3 Investments in associates and joint ventures

HEINEKEN has interests in several joint ventures and associates. The total carrying amount of these associates and joint ventures was €3,500 million as at 31 December 2024 (2023: €4,130 million) and the total share of profit and other comprehensive income was a loss of €646 million in 2024 (2023: €143 million). The share of profit of associates and joint ventures includes an impairment loss of €918 million (2023: €8 million, impairment loss).

The associate CRH (Beer) Limited ('CBL') is considered to be individually material. HEINEKEN holds a shareholding of 40% in CBL as of 29 April 2019. CBL holds a controlling interest of 51.67% in China Resources Beer (Holdings) Co. Ltd. ('CR Beer'), a company incorporated in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited, operating in the beer business in China. Consequently, HEINEKEN has an effective 20.67% economic interest in CR Beer. Based on the closing share price of HKD25.25 as at 31 December 2024 (2023: HKD34.20), the fair value of this economic interest in CR Beer amounts to €2,098 million (2023: €2,657 million). The carrying amount of CBL as at 31 December 2024 amounts to €2,140 million (2023: €2,832 million).

In accordance with IFRS, a significant or prolonged decline in the fair value of the investment below its cost is considered in assessing for any indication of impairment. If any such indication exists, an impairment test should be performed. At 30 June 2024, a significant decline in the fair value of the investment below its cost was identified. The decline was driven by concerns on the macroeconomic environment in China and a negative view on consumer goods companies seen as more exposed to soft consumer demand. At 31 December 2024, the fair value of the investment in CR Beer, based on the share price, was below its cost. The lower valuation was, however, not considered significant or prolonged.

The recoverable amount of a cash generating unit is based on the higher of the fair value less costs of disposal (FVLCD) and value-in-use (VIU). The determination of the recoverable amount of CBL is based on a FVLCD valuation, which is based on the share price (level 1 hierarchy) of CR Beer.

In June 2024, an impairment of €874 million was recognised against the carrying amount of CBL, which is included in the Asia Pacific operating segment. The impairment charge is recorded on the line 'share of profit of associates and joint ventures' in the income statement. The carrying amount of CBL as at 30 June 2024 amounted to €2,106 million (31 December 2023: €2,832 million).

Set out below is the summarised financial information of CR Beer, not adjusted for the percentage of ownership held by HEINEKEN. The financial information has been amended to reflect adjustments made by HEINEKEN when using the equity method (such as fair value adjustments). Due to a difference in reporting timelines, the financial information is included with a two-month delay. This means that the financial information included relates to the period November 2023-October 2024. The reconciliation of the summarised financial information to the carrying amount of the effective interest in CR Beer is also presented.

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In millions of €	31 October 2024	31 October 2023
Summarised balance sheet (100%)		
Non-current assets	10,844	10,206
Current assets	1,422	1,692
Non-current liabilities	(1,970)	(2,390)
Current liabilities	(3,013)	(2,744)
Net assets	**7,283**	**6,764**
Reconciliation to carrying amount		
Opening net assets	6,764	6,342
Profit for the period	476	466
Other comprehensive income	496	(311)
Dividends paid	(429)	(250)
Other	(24)	517
Closing net assets	**7,283**	**6,764**
Company's share in %	20.67%	20.67 %
Company's share	1,505	1,398
Goodwill	635	1,434
Carrying amount	**2,140**	**2,832**

In millions of €	November 2023 to October 2024	November 2022 to October 2023
Summarised income statement (100%)		
Revenue	5,009	5,023
Profit	**476**	**466**
Other comprehensive income	496	(311)
Total comprehensive income	**972**	**155**
Dividends received	**89**	**52**

Summarised financial information for equity-accounted joint ventures and associates

The following table includes, in aggregate, the carrying amount and HEINEKEN's share of profit and OCI of joint ventures and associates (net of income tax):

	Joint ventures		Associates[1]	
In millions of €	2024	2023	2024	2023
Carrying amount of interests	**957**	**934**	**2,543**	**3,196**
Share of profit before impairment	43	71	170	155
Impairment	(44)	—	(874)	(8)
Share of profit after impairment	(1)	71	(704)	147
Other comprehensive income	58	(56)	1	(19)
	57	**15**	**(703)**	**128**

1 Includes the investment in CR Beer, which is considered to be individually material. The other joint ventures and associates are considered to be individually immaterial.

Accounting policies

Associates are entities in which HEINEKEN has significant influence, but not control or joint control. Significant influence is generally obtained by ownership of more than 20% but less than 50% of the voting rights. Joint ventures (JVs) are the arrangements in which HEINEKEN has joint control.

HEINEKEN's investments in associates and JVs are accounted for using the equity method of accounting, meaning they are initially recognised at cost. The consolidated financial statements include HEINEKEN's share of the net profit or loss of the associates and JVs whereby the result is determined using the accounting policies of HEINEKEN.

When HEINEKEN's share of losses exceeds the carrying amount of the associate or joint venture, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that HEINEKEN has an obligation or has made a payment on behalf of the associate or JV.

At each reporting date, HEINEKEN reviews its investments in associates and JVs to determine whether there is any indication of impairment. A significant or prolonged decline in the fair value of the investment below its cost is also considered in assessing for any indication of impairment. If any such indication exists, an impairment test is performed (refer to note 8.1).

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11. Financing and capital structure

11.1 Net finance income and expense

Interest expenses are mainly related to interest charges over the outstanding bonds, commercial paper and bank loans (refer to note 11.3). Other net finance income and expenses comprise dividend income, fair value changes of financial assets and liabilities measured at fair value, transactional foreign exchange gains and losses (on a net basis), monetary gain resulting from hyperinflation accounting, unwinding of discount on provisions and interest on the net defined benefit obligation.

In millions of €	Note	2024	2023
Interest income		**110**	**90**
Interest expenses		(680)	(640)
Dividend income from fair value through OCI investments		18	7
Net change in fair value of derivatives		(38)	(85)
Net foreign exchange gain/(loss)[1]		(217)	(323)
Net monetary gain arising from hyperinflationary economies		73	79
Unwinding discount on provisions	9.2	(11)	(13)
Interest on the net defined benefit obligation	9.1	(17)	(21)
Other		(43)	(19)
Other net finance income/(expenses)		**(235)**	**(375)**
Net finance income/(expenses)		**(805)**	**(925)**

1 Transactional foreign exchange effects of working capital and foreign currency-denominated borrowings.

Interest expenses include the interest component of lease liabilities of €68 million (2023: €58 million).

In 2024, a net monetary gain was recognised related to applying hyperinflation accounting in Ethiopia and Haiti.

Accounting policies

Interest income and expenses are recognised as they accrue, using the effective interest method.

Dividend income is recognised in the income statement on the date that HEINEKEN's right to receive payment is established, which is the ex-dividend date in the case of quoted securities.

11.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. In general, bank overdrafts form an integral part of HEINEKEN's cash management and are included as a component of cash and cash equivalents in the statement of cash flows.

In millions of €	Note	2024	2023
Cash and cash equivalents		2,350	2,377
Bank overdrafts	11.3	(597)	(952)
Cash and cash equivalents in the statement of cash flows		**1,753**	**1,425**

For more information on HEINEKEN's liquidity risk exposure refer to note 11.5.

The following table presents recognised 'Cash and cash equivalents' and 'Bank overdrafts', and the impact of the netting of gross amounts. The 'Net amount' below refers to the impact on HEINEKEN's balance sheet if all amounts subject to legal offset rights are netted.

				2024
In millions of €	Gross amounts	Net amounts presented in the statement of financial position	Amounts subject to legal offset rights	Net amount
Assets				
Cash and cash equivalents	2,350	2,350	(453)	1,897
Liabilities				
Bank overdrafts	(597)	(597)	453	(144)
				2023
Assets				
Cash and cash equivalents	2,377	2,377	(512)	1,865
Liabilities				
Bank overdrafts	(952)	(952)	512	(440)

HEINEKEN operates in several territories where there is limited availability of foreign currency resulting in restrictions on remittances. Mainly as a result of these restrictions, €317 million (2023: €478 million) of cash included in cash and cash equivalents is restricted for use by the Company, yet available for use in the relevant subsidiary's day-to-day operations.

Accounting policies

Cash and cash equivalents are initially recognised at fair value and subsequently at amortised cost.

HEINEKEN has cash pooling arrangements with legally enforceable rights to offset cash and overdraft balances. Where there is an intention to settle on a net basis, cash and overdraft balances relating to the cash pooling arrangements are reported on a net basis in the statement of financial position.

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11.3 Borrowings

HEINEKEN mainly uses bonds, commercial paper and bank loans to ensure sufficient financing to support its operations. Net interest-bearing debt is the key metric for HEINEKEN to measure its indebtedness.

		2024			2023		
In millions of €	Note	Non-current	Current	Total	Non-current	Current	Total
Unsecured bond issues		12,103	1,682	13,785	12,751	1,458	14,209
Lease liabilities		1,030	314	1,344	961	306	1,267
Bank loans		547	73	620	240	286	526
Other interest-bearing liabilities		103	107	210	94	699	793
Deposits from third parties[1]		—	493	493	—	491	491
Bank overdrafts		—	597	597	—	952	952
Total borrowings		**13,783**	**3,266**	**17,049**	**14,046**	**4,192**	**18,238**
Market value of cross-currency interest rate swaps	11.5			7			(3)
Other investments				(55)			(23)
Cash and cash equivalents	11.2			(2,350)			(2,377)
Net debt				**14,651**			**15,835**

1 Mainly employee deposits.

As at 31 December 2024, €88 million of the €620 million of bank loans is secured (2023: €87 million). Other interest-bearing liabilities includes €0 million of centrally issued commercial paper (2023: €500 million).

In millions of €	Unsecured bond issues	Lease liabilities	Bank loans	Other interest-bearing liabilities	Deposits from third parties	Derivatives used for financing activities	Assets and liabilities used for financing activities
Balance as at 1 January 2024	**14,209**	**1,267**	**526**	**793**	**491**	**(3)**	**17,283**
Effect of movements in exchange rates	128	(32)	11	(84)	—	10	33
Addition of leases	—	502	—	—	—	—	502
Proceeds	896	—	560	1,538	81	—	3,075
(Re)payments	(1,460)	(355)	(478)	(2,045)	(78)	—	(4,416)
Interest paid over lease liability	—	(68)	—	—	—	—	(68)
Other	12	30	1	8	(1)	—	50
Balance as at 31 December 2024	**13,785**	**1,344**	**620**	**210**	**493**	**7**	**16,459**

In millions of €	Unsecured bond issues	Lease liabilities	Bank loans	Other interest-bearing liabilities	Deposits from third parties	Derivatives used for financing activities	Assets and liabilities used for financing activities
Balance as at 1 January 2023	**12,766**	**1,241**	**311**	**355**	**557**	**(17)**	**15,213**
Consolidation changes	—	66	201	3	1	—	271
Effect of movements in exchange rates	(82)	26	(27)	(227)	—	17	(293)
Addition of leases	—	348	—	—	—	—	348
Proceeds	2,598	—	1,104	2,991	58	—	6,751
(Re)payments	(1,087)	(390)	(1,067)	(2,325)	(126)	(3)	(4,998)
Interest paid over lease liability	—	(58)	—	—	—	—	(58)
Other	14	34	4	(4)	1	—	49
Balance as at 31 December 2023	**14,209**	**1,267**	**526**	**793**	**491**	**(3)**	**17,283**

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Changes in borrowings

In 2024, the decrease in borrowings is mainly due to repayments of bonds and commercial paper, which exceeded the proceeds.

Cash flows from financing activities are mainly generated by bonds, commercial paper, bank loans and other interest-bearing liabilities presented above. Additionally, HEINEKEN also uses derivatives related to its financing, which can be recognised as assets or liabilities. The above table details the reconciliation of the liabilities and assets arising from financing activities to the cash flow from financing activities. Bank overdrafts form an integral part of HEINEKEN's cash management and are included as a component of cash and cash equivalents in the statement of cash flows. For more information on derivatives refer to note 11.6.

The average effective interest rate on the net debt position as at 31 December 2024 was 3.5% (2023: 3.4%). The average maturity of the bonds as at 31 December 2024 was 7 years (2023: 7 years).

Centrally available financing headroom

The centrally available financing headroom at Group level was approximately €3.8 billion as at 31 December 2024 (2023: €3.2 billion) and consisted of the undrawn part of the committed €3.5 billion revolving credit facility and centrally available cash minus centrally issued commercial paper and short-term bank borrowings at group level.

In 2024, HEINEKEN used one of its 1 year extension options to extend its €3.5 billion revolving credit facility. The credit facility is now set to mature in May 2029 and has one 1-year extension period remaining. The facility is committed by a group of 18 banks.

New financing

During the year period ended 31 December 2024, HEINEKEN secured additional financing by issuing the following notes, which are included in the unsecured bond issues:

Date of placement	Note	Date of maturity
24 June 2024	€900 million of 12-year Notes with a coupon of 3.812%	4 July 2036

Accounting estimates and judgements

Judgement is required to determine the lease term and the incremental borrowing rate. The assessment of whether HEINEKEN is reasonably certain to exercise extension options or not to make use of termination options impacts the lease term, which as a result could affect the amount of lease liabilities recognised. The assumptions used in the determination of the incremental borrowing rate could impact the rate used in discounting future payments, which as a result could have an impact on the amount of lease liabilities recognised.

Accounting policies

Borrowings

Borrowings are initially measured at fair value less transaction costs. Subsequently, the borrowings are measured at amortised cost using the effective interest rate method. Borrowings included in a fair value hedge are stated at fair value in respect of the risk being hedged.

Borrowings for which HEINEKEN has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date are classified as non-current liabilities. For the accounting policy on cash and cash equivalents and derivatives refer to notes 11.2 and 11.6, respectively.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be paid during the lease term, discounted using the incremental borrowing rate. Lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payments made. The lease liabilities will be remeasured when there is a change in the amount to be paid (e.g. due to indexation) or when there is a change in the assessment of the lease terms.

The incremental borrowing rate (IBR) is determined on a country level. For each country, there are separate rates depending on the contract currency and the term of the lease. The IBR is calculated based on the local risk-free rate plus a country default spread and a credit spread.

The lease term is determined as the non-cancellable period of a lease, together with:

- Periods covered by a unilateral option to extend the lease if HEINEKEN is reasonably certain to make use of that option
- Periods covered by an option to terminate the lease if HEINEKEN is reasonably certain not to make use of that option

HEINEKEN applies the following practical expedients for the recognition of leases:

- Apply a single discount rate per country to a portfolio of leases with reasonably similar characteristics
- Include non-lease components in the lease liability for equipment leases

11.4 Capital and reserves

Share capital

Refer to the table below for the issued share capital as at 31 December. All issued shares are fully paid.

	2024		2023	
Share capital	Shares of €1.60	Nominal value in millions of €	Shares of €1.60	Nominal value in millions of €
1 January	576,002,613	922	576,002,613	922
Changes	—	—	—	—
31 December	576,002,613	922	576,002,613	922

The Company's authorised capital amounts to €2,500 million, consisting of 1,562,500,000 shares.

The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. In respect of the treasury shares that are held by HEINEKEN, rights are suspended.

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Share premium

As at 31 December 2024, the share premium amounted to €2,701 million (2023: €2,701 million).

Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the assets and liabilities of foreign operations of HEINEKEN (excluding amounts attributable to non-controlling interests) as well as value changes of the hedging instruments in the net investment hedges. HEINEKEN considers this a legal reserve.

Hedging reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments where the hedged transaction has not yet occurred. HEINEKEN considers this a legal reserve.

Fair value reserve

This reserve comprises the cumulative net change in the fair value of FVOCI equity investments. HEINEKEN transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised. HEINEKEN considers this a legal reserve.

Other legal reserves

These reserves relate to the share of profit of joint ventures and associates over the distribution of which HEINEKEN does not have control. The movement in these reserves reflects the share of profit of joint ventures and associates minus dividends received. For retained earnings of subsidiaries that cannot be freely distributed due to legal or other restrictions, a legal reserve is recognised. Furthermore, part of the reserve comprises a legal reserve for capitalised development costs.

Reserve for own shares

The reserve for own shares comprises the treasury shares held by HEINEKEN. Refer to the table below with the changes in 2024.

Reserve for own shares	Number of shares
1 January 2024	**10,575,645**
Changes	288,338
31 December 2024	**10,863,983**

Dividends

The following dividends were declared and paid by HEINEKEN:

In millions of €	2024	2023
Final dividend previous year €1.04, respectively €1.23 per qualifying share	583	693
Interim dividend current year €0.69, respectively €0.69 per qualifying share	386	387
Total dividend declared and paid	**969**	**1,080**

For 2024, a payment of a total cash dividend of €1.86 per share (2023: €1.73) will be proposed at the AGM on 17 April 2025. If approved, the final dividend of €1.17 will be paid on 2 May 2025, as an interim dividend of €0.69 per share was paid on 8 August 2024. The payment will be subject to a 15% Dutch withholding tax.

After the balance sheet date, the Executive Board proposed the following appropriation of profit. The dividends, taking into account the interim dividends declared and paid, have not been provided for.

In millions of €	2024	2023
Dividend per qualifying share €1.86 (2023: €1.73)	1,042	969
Increase/(Decrease) of retained earnings	(64)	1,335
Net profit	**978**	**2,304**

Non-controlling interests

The non-controlling interests (NCI) relate to minority stakes held by third parties in HEINEKEN consolidated subsidiaries. The total NCI as at 31 December 2024 amounted to €2,821 million (2023: €2,733 million), refer to note 10.1 for more information.

Capital management

There were no major changes in HEINEKEN's approach to capital management during the year. The Executive Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business and acquisitions.

HEINEKEN is not subject to externally imposed capital requirements other than the legal reserves. Shares are purchased from time to time to meet the requirements of the share-based payment awards, as further explained in note 6.5.

Accounting policies

Shares are classified as equity. When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects recognised as a deduction from equity. Repurchased shares recorded at purchase price are classified as treasury shares and are presented in the reserve for own shares.

When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Dividends are recognised as a liability in the period in which they are declared.

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11.5 Credit, liquidity and market risk

This note summarises the financial risks that HEINEKEN is exposed to, and HEINEKEN's policies and processes that are in place for managing these risks. For more information on derivatives used in managing risk refer to note 11.6.

Risk management framework

The Executive Board sets rules and monitors the adequacy of HEINEKEN's risk management and control systems. These systems are regularly reviewed to reflect changes in market conditions and HEINEKEN's activities.

Managing the financial risks and financial resources includes the use of derivatives, primarily spot and forward exchange contracts, options and interest rate swaps. It is HEINEKEN's policy not to enter into speculative transactions.

In the normal course of business HEINEKEN is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of a loss to HEINEKEN when a customer or counterparty fails to pay.

All local operations are required to comply with the Global Credit Policy and develop local credit management procedures accordingly. HEINEKEN reviews and updates the Global Credit Policy periodically to ensure that adequate controls are in place to mitigate credit risk.

Credit risk arises mainly from HEINEKEN's receivables from customers like trade receivables, loans to customers and advances to customers. At the balance sheet date, there were no significant concentrations of credit risk.

Loans and advances to customers

HEINEKEN's loans and receivables include loans and advances to customers. Loans and advances to customers are usually backed by collateral such as properties. HEINEKEN charges interest on loans to its customers.

Trade and other receivables

HEINEKEN's local management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under these policies, all customers requiring credit above a certain amount are reviewed and new customers are analysed individually for creditworthiness before HEINEKEN's standard payment and delivery terms and conditions are offered. This review can include external ratings, where available, and in some cases bank references. Credit limits are determined for each customer and are reviewed regularly. Customers that fail to meet HEINEKEN's credit requirements transact only with HEINEKEN on either a prepayment or cash on delivery basis.

Customers are monitored, on a country basis, according to their credit risk characteristics. A distinction is made between individuals and legal entities, type of distribution channel, geographic location, ageing profile, maturity and existence of previous financial difficulties.

HEINEKEN has a policy in place in respect of compliance with Anti-Money Laundering Laws. HEINEKEN considers it important to know with whom business is done and from whom payments are received.

Allowances

HEINEKEN establishes allowances for impairment of loans and advances to customers, trade and other receivables using an expected credit losses model. These allowances cover specific loss components that relate to individual exposures, and a collective loss component established for groups of similar customers. The collective loss allowance is determined based on historical data of payment statistics and updated periodically to incorporate forward-looking information.

The loans and advances to customers, trade and other receivables are written off when there is no reasonable expectation of recovery.

Due to the macro-economic environment and uncertainties including increasing inflationary pressure on HEINEKEN's customers, judgement is required in the calculation of expected credit losses. As part of these assessments, HEINEKEN has incorporated all reasonable and supportable information available such as whether there has been a breach of payment terms or deterioration of payment against payment terms, a request for extended payment terms or a request for waived payment terms.

Investments

HEINEKEN invests centrally available cash balances in deposits and liquid investments with various counterparties that have strong credit ratings. HEINEKEN actively monitors these credit ratings.

Guarantees

HEINEKEN's policy is to avoid issuing guarantees unless this leads to substantial benefits for HEINEKEN. For some loans to customers HEINEKEN does issue guarantees. In these cases, HEINEKEN aims to receive security from the customer to limit the credit risk exposure.

Heineken N.V. has issued a joint and several liability statements to the provisions of Section 403, Part 9, Book 2 of the Dutch Civil Code with respect to legal entities established in the Netherlands. Refer to note A.1 of the Company financial statements.

Exposure to credit risk

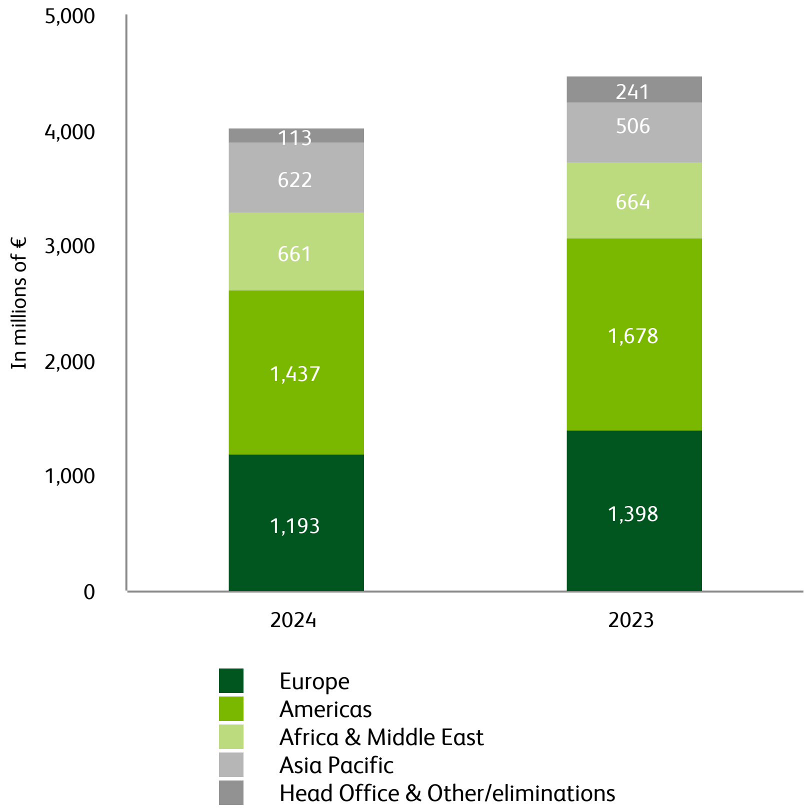
The maximum exposure to credit risk as at 31 December is as follows:

In millions of €	Note	2024	2023
Cash and cash equivalents	11.2	2,350	2,377
Trade and other receivables, excluding prepayments	7.2	4,026	4,487
Derivative assets	11.6	187	91
Fair value through OCI investments	8.5	14	14
Loans and advances to customers	8.3	258	239
Other non-current receivables		331	331
Guarantees to banks for loans (to third parties)	9.3	450	381
		7,616	**7,920**

Notes to the Consolidated Financial Statements

The exposure to credit risk by segment for trade and other receivables excluding prepayments is as follows:

Exposure to credit risk



Liquidity risk

Liquidity risk is the risk that HEINEKEN will have difficulties meeting payment obligations associated with its financial liabilities, like payment of financial debt or trade payables when they are due. HEINEKEN's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due without incurring unacceptable losses. HEINEKEN has strict credit policies in place, which help safeguard liquidity especially in macro-economic downturn.

HEINEKEN remains focused on ensuring sufficient access to capital markets to finance long-term growth and to refinance maturing debt obligations. HEINEKEN seeks to align the maturity profile of its long-term debts with its forecasted cash flow generation. More information about borrowing facilities is presented in note 11.3. Furthermore, strong cost and cash management, as well as controls over investment proposals, are in place.

Contractual maturities

The following table presents an overview of the expected timing of cash-out and inflows of non-derivative financial liabilities and derivative financial assets and liabilities, including interest payments.

In millions of €	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
					2024
Financial liabilities					
Interest-bearing liabilities	(15,705)	(18,920)	(3,473)	(6,467)	(8,980)
Lease liabilities	(1,344)	(1,868)	(374)	(743)	(751)
Trade and other payables and returnable packaging deposits (excluding interest payable, dividends and including non-current part)	(10,224)	(10,224)	(10,158)	(52)	(14)
Derivative financial assets and (liabilities)					
Cross-currency interest rate swaps	(7)	(87)	(8)	(79)	—
Forward exchange contracts	92	59	59	—	—
Commodity derivatives	25	26	26	—	—
Other derivatives	18	30	1	18	11
Total	**(27,145)**	**(30,984)**	**(13,927)**	**(7,323)**	**(9,734)**
					2023
Financial liabilities					
Interest-bearing liabilities	(16,972)	(19,955)	(4,322)	(6,711)	(8,922)
Lease liabilities	(1,267)	(1,756)	(350)	(704)	(702)
Trade and other payables and returnable packaging deposits (excluding interest payable, dividends and including non-current part)	(9,749)	(9,749)	(9,698)	(49)	(2)
Derivative financial assets and (liabilities)					
Cross-currency interest rate swaps	3	(50)	(7)	(27)	(16)
Forward exchange contracts	(55)	(99)	(99)	—	—
Commodity derivatives	(10)	(10)	(10)	—	—
Other derivatives	17	32	5	**15**	**12**
Total	**(28,033)**	**(31,587)**	**(14,481)**	**(7,476)**	**(9,630)**

For more information on the derivative assets and liabilities, refer to note 11.6.

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Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices, will adversely affect HEINEKEN's income or the value of its financial instruments. In 2024, HEINEKEN continued to witness volatility in financial and commodity markets. The objective of HEINEKEN's market risk management is to manage and control market risk exposures within acceptable boundaries.

HEINEKEN enters into derivatives and other financial liabilities to manage market risks. Generally, HEINEKEN seeks to apply hedge accounting or establish natural hedges to minimise the impact of market risks in profit or loss. Foreign currency, interest rate and commodity hedging operations are governed by internal policies and rules.

Foreign currency risk

HEINEKEN is exposed to:

– Transactional risk on (future) sales, working capital, (future) purchases, deposits, borrowings and dividends denominated in a currency other than the respective functional currencies of HEINEKEN entities
– Translational risk, which is the risk resulting from the translation of foreign operations into the reporting currency of HEINEKEN

The main currencies that give rise to this risk are the US Dollar, Mexican Peso, Brazilian Real, British Pound, Vietnamese Dong, South African Rand, Ethiopian Birr, Nigerian Naira and Euro. In 2024, the transactional foreign exchange risk was hedged in line with the hedging policy to the extent possible. The overall transactional and translational impact on the reported numbers of HEINEKEN was negative.

In managing foreign currency risk, HEINEKEN aims to ensure the availability of foreign currencies and to reduce the impact of short-term fluctuations on earnings. Over the longer term, however, permanent changes in foreign exchange rates and the availability of foreign currencies, especially in emerging markets, will have an impact on profit.

HEINEKEN hedges up to 90% of its net US Dollar export cash flows on the basis of rolling cash flow forecasts of sales and purchases. Material cash flows in other foreign currencies are also hedged on the basis of rolling cash flow forecasts. For this hedging, HEINEKEN mainly uses forward exchange contracts. The majority of the forward exchange contracts have maturities of less than one year after the balance sheet date.

HEINEKEN has a clear policy on hedging transactional exchange risks. Translation exchange risks are hedged to a limited extent, as the underlying currency positions are generally considered to be long-term in nature. The result of the hedging of translation risk, using net investment hedges is recognised in the translation reserve, as can be seen in the consolidated statement of comprehensive income.

HEINEKEN's policy is to hedge material recognised transactional exposure like trade payables, receivables, borrowings and declared dividends. For material unrecognised transactional exposures like forecasted sales in foreign currencies, HEINEKEN hedges the exposure between agreed percentages according to the policy.

It is HEINEKEN's policy to provide intra-HEINEKEN financing in the functional currency of subsidiaries where possible to prevent foreign currency exposure on a subsidiary level. The resulting exposure at Group level is hedged by means of foreign-currency denominated external debts and by forward exchange contracts. Intra-HEINEKEN financing in foreign currencies is mainly in British Pound, US Dollar and Swiss Franc. In some cases, HEINEKEN elects to treat intra-HEINEKEN financing with a permanent character as equity and does not hedge the foreign currency exposure.

HEINEKEN has financial liabilities in foreign currencies like US Dollar and British Pound to hedge local operations, which generate cash flows that have the same or closely correlated functional currencies. The corresponding interest on these liabilities is also denominated in currencies that match the cash flows generated by the underlying operations of HEINEKEN.

In respect of other monetary assets and liabilities denominated in currencies other than the functional currencies of HEINEKEN, HEINEKEN ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to foreign currency risk

Based on notional amounts, HEINEKEN's transactional exposure to the US Dollar and Euro as at 31 December is as follows. The Euro column relates to transactional exposure to the Euro within subsidiaries which are reporting in other currencies. The amounts below include intra-HEINEKEN cash flows.

		2024		2023
In millions	EUR	USD	EUR	USD
Financial assets	227	3,240	146	3,506
Financial liabilities	(2,217)	(3,433)	(2,373)	(3,323)
Gross balance sheet exposure	**(1,990)**	**(193)**	**(2,227)**	**183**
Estimated forecast sales next year	421	1,189	180	1,221
Estimated forecast purchases next year	(2,593)	(2,406)	(2,559)	(2,590)
Gross exposure	**(4,162)**	**(1,410)**	**(4,606)**	**(1,186)**
Net notional amounts foreign exchange contracts	598	669	573	697
Net exposure	**(3,564)**	**(741)**	**(4,033)**	**(489)**
Sensitivity analysis				
Equity	(115)	38	(136)	66
Profit/(Loss)	(34)	(11)	(37)	(13)

The sensitivity analysis above shows the impact on equity and profit of a 10% strengthening of the US Dollar against the Euro or, in the case of the Euro, a strengthening of the Euro against all other currencies as at 31 December 2024. This analysis assumes that all other variables, in particular interest rates, remain constant. In the case of a 10% weakening, the effects are equal but with an opposite effect.

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Interest rate risk

Interest rate risk is the risk that changes in market interest rates affect the fair value or cash flows of a financial instrument. The most significant interest rate risk for HEINEKEN relates to borrowings (note 11.3). The higher interest rate environment in certain emerging markets during 2024 resulted in a higher average effective interest rate on the net debt position of HEINEKEN (note 11.3).

By managing interest rate risk, HEINEKEN aims to reduce the impact of short-term fluctuations on earnings. Over the longer term, however, permanent changes in interest rates will have an impact on profit.

HEINEKEN opts for a mix of fixed and variable interest rate financial instruments like bonds, commercial paper and bank loans, combined with the use of derivative interest rate instruments. Currently, HEINEKEN's interest rate position is more weighted towards fixed than floating. Interest rate derivative instruments that can be used are (cross-currency) interest rate swaps, forward rate agreements, caps and floors.

Interest rate risk – profile

At the reporting date, the interest rate profile of HEINEKEN's interest-bearing financial instruments is as follows:

In millions of €	2024	2023
Fixed rate instruments		
Financial assets	391	222
Financial liabilities	(14,698)	(16,304)
	(14,307)	**(16,082)**
Variable rate instruments		
Financial assets	2,690	2,765
Financial liabilities	(2,352)	(1,935)
	338	**830**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates constantly applied during the reporting period would not have a material impact on equity and profit or loss.

Commodity price risk

Commodity price risk is the risk that changes in the prices of commodities will affect HEINEKEN's cost. The objective of commodity price risk management is to manage and control commodity risk exposures within acceptable parameters, giving forward guidance of key input costs to allow for business planning. The main commodity exposure relates to the purchase of aluminium cans, glass bottles, malt and utilities. Commodity price risk is in principle mitigated by negotiating fixed prices in supplier contracts with various contract durations.

Another method to mitigate commodity price risk is by entering into commodity derivatives. HEINEKEN enters into commodity derivatives for hedging aluminium and natural gas, and to a certain extent other derivatives for commodities like fuel, corn and sugar. HEINEKEN does not enter into commodity contracts other than to meet HEINEKEN's expected usage and sale requirements.

Sensitivity analysis for aluminium hedges

Despite the increased prices of aluminium, a 10% change in the market price of aluminium would not have a material impact on equity.

11.6 Derivative financial instruments

HEINEKEN uses derivatives in order to manage market risks. Refer to the table below for the fair value of derivatives recorded on the balance sheet of HEINEKEN as per reporting date:

	2024		2023	
In millions of €	**Asset**	**Liability**	Asset	Liability
Current	169	(52)	58	(132)
Non-current[1]	18	(7)	33	(4)
	187	**(59)**	**91**	**(136)**

1 Non-current derivative assets and liabilities are part of 'Other non-current assets' (note 8.5) and 'Other non-current liabilities' respectively.

Generally, HEINEKEN seeks to apply hedge accounting or make use of natural hedges in order to minimise profit and loss or cash flow volatility. Refer to the table below for derivatives that are used in hedge accounting:

	2024		2023	
In millions of €	**Asset**	**Liability**	Asset	Liability
No hedge accounting - Other	28	(14)	40	(32)
Cash flow hedge - Forwards	123	(27)	25	(71)
Cash flow hedge - Commodity forwards	36	(11)	23	(33)
Net investment hedge - CCIRS	—	(7)	3	—
	187	**(59)**	**91**	**(136)**

Cash flow hedges

The hedging of future, highly probable forecasted transactions are designated as cash flow hedges. Cash flow hedges are entered into to cover commodity price risk and transactional foreign exchange risk.

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Net investment hedges

HEINEKEN hedges its investments in certain subsidiaries by entering into local currency-denominated borrowings, forward contracts and cross-currency interest rate swaps, which mitigate the foreign currency translation risk arising from the subsidiaries net assets. These borrowings, forward contracts and swaps are designated as net investment hedges and fully effective, as such, there was no ineffectiveness recognised in profit and loss in 2024 (2023: nil). As at 31 December 2024, the fair value of these borrowings was €123 million (2023: €120 million), the market value of forward contracts was €0 million (2023: nil) and the market value of these swaps was €7 million negative (2023: €3 million positive).

Hedge effectiveness

Hedge effectiveness is determined at the start of the hedge relationship and periodically through a prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and the hedging instrument. This assessment is done qualitatively by comparing the critical terms, and if needed quantitative assessments are done using hypothetical derivatives. For the current hedges, no hedge ineffectiveness is expected.

Accounting policies

Derivative financial instruments are recognised initially at fair value. Subsequent accounting for derivatives depends on whether or not the derivatives are designated as hedging instruments in a cash flow, fair value or net investment hedge. Derivatives with positive fair values are recorded as assets and negative fair values as liabilities. Refer to note 13.1 for fair value measurements.

Virtual power purchase agreements

Virtual power purchase agreements (such as power purchase agreements with a net settlement mechanism and no physical delivery of energy) are accounted for at fair value and are included as part of derivatives assets and liabilities. Reference is made to note 6.3 for the accounting policy on power purchase agreements where the own-use exemption can be applied.

Cash flow hedge

Changes in the fair value of the hedging instrument are recognised in other comprehensive income and presented in the hedging reserve within equity to the extent that the hedge is effective. The ineffective part is recognised as other net finance income/(expense). When the hedged risk impacts the profit or loss, the amounts previously recognised in other comprehensive income are recycled through other comprehensive income and transferred to the same item in the profit or loss as the hedged item. When the hedged risk subsequently results in a non-financial asset or liability (e.g. inventory or P,P&E), the amount previously recognised in the cash flow hedge reserve is directly included in its carrying amount and does not affect other comprehensive income.

Net investment hedge

The fair value changes of derivatives used in net investment hedges are recognised in other comprehensive income and presented within equity in the translation reserve. Any ineffectiveness is recognised in profit or loss.

12. Tax

12.1 Income tax expense

Recognised in profit or loss

In millions of €	2024	2023
Current tax expense		
Current year[1]	963	982
Under/(over) provided in prior years	52	(10)
	1,015	**972**
Deferred tax expense		
Origination and reversal of temporary differences, tax losses and tax credits	(132)	(147)
De-recognition/(recognition) of deferred tax assets	1	(674)
Effect of changes in tax rates	2	(4)
Under/(over) provided in prior years	(40)	(26)
	(169)	**(851)**
Total income tax expense in profit or loss	**846**	**121**

1 The group's current tax expense related to Pillar Two income taxes is €10 million.

Reconciliation of the effective tax rate

In millions of €	2024	2023
Profit before income tax	2,007	2,522
Share of profit of associates and joint ventures	705	(218)
Profit before income tax excluding share of profit of associates and joint ventures	**2,712**	**2,304**

	%	2024	%	2023
Income tax using the Company's domestic tax rate	25.8	700	25.8	594
Effect of tax rates in foreign jurisdictions	0.2	5	(0.7)	(15)
Effect of non-deductible expenses	4.4	118	11.9	275
Effect of tax incentives and exempt income	(3.4)	(92)	(7.8)	(181)
De-recognition/(recognition) of deferred tax assets	—	1	(29.3)	(674)
Effect of unrecognised current year losses	1.5	43	2.4	55
Effect of changes in tax rates	0.1	2	(0.2)	(4)
Withholding taxes	2.3	61	4.0	93
Under/(over) provided in prior years	0.4	12	(1.5)	(36)
Other reconciling items	(0.1)	(4)	0.6	14
	31.2	**846**	**5.2**	**121**

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The higher effective tax rate in 2024 includes the impact of the tax law changes in Brazil that came into effect on 1 January 2024, as well as additional provisions required for uncertain tax positions. The significantly lower effective tax rate in 2023 included the benefit from additional DTA recognition in Brazil. For the income tax impact on items recognised in other comprehensive income and equity, refer to note 12.3.

12.2 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

	Assets		Liabilities		Net	
In millions of €	**2024**	2023	**2024**	2023	**2024**	2023
Property, plant and equipment	168	162	(983)	(988)	(815)	(826)
Intangible assets	41	42	(2,113)	(2,166)	(2,072)	(2,124)
Investments	90	81	(7)	(7)	83	74
Inventories	58	63	(34)	(36)	24	27
Borrowings	477	399	(43)	(1)	434	398
Post-retirement obligations	201	209	(31)	(30)	170	179
Provisions	379	396	(19)	(9)	360	387
Other items	247	320	(204)	(210)	43	110
Tax losses carried forward	899	854	(17)	—	882	854
Tax assets/(liabilities)	2,560	2,526	(3,451)	(3,447)	(891)	(921)
Set-off of tax	(1,296)	(1,234)	1,296	1,234	—	—
Net tax assets/(liabilities)	**1,264**	**1,292**	**(2,155)**	**(2,213)**	**(891)**	**(921)**

Of the total net deferred tax assets of €1,264 million as at 31 December 2024 (2023: €1,292 million), €226 million (2023: €72 million) is recognised in respect of subsidiaries in various countries where there have been losses in the current or preceding period. Management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable income to utilise these deferred tax assets. This judgement is performed annually and based on budgets and business plans for the coming years, including planned commercial initiatives.

No deferred tax liability has been recognised in respect of undistributed earnings of subsidiaries, joint ventures and associates, with an impact of €668 million (2023: €743 million). This is because HEINEKEN is able to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Tax losses carried forward

HEINEKEN has tax losses carried forward of €4,196 million as at 31 December 2024 (2023: €4,011 million), out of which €256 million (2023: €294 million) expires in the following five years, €549 million (2023: €162 million) will expire after five years and €3,391 million (2023: €3,555 million) can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of tax losses carried forward of €1,206 million (2023: €1,076 million) as it is not probable that taxable profit will be available to offset these losses. Out of this €1,206 million (2023: €1,076 million), €163 million (2023: €142 million) expires in the following five years, €69 million (2023: €13 million) will expire after five years and €974 million (2023: €921 million) can be carried forward indefinitely.

Notes to the Consolidated Financial Statements

Movement in deferred tax balances during the year

In millions of €	1 January 2024	Hyperinflation restatement to 1 January 2024	Changes in consolidation	Hyperinflation adjustment	Effect of movements in foreign exchange	Recognised in income	Recognised in OCI/equity	Transfers	31 December 2024
Property, plant and equipment	(826)	—	—	(18)	70	(18)	—	(23)	(815)
Intangible assets	(2,124)	—	—	—	(25)	65	—	12	(2,072)
Investments	74	—	—	—	(9)	17	—	1	83
Inventories	27	—	—	(3)	3	(3)	—	—	24
Borrowings	398	—	—	—	63	1	—	(28)	434
Post-retirement obligations	179	—	—	—	(1)	12	(20)	—	170
Provisions	387	—	—	—	(38)	14	—	(3)	360
Other items	110	—	—	(1)	(44)	(24)	(50)	52	43
Tax losses carried forward	854	—	—	—	(82)	105	(1)	6	882
Net tax assets/(liabilities)	**(921)**	**—**	**—**	**(22)**	**(63)**	**169**	**(71)**	**17**	**(891)**

In millions of €	1 January 2023	Hyperinflation restatement to 1 January 2023	Changes in consolidation	Hyperinflation adjustment	Effect of movements in foreign exchange	Recognised in income	Recognised in OCI/equity	Transfers	31 December 2023
Property, plant and equipment	(688)	(35)	(104)	(17)	46	(46)	(1)	19	(826)
Intangible assets	(2,011)	(2)	(227)	(1)	48	83	—	(14)	(2,124)
Investments	51	—	(3)	—	5	21	—	—	74
Inventories	54	(2)	(39)	(3)	1	15	—	1	27
Borrowings	312	—	—	—	93	(1)	—	(6)	398
Post-retirement obligations	184	—	(6)	—	(4)	(15)	20	—	179
Provisions	287	—	7	—	10	81	—	2	387
Other items	(57)	—	1	—	(12)	192	(11)	(3)	110
Tax losses carried forward	348	—	2	—	(24)	521	(1)	8	854
Net tax assets/(liabilities)	**(1,520)**	**(39)**	**(369)**	**(21)**	**163**	**851**	**7**	**7**	**(921)**

Accounting estimates and judgements

The tax legislation in the countries in which HEINEKEN operates is often complex and subject to interpretation. In determining the current and deferred income tax position, judgement is required. New information may become available that causes HEINEKEN to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the income tax expense in the period that such a determination is made.

Accounting policies

Income tax comprises current and deferred tax. Current tax is the expected income tax payable or receivable in respect of taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to income tax payable in respect of previous years.

HEINEKEN is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the Netherlands and has come into effect from 1 January 2024. Under the legislation, a top-up tax for the difference between the Global Anti-Base Erosion Rules (GloBE) effective tax rate per jurisdiction and the 15% minimum rate is introduced. This top-up tax is considered an income tax in scope of IAS 12. HEINEKEN applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Deferred tax is a tax payable or receivable in the future and is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not recognised on temporary differences related to:

– The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
– Investments in subsidiaries, associates and joint ventures to the extent that HEINEKEN is able to control the timing of the reversal of the temporary differences and it is probable (>50% chance) that they will not reverse in the foreseeable future
– The initial recognition of non-deductible goodwill

The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates (substantively) enacted, at year-end.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Current and deferred tax are recognised in the income statement (refer to note 12.1), except when it relates to a business combination or for items directly recognised in equity or other comprehensive income (refer to note 12.3).

12.3 Income tax on other comprehensive income and equity

In millions of €	**2024** Amount before tax	**2024** Tax	**2024** Amount net of tax	2023 Amount before tax	2023 Tax	2023 Amount net of tax
Items that will not be reclassified to profit or loss:						
Remeasurement of post-retirement obligations[1]	88	(20)	68	(85)	19	(66)
Net change in fair value through OCI investments	(108)	2	(106)	—	—	—
Items that may be subsequently reclassified to profit or loss:						
Currency translation differences	(666)	99	(567)	(288)	118	(170)
Change in fair value of net investment hedges	14	—	14	(28)	—	(28)
Change in fair value of cash flow hedges	242	(76)	166	(179)	44	(135)
Cash flow hedges reclassified to profit or loss[2]	(12)	3	(9)	14	(2)	12
Net change in fair value through OCI investments	1	—	1	2	(1)	1
Cost of hedging	(1)	—	(1)	2	—	2
Share of other comprehensive income of associates/joint ventures	59	—	59	(75)	—	(75)
Other comprehensive income/ (loss)	**(383)**	**8**	**(375)**	**(637)**	**178**	**(459)**

1 Refer to note 9.1.
2 An amount of €21 million (2023: €53 million, loss) relates to tax on realised hedge results from non-financial assets reported directly in equity.

Notes to the Consolidated Financial Statements

13. Other

13.1 Fair value

In this note, more information is disclosed regarding the fair value and the different methods of determining fair values.

Financial instruments – hierarchy

The financial instruments included on the HEINEKEN statement of financial position are measured at either fair value or amortised cost. To measure the fair value, HEINEKEN generally uses external valuations with market inputs. The measurement of fair value can be subjective in some cases and may be dependent on inputs used in the calculations. The different valuation methods are referred to as 'hierarchies' as described below.

– Level 1 – The fair value is determined using quoted prices (unadjusted) in active markets for identical assets or liabilities.
– Level 2 – The fair value is calculated using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
– Level 3 – The fair value is determined using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and liabilities according to their fair value hierarchy.

		Carrying amount	Fair value		
In millions of €	Note		Level 1	Level 2	Level 3
Fair value through OCI investments	8.4, 8.5	479	335	—	144
Non-current derivative assets	11.6	18	—	1	17
Current derivative assets	11.6	169	—	169	—
Total 2024		**666**	**335**	**170**	**161**
Total 2023		667	429	70	168
Non-current derivative liabilities	11.6	(7)	—	(7)	—
Borrowings[1]	11.3	(14,405)	(13,088)	(788)	—
Current derivative liabilities	11.6	(52)	—	(52)	—
Total 2024		**(14,464)**	**(13,088)**	**(847)**	**—**
Total 2023	11.3	(14,871)	(13,465)	(830)	—

1 Borrowings excluding lease liabilities, deposits, bank overdrafts and other interest-bearing liabilities.

Refer to the table below for detail of the determination of level 3 fair value measurements as at 31 December:

In millions of €	2024	2023
Balance as at 1 January	**168**	**158**
Fair value adjustments recognised in other comprehensive income	(13)	(5)
Consolidation changes	—	36
Additions	30	—
Disposals	(20)	(4)
Fair value adjustments recognised in profit and loss	(4)	(17)
Balance as at 31 December	**161**	**168**

The fair values for the level 3 fair value through OCI investments are based on the financial performance of the investments and the market multiples of comparable equity securities.

Accounting estimates

The different methods applied by HEINEKEN to determine the fair value require the use of estimates.

Investments in equity securities

The fair value of financial assets at fair value through profit or loss and fair value through OCI is determined by reference to their quoted closing bid price at the reporting date or, if unquoted, determined using an appropriate valuation technique. These valuation techniques maximise the use of observable market data where available.

Derivative financial instruments

The fair value of derivative financial instruments is based on their listed market price, if available. If a listed market price is not available, fair value is in general estimated by discounting the difference between the cash flows based on contractual price and the cash flows based on the current price for the residual maturity of the contract using observable interest yield curves, basis spread and foreign exchange rates. These calculations are tested for reasonableness by comparing the outcome of the internal valuation with the valuation received from the counterparty. Fair values include the instrument's credit risk and adjustments to take account of the credit risk of the HEINEKEN entity and counterparty when appropriate.

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes or when fair value hedge accounting is applied, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Fair values include the instrument's credit risk and adjustments to take account of the credit risk of the HEINEKEN entity and counterparty when appropriate.

13.2 Off-balance sheet commitments

The raw materials purchase contracts mainly relate to malt, bottles and cans which are used in the production and sale of finished products.

In millions of €	Total 2024	Less than 1 year	1-5 years	More than 5 years	Total 2023
Property, plant and equipment ordered	471	463	7	1	836
Raw materials purchase contracts	14,260	4,937	8,092	1,231	13,442
Marketing and merchandising commitments	1,450	692	743	15	982
Other off-balance sheet obligations	2,171	477	902	792	2,197
Off-balance sheet obligations	**18,352**	**6,569**	**9,744**	**2,039**	**17,457**
Undrawn committed bank facilities	**4,317**	**528**	**3,789**	**—**	**4,188**

Other off-balance sheet obligations include energy, distribution and service contracts.

Committed bank facilities are credit facilities on which generally a commitment fee is paid as compensation for the bank's requirement to reserve capital. The bank is legally obliged to provide the facility under the terms and conditions of the agreement.

Accounting policies

Off-balance sheet commitments are reported on an undiscounted basis.

Raw materials purchase contracts

Raw material purchase contracts include long-term purchase contracts with suppliers in which prices are fixed or will be agreed upon based upon predefined price formulas.

13.3 Related parties

Identification of related parties

The following parties are considered to be related to Heineken N.V.:

- Key management personnel: the Executive Board and the Supervisory Board
- Parent company Heineken Holding N.V. and ultimate controlling party Mrs. de Carvalho-Heineken (refer to 'Shareholder Information')
- Associates and joint ventures of Heineken N.V.
- HEINEKEN pension funds (refer to note 9.1)
- Employees of HEINEKEN (refer to note 6.4)

The shares in Heineken Holding N.V. are recognised as fair value through OCI investments and included in the line 'Equity instruments' in the statement of financial position (refer to note 8.4).

Key management remuneration

In millions of €	2024	2023
Executive Board	14	7
Supervisory Board	2	1
Total	**16**	**8**

Executive Board

The remuneration of the members of the Executive Board consists of a fixed component and a variable component. The variable component is made up of a Short-term incentive (STI) and a Long-term incentive (LTI). The STI is based on financial and operational measures (75%) and on individual leadership measures (25%) as set by the Supervisory Board at the beginning of the year. Refer to note 6.5 for information related to the LTI component. The separate Remuneration Report is stated on pages 66–78.

As at 31 December 2024, Mr. R.G.S. van den Brink held 74,328 Company shares and Mr. H.P.J van den Broek held 43,681 Company shares (2023: Mr. R.G.S. van den Brink 50,721 and Mr. H.P.J van den Broek 28,846).

	2024			2023		
In thousands of €	R.G.S. van den Brink	H.P.J. van den Broek	Total	R.G.S. van den Brink	H.P.J. van den Broek	Total
Fixed salary	1,398	950	2,348	1,300	884	2,184
Short-term incentive	3,291	1,641	4,932	346	168	514
Matching share entitlement	1,408	702	2,110	155	75	230
Long-term incentive	2,517	1,397	3,914	1,725	1,036	2,761
Extraordinary share award	—	38	38	—	487	487
Pension contributions	355	275	630	323	252	575
Other emoluments	30	—	30	30	—	30
Total	**8,999**	**5,003**	**14,002**	**3,879**	**2,902**	**6,781**

The matching share entitlements for each year are based on the performance in that year. The Executive Board members receive 25% of their STI pay in (investment) shares. In addition, they have the opportunity to indicate before year-end whether they wish to receive up to another 25% of their STI in (investment) shares. All (investment) shares are restricted for sale for five calendar years, after which they are matched 1:1 by (matching) shares. For 2024 the Executive Board members elected to receive additional (investment) shares, hence the 'Matching share entitlement' in the table above is based on a 50% investment. The corresponding matching shares vest immediately and as such a fair value of €2.1 million was recognised in the 2024 income statement. The matching share entitlements are not dividend-bearing during the five-calendar year holding period of the investment shares. Therefore, the fair value of the matching share entitlements has been adjusted for missed expected dividends by applying a discount based on the dividend policy and vesting period.

Notes to the Consolidated Financial Statements

Supervisory Board

The individual members of the Supervisory Board received the following remuneration:

In thousands of €	**2024**	2023
R.J.M.S. Huët	305	231
J.A. Fernández Carbajal[1]	—	33
M. Das	115	130
M.R. de Carvalho	200	141
P. Mars Wright	215	144
M. Helmes	195	146
R.L. Ripley	220	148
N. Paranjpe	173	119
F.J. Camacho Beltrán[1]	—	28
I.H. Arnold[2]	—	55
L.J. Hijmans van den Bergh[3]	190	83
B. Pardo[3]	178	91
P.T.F.M. Wennink[4]	138	—
Total	**1,929**	1,349

1 Stepped down on 15 February 2023.
2 Stepped down on 20 April 2023.
3 Appointed on 20 April 2023.
4 Appointed on 25 April 2024.

Mr. J.M. Huët held 3,719 shares of Heineken Holding N.V. as at 31 December 2024 (2023: 3,719 shares). Mr. M.R. de Carvalho held 100,008 shares of Heineken N.V. as at 31 December 2024 (2023: 100,008 shares). As at 31 December 2024 and 2023, the Supervisory Board members did not hold any of the Company's bonds or option rights. Mr. M.R. de Carvalho held 100,008 shares of Heineken Holding N.V. as at 31 December 2024 (2023: 100,008 shares).

Heineken Holding N.V.

In 2024, an amount of €1.3 million (2023: €1.3 million) was paid to Heineken Holding N.V. for management services for HEINEKEN.

This payment is based on an agreement of 1977 as amended in 2001, providing that Heineken N.V. reimburses Heineken Holding N.V. for its costs.

As at 31 December 2024, HEINEKEN holds approximately 5.2 million shares in Heineken Holding N.V.

Other related party transactions

	Associates & Joint Ventures		FEMSA[1]		Total	
In millions of €	**2024**	2023	**2024**	2023	**2024**	2023
Sales	647	563	—	74	647	637
Purchase	185	198	—	33	185	231
Accounts receivables	205	166	—	—	205	166
Accounts payables and other liabilities	57	19	—	—	57	19

1 Sales and purchases until 17 February 2023 when FEMSA ceased to be a shareholder with significant influence.

13.4 HEINEKEN entities

Control of HEINEKEN

The shares of the Company are traded on Euronext Amsterdam, where the Company is included in the main AEX Index. Heineken Holding N.V. Amsterdam has an interest of 50.005% in the issued capital of the Company and consolidates the financial information of the Company.

A declaration of joint and several liability pursuant to the provisions of Section 403, Part 9, Book 2, of the Dutch Civil Code has been issued with respect to legal entities established in the Netherlands. The list of the legal entities for which the declaration has been issued is disclosed in the Heineken N.V. stand-alone financial statements.

Pursuant to the provisions of Section 357 of the Republic of Ireland Companies Act 2014, the Company irrevocably guarantees, in respect of the financial year from 1 January 2024 up to and including 31 December 2024, the liabilities referred to in Schedule 3 of the Republic of Ireland Companies Act 2014 of the wholly-owned subsidiary companies Heineken Ireland Limited, Heineken Ireland Sales Limited, Beamish & Crawford Limited and Comans Beverages Limited.

Significant subsidiaries

Set out below are HEINEKEN's significant subsidiaries at 31 December 2024. The subsidiaries as listed below are held by the Company and the proportion of ownership interests held equals the proportion of the voting rights held by HEINEKEN. The disclosed significant subsidiaries represent the largest subsidiaries and represent an approximate total revenue of €21 billion and total asset value of €34 billion and are structural contributors to the business.

Notes to the Consolidated Financial Statements

There were no significant changes to the HEINEKEN structure and ownership interests.

	Country of incorporation	Percentage of ownership 2024	2023
Heineken International B.V.	The Netherlands	100.0	100.0
Heineken Brouwerijen B.V.	The Netherlands	100.0	100.0
Heineken Nederland B.V.	The Netherlands	100.0	100.0
Cuauhtémoc Moctezuma Holding, S.A. de C.V.	Mexico	100.0	100.0
CKBR Bebidas Ltda.[1]	Brazil	100.0	—
Cervejarias Kaiser Brasil Ltda.[1]	Brazil	—	100.0
Bavaria Ltda.[1]	Brazil	—	100.0
Heineken France S.A.S.	France	100.0	100.0
Nigerian Breweries Plc.	Nigeria	72.9	56.7
Heineken USA Inc.	United States	100.0	100.0
Heineken UK Ltd	United Kingdom	100.0	100.0
Heineken España S.A.	Spain	99.8	99.8
Heineken Italia S.p.A.	Italy	100.0	100.0
Brau Union Österreich AG	Austria	100.0	100.0
Grupa Żywiec S.A.	Poland	100.0	100.0
Heineken Vietnam Brewery Limited Company	Vietnam	60.0	60.0
SCC - Sociedade Central de Cervejas e Bebidas S.A.	Portugal	100.0	100.0
United Breweries Limited	India	61.5	61.5
Heineken Beverages (South Africa) Proprietary Limited	South Africa	65.0	65.0

1 Cervejarias Kaiser Brasil Ltda. and Bavaria Ltda. merged during 2024 and the legal name of the merged entity is CBKR Bebidas Ltda.

13.5 Subsequent events

HEINEKEN intends to implement a two-year programme to repurchase own shares for an aggregate amount of €1.5 billion. Heineken Holding N.V., the Company's majority shareholder, intends to participate pro rata in this share buyback programme. The Company's share buyback programme will be executed within the authority granted by the Annual General Meeting of Shareholders (AGM) on 25 April 2024 and the authority granted by future general meetings. All shares repurchased under the programme will be cancelled. The share buyback programme may be suspended, modified, or discontinued at any time.

Heineken N.V. Income Statement

For the year ended 31 December

In millions of €		2024	2023
Personnel expenses		(16)	(8)
Total other expenses		**(16)**	**(8)**
Interest income	A2	414	188
Interest expenses		(415)	(392)
Other net finance income/(expenses)	A2	(143)	67
Net finance expenses		**(144)**	**(137)**
Share of profit of participating interests, after income tax		1,100	2,408
Profit before income tax		**940**	**2,263**
Income tax income/(expense)		38	41
Profit		**978**	**2,304**

For more details on personnel expenses, refer to note 13.3 of the consolidated financial statements, respectively.

Heineken N.V. Balance Sheet

Before appropriation of results

For the year ended 31 December

In millions of €	Note	2024	2023
Investments in participating interests	A.1	33,458	34,799
Other investments		298	398
Deferred tax assets		10	13
Total financial fixed assets		**33,766**	**35,210**
Trade and other receivables		34	14
Current tax assets		47	29
Cash and cash equivalents		—	2
Total current assets		**81**	**45**
Total assets		**33,847**	**35,255**

In millions of €	Note	2024	2023
Issued capital		922	922
Share premium		2,701	2,701
Translation reserve		(4,297)	(3,705)
Hedging reserve		100	(14)
Cost of hedging reserve		(8)	(7)
Fair value reserve		(32)	71
Other legal reserves		1,978	1,980
Reserve for own shares		(989)	(966)
Retained earnings		18,228	16,770
Net profit		978	2,304
Total shareholders' equity		**19,581**	**20,056**
Borrowings	A.2	12,104	12,750
Other non-current liabilities		7	1
Deferred tax liabilities		2	8
Total non-current liabilities		**12,113**	**12,759**
Borrowings	A.2	1,681	1,959
Trade and other payables		472	481
Total current liabilities		**2,153**	**2,440**
Total liabilities		**14,266**	**15,199**
Total shareholders' equity and liabilities		**33,847**	**35,255**

Heineken N.V. Shareholders' Equity

In millions of €	Share capital	Share Premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Net profit/ (loss)	Shareholders' equity
Balance as at 1 January 2023	**922**	**2,701**	**(3,619)**	**(47)**	**(9)**	**70**	**1,242**	**(60)**	**15,669**	**2,682**	**19,551**
Profit	—	—	—	—	—	—	204	—	(204)	2,304	2,304
Other comprehensive income/(loss)	—	—	(86)	(123)	2	1	—	—	(66)	—	(272)
Total comprehensive income/(loss)	**—**	**—**	**(86)**	**(123)**	**2**	**1**	**204**	**—**	**(270)**	**2,304**	**2,032**
Realised hedge results from non-financial assets	—	—	—	156	—	—	—	—	—	—	156
Transfer to/from retained earnings	—	—	—	—	—	—	534	—	2,148	(2,682)	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(1,080)	—	(1,080)
Purchase own shares or contributions received from NCI shareholders	—	—	—	—	—	—	—	(943)	—	—	(943)
Own shares delivered	—	—	—	—	—	—	—	37	(37)	—	—
Share-based payments	—	—	—	—	—	—	—	—	2	—	2
Acquisition/disposal of non-controlling interests without losing control	—	—	—	—	—	—	—	—	(214)	—	(214)
Hyperinflation impact on participating interest	—	—	—	—	—	—	—	—	203	—	203
Changes in consolidation	—	—	—	—	—	—	—	—	349	—	349
Balance as at 31 December 2023	**922**	**2,701**	**(3,705)**	**(14)**	**(7)**	**71**	**1,980**	**(966)**	**16,770**	**2,304**	**20,056**

In millions of €	Share capital	Share Premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Net profit/ (loss)	Shareholders' equity
Balance as at 1 January 2024	**922**	**2,701**	**(3,705)**	**(14)**	**(7)**	**71**	**1,980**	**(966)**	**16,770**	**2,304**	**20,056**
Profit	—	—	—	—	—	—	(8)	—	8	978	978
Other comprehensive income/(loss)	—	—	(592)	157	(1)	(103)	—	—	67	—	(472)
Total comprehensive income/(loss)	**—**	**—**	**(592)**	**157**	**(1)**	**(103)**	**(8)**	**—**	**75**	**978**	**506**
Realised hedge results from non-financial assets	—	—	—	(43)	—	—	—	—	—	—	(43)
Transfer to/from retained earnings	—	—	—	—	—	—	6	—	2,298	(2,304)	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(969)	—	(969)
Purchase own shares or contributions received from NCI shareholders	—	—	—	—	—	—	—	(60)	—	—	(60)
Own shares delivered	—	—	—	—	—	—	—	37	(37)	—	—
Share-based payments	—	—	—	—	—	—	—	—	18	—	18
Acquisition/disposal of non-controlling interests without losing control	—	—	—	—	—	—	—	—	10	—	10
Hyperinflation impact on participating interest	—	—	—	—	—	—	—	—	70	—	70
Changes in consolidation	—	—	—	—	—	—	—	—	(7)	—	(7)
Balance as at 31 December 2024	**922**	**2,701**	**(4,297)**	**100**	**(8)**	**(32)**	**1,978**	**(989)**	**18,228**	**978**	**19,581**

For more details on reserves, refer to note 11.4 of the consolidated financial statements. For more details on share-based payments, refer to note 6.5 of the consolidated financial statements.

Notes to the Heineken N.V. Financial Statements

Reporting entity

The Company financial statements of Heineken N.V. (the 'Company') are included in the consolidated financial statements of Heineken N.V.

Basis of preparation

The Company financial statements have been prepared in accordance with the provisions of Part 9, Book 2, of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9, Book 2, of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of IFRS as adopted by the EU as explained in the notes to the consolidated financial statements.

Accounting policies

Shareholders' equity

The translation reserve and other legal reserves are recognised in accordance with, the Dutch Civil Code.

A. Company disclosures

A.1 Investments

The below table provides an overview of the movements of the investments during the year:

In millions of €	Participating interests	Loans to participating interests	Total
Balance as at 1 January 2024	**25,282**	**9,517**	**34,799**
Profit of participating interests	1,100	—	1,100
Dividend declared by participating interests	(725)	725	—
Effect of movements in exchange rates	(583)	—	(583)
Changes in hedging and fair value adjustments	108	—	108
Actuarial gains/(losses)	67	—	67
Acquisition/disposal of non-controlling interests without a change in control	10	—	10
Investments/(repayments)	141	(2,240)	(2,099)
Hyperinflation impact on participating interest	70	—	70
Changes in consolidation	(7)	—	(7)
Other movements	(7)	—	(7)
Balance as at 31 December 2024	**25,456**	**8,002**	**33,458**
Balance as at 1 January 2023	**23,671**	**8,692**	**32,363**
Profit of participating interests	2,408	—	2,408
Dividend declared by participating interests	(1,027)	1,027	—
Effect of movements in exchange rates	(71)	—	(71)
Changes in hedging and fair value adjustments	29	—	29
Actuarial gains/(losses)	(66)	—	(66)
Acquisition/disposal of non-controlling interests without a change in control	(214)	—	(214)
Investments/(repayments)	—	(202)	(202)
Hyperinflation impact on participating interest	203	—	203
Changes in consolidation	349	—	349
Balance as at 31 December 2023	**25,282**	**9,517**	**34,799**

For disclosures of significant direct and indirect participating interests, refer to notes 10.3 and 13.4 of the consolidated financial statements.

Notes to the Heineken N.V. Financial Statements

A declaration of joint and several liability pursuant to the provisions of Section 403, Part 9, Book 2, of the Dutch Civil Code has been issued with respect to the following legal entities established in the Netherlands:

	Country of incorporation	Percentage of ownership 2024	2023
Heineken Nederlands Beheer B.V.	The Netherlands	100%	100%
Heineken Group B.V.	The Netherlands	100%	100%
Heineken Brouwerijen B.V.	The Netherlands	100%	100%
Heineken CEE Investments B.V.	The Netherlands	100%	100%
Heineken Nederland B.V.	The Netherlands	100%	100%
Heineken International B.V.	The Netherlands	100%	100%
Heineken Supply Chain B.V.	The Netherlands	100%	100%
Heineken Global Procurement B.V.	The Netherlands	100%	100%
Heineken Mexico B.V.	The Netherlands	100%	100%
Amstel Brouwerij B.V.	The Netherlands	100%	100%
B.V. Beleggingsmaatschappij Limba	The Netherlands	100%	100%
Brand Bierbrouwerij B.V.	The Netherlands	100%	100%
Heineken Asia Pacific B.V.	The Netherlands	100%	100%
Distilled Trading International B.V.	The Netherlands	100%	100%
Premium Beverages International B.V.	The Netherlands	100%	100%
De Brouwketel B.V.	The Netherlands	100%	100%
Proseco B.V.	The Netherlands	100%	100%
La Tropical Holdings B.V.	The Netherlands	100%	100%
Heineken Export Americas B.V.	The Netherlands	100%	100%
Amstel Export Americas B.V.	The Netherlands	100%	100%
Heineken Brazil B.V.	The Netherlands	100%	100%
B.V. Panden Exploitatie Maatschappij PEM	The Netherlands	100%	100%
Heineken Exploitatie Maatschappij B.V.	The Netherlands	100%	100%
Hotel De L'Europe B.V.	The Netherlands	100%	100%
Hotel De L'Europe Monumenten I B.V.	The Netherlands	100%	100%
Hotel De L'Europe Monumenten II B.V.	The Netherlands	100%	100%
Beerwulf B.V.	The Netherlands	100%	100%
Roeminck Insurance N.V.	The Netherlands	100%	100%
Heineken Belize B.V.	The Netherlands	100%	100%
Heineken Netherlands Supply B.V.	The Netherlands	100%	100%
Texelse Bierbrouwerij B.V.	The Netherlands	100%	100%
Drankenhandel Wauters B.V.	The Netherlands	100%	100%
Oedipus Brewing B.V.	The Netherlands	100%	100%

Accounting policies

Investments in other entities are measured on the basis of the equity method. The share of profit of these investments is the Company's share of the investments' results. Results on transfers of assets and liabilities between the Company and its participating interests are eliminated.

The Company shall eliminate any expected credit losses on intercompany loans or receivables against the book value of the intercompany loan or receivable in accordance with Directive 100.107a of the Dutch Accounting Standards Board.

A.2 Borrowings

The borrowings of the Company comprise the following:

In millions of €	2024	2023
Unsecured bond issues	13,785	14,209
Commercial paper	—	500
Derivatives used for financing activities	7	(3)
Total	**13,792**	**14,706**

The average effective interest rate on the unsecured bonds as at 31 December 2024 was 2,7% (2023: 2,5%). As at 31 December 2024, €7.4 billion (2023: €7.5 billion) of the outstanding bonds have a maturity longer than five years.

The other net finance income/expense for the year is mainly due to the negative transactional foreign exchange effects on foreign currency-denominated loans.

The interest income for the year is due to the increase in interest rates and the underlying loans to participating interests.

During the year the movements in borrowings were as follows:

In millions of €	Unsecured bond issues	Bank loans	Commercial paper	Derivatives used for financing activities	Total
Balance as at 1 January 2024	**14,209**	**—**	**500**	**(3)**	**14,706**
Effects of movements of exchange rates	128	—	—	10	138
Proceeds	896	—	1,267	—	2,163
(Re)payments	(1,460)	—	(1,767)	—	(3,227)
Other	12	—	—	—	12
Balance as at 31 December 2024	**13,785**	**—**	**—**	**7**	**13,792**

Notes to the Heineken N.V. Financial Statements

B. Other

B.1 Auditor fees

Fees for audit services include the audit of the financial statements of the Company and its subsidiaries. Fees for other audit services include a review of interim financial statements, sustainability, subsidy and other audits. Fees for tax services include tax compliance and tax advice. Fees for other non-audit services include agreed-upon procedures and advisory services. Fees for tax and other non-audit services are related to the network outside the Netherlands and are in accordance with local independence regulations.

In 2024, €13.8 million of fees are recognised in the consolidated financial statements for services provided by Deloitte Accountants B.V. and its member firms and/or affiliates (2023: €13.9 million). In the overview below, the breakdown per type of service is provided:

	Deloitte Accountants B.V.		Other Deloitte member firms and affiliates		Total	
In millions of €	**2024**	2023	**2024**	2023	**2024**	2023
Audit of HEINEKEN and its subsidiaries	4.0	3.5	7.9	8.7	11.9	12.2
Other audit services	0.9	0.4	0.5	0.3	1.4	0.7
Tax services	—	—	0.1	0.1	0.1	0.1
Other non-audit services	—	—	0.4	0.9	0.4	0.9
Total	**4.9**	**3.9**	**8.9**	**10.0**	**13.8**	**13.9**

Accounting policies

Fees for audit services are included in the other expenses in the consolidated financial statements (refer to note 6.3 of the consolidated financial statements for more information). These fees are recognised when the service is provided.

B.2 Off-balance sheet commitments

In millions of €	**Total 2024**	**Less than 1 year**	**1 – 5 years**	**More than 5 years**	Total 2023
Undrawn committed bank facility	**3,500**	**—**	**3,500**	**—**	3,500

	2024		2023	
	Third Parties	**HEINEKEN companies**	Third Parties	HEINEKEN companies
Declarations of joint and several liability	**—**	**2,481**	—	2,549

The legal entities to which the declarations of joint and several liability relate, are listed in note A.1. The declarations include a conditional guarantee for the deficit of the defined benefit pension plan of HEINEKEN UK (Scottish and Newcastle pension plan) as calculated in accordance with IAS 19. Through this guarantee, Heineken N.V. is ultimately liable for the payments, including any potential recovery payments, to the pension plan. Refer to note 9.1 of the consolidated financial statements for more information.

Fiscal unity

The Company is part of the fiscal unity of HEINEKEN in the Netherlands. As a result, the Company is liable for the tax liability of the fiscal unity in the Netherlands.

B.3 Subsequent events

For subsequent events, refer to note 13.5 of the consolidated financial statements.

B.4 Other disclosures

Remuneration

Refer to note 13.3 of the consolidated financial statements for the remuneration and incentives of the Executive Board and Supervisory Board.

Employees

In 2024, there was an average of 7 FTE (2023: 5 FTE) based in the Netherlands.

Executive and Supervisory Board statement

The members of the Supervisory Board signed the financial statements in order to comply with their statutory obligation pursuant to Article 2:101, paragraph 2, of the Dutch Civil Code.

The members of the Executive Board signed the financial statements in order to comply with their statutory obligation pursuant to Article 2:101, paragraph 2, of the Dutch Civil Code and Article 5:25c, paragraph 2 sub c, of the Financial Markets Supervision Act.

Amsterdam, 11 February 2025	Executive Board	Supervisory Board
	Van den Brink	Huët
	Van den Broek	Das
		de Carvalho
		Paranjpe
		Mars Wright
		Helmes
		Ripley
		Wennink
		Hijmans van den Bergh
		Pardo

Sustainability Statements

Table of contents

Introduction

About CSRD and this section

This section includes the sustainability statements, prepared in accordance with CSRD.

The Sustainability Statements, including the accompanying appendices, form an integral part of the Report of the Executive Board. The Sustainability Statements are covered by limited assurance.

General information

ESRS 2

Topic specific disclosures

E1 Climate change

E3 Water

E5 Resource use and circular economy

Biodiversity

EU Taxonomy

S1 Own workforce

S2 Workers in the value chain

S4 Consumers and end-users

Appendices

Brew a Better World 2030

We are now four years into developing and executing our Brew a Better World 2030 ambitions. They are an important part of our business and the decisions we make.

Our dedication to sustainability continues to evolve to address existing and emerging challenges. We recognise that our activities have both negative and positive impacts on the environment and society. The aim of our Brew a Better World (BaBW) 2030 strategy is to minimise our negative impacts and risks and increase our positive impacts and opportunities. We conduct a double materiality assessment to help identify the sustainability topics that are considered material for HEINEKEN.

Our strategy prioritises three pillars - Environmental, Social and Responsible. Within these pillars, we phase and prioritise our efforts, targeting action where it is needed most and where it is feasible for the business. Successfully delivering our strategy will require new technologies and innovations, some of which are not yet available, economically viable or fully scalable. Access to renewable thermal energy is one such challenge, for example. Despite these uncertainties, we remain focused on delivering our ambitions and to learning, adapting and improving based on the insights we gain along the way.

We have made progress, from reducing carbon emissions across our value chain to increasing the representation of women in senior management and expanding our portfolio of zero alcohol options. We also continue to adapt to the rapidly changing external environment.

Achieving our sustainability goals requires us to balance our ambitions against the practical challenges of implementation. From the shifting regulatory landscape to technological limitations and evolving stakeholder expectations, the path forward is complex. Our progress demands collaboration and the development of systemic solutions across the value chain.

Reflecting on our learnings over the past four years, we refined our approach and goals in June 2024. This means we have adjusted some goals while others have become 'business as usual' and new goals have been added.

Our ambitions remain aligned with the benchmarks set by the UN Global Compact. We are determined to continue addressing both the challenges and the opportunities identified through our approach. This supports not only the long-term success of our business and our stakeholders, but also the environment and society.

Our sustainability timeline

Raising the bar on sustainability for many years

From the very beginning when Gerard Heineken bought his first brewery, HEINEKEN has looked for opportunities to serve its local community. While we take pride in our efforts to raise the bar on sustainability, we also recognise the environmental and social challenges that come with our operations. This timeline reflects both our achievements and our ongoing journey to addressing our impacts as we strive for a more sustainable future.

Pre-1990s
HEINEKEN has projects on water saving and recycling, and works on improving local community conditions across its breweries.

1994
First Annual Environmental Report outlining HEINEKEN's Environmental Policy.

1999
HEINEKEN commits to continuous environmental improvement through its Company Environmental Policy Statement.

2006
HEINEKEN introduces seven focus areas for sustainability and announces a commitment to annual reporting.

2009
HEINEKEN signs the UN CEO Water Mandate, develops its 2020 sustainability strategy and launches the Heineken Africa Foundation.

2014
Launch of 'Brewing a Better World', an expanded sustainability strategy with six pillars, including water protection, CO_2 reduction and responsible consumption.

2016
HEINEKEN integrates sustainability reporting into its regular annual reports.

2021
Launch of Brew a Better World 2030 strategy with three key pillars - Environmental, Social and Responsible, each with specific ambitions and goals.

2023
HEINEKEN conducts its first double materiality assessment, to prepare for compliance with CSRD requirements.

2024
Refinement of the Brew a Better World 2030 goals to drive better impact for the environment, society and business.

Our Brew a Better World pillars, ambitions and goals

Pillars

Ambitions

Goals

Environmental

Read more about the goals here
Page 167

Reach net zero carbon

- Reach net zero across our value chain by 2040
- Reach net zero in Scope 1 and 2 by 2030
- Reduce Scope 3 FLAG (forest, land and agriculture) emissions by 30% and non-FLAG by 25% by 2030

Maximise circularity

- 43% of volumes sold in reusable format by 2030
- 50% recycled content in bottles & cans by 2030
- 99% of all packaging is recyclable by design by 2030

Towards healthy watersheds and nature

- Fully balance water used in our products in water-stressed areas by 2030
- Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl worldwide by 2030
- 100% sustainably sourced ingredients (hops, barley) by 2030

Social

Read more about the goals here
Page 206

Embrace diversity, equity and inclusion

- Gender balance across senior management: 30% women by 2025, 40% by 2030
- Continue assessments and actions towards achieving equal pay for equal work

A fair and safe workplace

- Continue to confirm 100% of our employees earn at least a fair wage
- Create fair living and working standards for third-party employees and Brand Promoters
- Shape a leading safety culture to drive zero fatal accidents and continue reduction in injury rate

Positive impact in our communities

- A social impact initiative in 100% of our markets every year

Responsible

Read more about the goals here
Page 232

Always a choice

- A zero alcohol option for one strategic brand in the majority of our markets (accounting for 90% of our business) by 2025
- Clear and transparent consumer information on 100% of our products by 2024

Address harmful use

- A partnership to address alcohol-related harm in 100% of markets every year

Make moderation cool

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

HEINEKEN BREW A BETTER WORLD RAISE THE BAR 2030

Foundation: our ways of working

Responsible business conduct

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

Respecting human rights

- Ongoing due diligence
- Good governance

Our Brew a Better World 2030 pillars, ambitions and goals

Environmental

Read more about the definitions and the scope
Page 250

Contributing to the following United Nations SDGs

6 Clean water and sanitation
7 Affordable and clean energy
12 Responsible consumption and production
13 Climate action

Reach net zero carbon

Reach net zero across our value chain by 2040

2024 progress and results

16% CO_2 reduction vs. 2022 baseline in Scope 1, 2 and 3 emissions

Reach net zero in Scope 1 and 2 by 2030

2024 progress and results

34% CO_2 reduction vs. 2022 baseline in Scope 1 and 2 emissions; 84% electricity from renewable sources in Scope 1 and 2 in production

Reduce Scope 3 FLAG (forest, land and agriculture) emissions by 30% and non-FLAG by 25% by 2030

2024 progress and results

23% CO_2 reduction of Scope 3 FLAG emissions vs. 2022 baseline; 11% CO_2 reduction of Scope 3 non-FLAG emissions vs. 2022 baseline

Maximise circularity

43% of volumes sold in reusable format by 2030

2024 progress and results

39% of volumes sold in reusable format

50% recycled content in bottles and cans by 2030

2024 progress and results

44% of recycled content in bottles & cans

99% of all packaging is recyclable by design by 2030

2024 progress and results

98% of packaging recyclable by design

Towards healthy watersheds and nature

Fully balance water used in our products in water-stressed areas by 2030

2024 progress and results

29% of sites in water-stressed areas reach 100% water balancing

Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl worldwide by 2030

2024 progress and results

3.0 hl/hl average water usage in water-stressed areas; 3.1 hl/hl average water usage worldwide

100% sustainably sourced ingredients (hops, barley) by 2030

2024 progress and results

75% sustainably sourced ingredients (hops, barley)

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Our Brew a Better World 2030 pillars, ambitions and goals

Social

Read more about the definitions and the scope
Page 263

Contributing to the following United Nations SDGs

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Embrace diversity, equity and inclusion

Gender balance across senior management: 30% women by 2025, 40% by 2030

2024 progress and results

30% women in senior management positions

Continue assessments and actions towards achieving equal pay for equal work

2024 progress and results

100% of operating companies assessed for equal pay for equal work; 100% of operating companies with action plans to close any gaps relating to equal pay for equal work

A fair and safe workplace

Continue to confirm 100% of our employees earn at least a fair wage

2024 progress and results

99.2% of employees assessed for fair wages; 99.7% of assessed employees earning a fair wage according to Fair Wage Network

Create fair living and working standards for third-party employees and Brand Promoters

2024 progress and results

43% of operating companies assessed for fair living and working standards for third-party employees and Brand Promoters

Shape a leading safety culture to drive zero fatal accidents and continue reduction in injury rate

2 work-related fatalities as a result of work-related accidents in 2024

Positive impact in our communities

A social impact initiative in 100% of our markets every year

2024 progress and results

100% of operating companies had a social impact initiative

Our Brew a Better World 2030 pillars, ambitions and goals

Responsible

Read more about the definitions and the scope
Page 275

Contributing to the following United Nations SDGs

3 GOOD HEALTH AND WELL-BEING

Always a choice

A zero alcohol option for one strategic brand in the majority of our markets (accounting for 90% of our business) by 2025

2024 progress and results

Markets with a zero alcohol option for at least one strategic brand represented 91% of our beer and cider volumes

Clear and transparent consumer information on 100% of our products by 2024

2024 progress and results

83% of products in scope with fully compliant labels

Address harmful use

A partnership to address alcohol-related harm in 100% of markets every year

2024 progress and results

100% of operating companies in scope with partnership to address alcohol-related harm

Make moderation cool

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

2024 progress and results

15% media spend invested in responsible consumption campaigns; 1.1 billion unique consumers reached with responsible consumption campaigns

How our BaBW strategy aligns with CSRD requirements

A comparison of our sustainability goals with key regulatory requirements to ensure transparency and compliance.

Complying with the new Corporate Sustainability Reporting Directive (CSRD) means we must evolve our sustainability reporting. In 2023, we conducted our first double materiality assessment identifying sustainability topics that are impactful to both society and our environment and critical to HEINEKEN's long-term performance. We concluded from the results that our updated BaBW strategy addresses many of the same themes as identified in the assessment. However, the specific goals within BaBW do not always fully align with the comparable metrics required under the European Sustainability Reporting Standards (ESRS). For example - BaBW is using water usage per volume produced while ESRS requires water consumption as an absolute total.

To provide transparency, we have compared each of our BaBW goals with the relevant ESRS metrics, indicating whether there is full overlap, partial overlap or no overlap. This comparison allows stakeholders to understand the degree of alignment between BaBW and the relevant ESRS and enables us to continue to prioritise both compliance and impactful action. As we continue to mature our approach to disclosure, we will look to further align how we report progress on our strategic ambitions while meeting mandatory requirements.

The ESRS regulatory reporting requirements require disclosure on ESRS metrics as well as specific time-bound goals, which for ESRS reporting purposes qualify as sustainability-related targets to measure and track progress.

Most goals that we identified to meet the ambitions of the Brew a Better World strategy meet the target criteria. In subsequent chapters of these sustainability statements, we refer to 'targets' where goals of our Brew a Better World strategy are specific, measurable and time-bound and fit within the ESRS definition of a target.

Where we have not yet set targets within the meaning of the ESRS, we continue referring to (BaBW) 'goals', unless explicitly mentioned otherwise.

Environmental

Reach net zero carbon	ESRS reference	ESRS metric	BaBW/ESRS overlap
Reach net zero across our value chain by 2040	E1-6.52b	Total GHG emissions – market-based	Partial overlap
Reach net zero in Scope 1 and 2 by 2030	E1-6.48a E1-6.49b	Scope 1 GHG emissions Scope 2 GHG emissions – market-based	Partial overlap
Reduce Scope 3 FLAG (forest, land and agriculture) emissions by 30% and non-FLAG by 25% by 2030	E1-6.51	Scope 3 GHG emissions	Partial overlap

Maximise circularity	ESRS reference	ESRS metric	BaBW/ESRS overlap
43% of volumes sold in reusable format by 2030			No overlap
50% recycled content in bottles and cans by 2030	E5-4.31c	Reused/recycled input material weight Reused/recycled input material weight %	Partial overlap
99% of all packaging is recyclable by design by 2030	E5-5.36c	Recyclable content rate %	Full overlap

Towards healthy watersheds and nature	ESRS reference	ESRS metric	BaBW/ESRS overlap
Fully balance water used in our products in water-stressed areas by 2030			No overlap
Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl worldwide by 2030	E3-4.28a E3-4.28b	Water consumption Water consumption in water-stressed area	Partial overlap
100% sustainably sourced ingredients (hops, barley) by 2030	E5-4.31b	Biological materials sustainably sourced % - raw materials	Full overlap

Key: Full overlap Partial overlap No overlap

Brew a Better World strategy overview and links to CSRD

Social

Embrace diversity, equity and inclusion

	ESRS reference	ESRS metric	BaBW/ESRS overlap
Gender balance across senior management: 30% women by 2025, 40% by 2030	S1-9.66a.1 S1-9.66a.2	Gender distribution top management level Gender distribution % top management level	Partial overlap
Continue assessments and actions towards achieving equal pay for equal work	S1-16.97a	Male- female pay gap	Partial overlap

A fair and safe workplace

	ESRS reference	ESRS metric	BaBW/ESRS overlap
Continue to confirm 100% of our employees earn at least a fair wage	S1-10.69	Employees below adequate wage benchmark	Full overlap
Create fair living and working standards for third-party employees and Brand Promoters			No overlap
Shape a leading safety culture to drive zero fatal accidents and continue reduction in injury rate	S1-14.88b S1-14.88c	Number of fatalities as a result of work-related injuries and work-related ill health Number and rate of recordable work-related accidents	Partial overlap

Positive impact in our communities

	ESRS reference	ESRS metric	BaBW/ESRS overlap
A social impact initiative in 100% of our markets every year			No overlap

Responsible

Always a choice

	ESRS reference	ESRS metric	BaBW/ESRS overlap
A zero alcohol option for one strategic brand in the majority of our markets (accounting for 90% of our business) by 2025	S4	One 0.0 line extension on a strategic brand representing 90% of volume	Full overlap
Clear and transparent consumer information on 100% of our products by 2024	S4	Products in scope with fully compliant labels	Full overlap

Address harmful use

	ESRS reference	ESRS metric	BaBW/ESRS overlap
A partnership to address alcohol-related harm in 100% of markets every year	S4	Operating companies in scope with partnership to address alcohol-related harm	Full overlap

Make moderation cool

	ESRS reference	ESRS metric	BaBW/ESRS overlap
10% of Heineken® media spend invested every year in responsible consumption campaigns, reaching 1 billion consumers	S4	% of Heineken® media spend invested in responsible consumption campaigns Number of unique consumers reached	Full overlap

Foundation

Responsible business conduct

	ESRS reference	ESRS metric	BaBW/ESRS overlap
Zero tolerance of bribery and corruption	G1-3.21.b	Corruption/bribery training for functions-at-risk	Partial overlap
An effective Speak Up framework	G1-4.25.a S1-17.103a	Corruption/bribery incidents Discrimination incidents	Partial overlap

Respecting human rights

	ESRS reference	ESRS metric	BaBW/ESRS overlap
Respecting human rights	S1-17.103b S1-17.104a	Social and human rights complaints Severe human rights issues and incidents	Partial overlap

Key: Full overlap, Partial overlap, No overlap

General information

In this section of the sustainability statements the general disclosure requirements are covered.

ESRS 2 General information

General basis of preparation of the sustainability statements

Basis of sustainability statements

We have prepared HEINEKEN's sustainability statements for the year 2024 on a consolidated basis in accordance with the European Sustainability Reporting Standards (ESRS), as adopted by the European Union, even before the CSRD has been adopted in Dutch law with implementation guidance still being published by bodies such as EFRAG and the European Commission. We prepared our sustainability statements on the basis of the draft CSRD implementation legislation that was published by the Dutch legislator in the course of 2024 and which was not implemented on 31 December 2024. We recognise that the requirements may evolve when implementation in Dutch law will take place and when additional implementation guidance becomes available. The late implementation of the CSRD in the Netherlands means that until the CSRD has been implemented into Dutch law, the non-financial information included in our annual report will have to be prepared in accordance with Book 2 of the Dutch Civil Code and the Decree on non financial information ('Besluit niet-financiële informatie'). In preparation of the implementation of the CSRD into Dutch law, the manner in which our annual report complies with the Decree on non-financial information should be considered to be aligned with the manner in which we applied the reporting requirements of the ESRS.

Consolidated sustainability statements

The scope of entities included in the sustainability statements is equivalent to the consolidated entities included in the financial statements and in addition, relevant upstream and downstream elements of the value chain.

Coverage of value chain

The coverage of the value chain per material topic is included in the Impacts, Risks and Opportunities table on pages 161-162.

ESRS 1 allows companies to not yet incorporate the value chain impact for certain metrics. We have made use of this exemption, by not including the impact of non-consolidated joint ventures and associates in our sustainability statements. HEINEKEN does not have control over these entities, and will assess in the coming years how to incorporate these entities in its sustainability statements. In addition, we applied the value chain exemption for a quantitative disclosure on post-consumer packaging waste, refer to section 'Resource use and circularity - metrics' for further information.

The value chain exemption can be applied during the first three reporting years.

Omission of information

The ESRS guidance allows companies to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

We have not utilised this option to omit a specific piece of information regarding the above.

Use of exemption for disclosure

For certain metrics, HEINEKEN makes use of the option to phase in the disclosures. The phase-in period varies from one year up to three years, depending on the metric. Where we applied a phase-in allowance, this is included in Appendix 5 (Reference table).

For metrics that were reported in our 2023 Sustainability Review, we disclose the comparatives. For metrics that have not been reported previously, we apply the exemption to not report any comparatives.

HEINEKEN, being based in an EU member state that permits the exemption from disclosure of impending developments or matters in the course of negotiation, has not utilised this provision[1].

First year reporting

HEINEKEN, as most other reporters, is issuing its sustainability statements in accordance with ESRS for the first time. As CSRD is new to the market as a whole, there is not yet a developed market practice. We have therefore not been able to benchmark our methodologies, metrics and calculations against what will be common practice in the market. As additional guidance on ESRS interpretation will develop during the coming years, practices will become more established. Sustainability information is therefore expected to get more uniform over time. We will continue to monitor these developments to apply in our sustainability statements.

[1] Provision as outlined in Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Disclosures in relation to specific circumstances

Time horizons

We have applied the following forward-looking time intervals for preparing HEINEKEN's sustainability statements, unless otherwise noted in the respective disclosure:

- Short-term time horizon: one year
- Medium-term time horizon: between one and five years
- Long-term time horizon: more than five years

Value chain estimation

Certain metrics include external sources or information to estimate upstream or downstream value chain data. Where we have used external sources or data, this is included in Appendix 4 (Basis of preparation) of the respective metric. It also describes the level of accuracy of the estimates used, and its planned action to improve the accuracy, where applicable.

Sources of estimation and outcome uncertainty

Certain metrics reported in our sustainability statements include third-party information and/or are subject to judgements, estimates and assumptions. When available, we make use of general well-known and reliable external sources and historical experience to arrive at reasonable and fair judgements, estimates and assumptions. Judgements, estimates and assumptions are regularly reviewed and updated. At the same time, we acknowledge that the use of third-party information and the aforementioned techniques implicitly bear the risk of outcome uncertainty. Given that the CSRD and the ESRS do not provide specific requirements on the validation process of third-party data, our current data validation process is based on high-level assessments and available guidance. We relied on actual data and in limited cases, where such information was not complete, we made use of assumptions and estimates. Our use of estimates is most significant for environmental metrics, such as Scope 3 greenhouse gas (GHG) emissions. Where we have used third-party information, estimates, judgements and/or assumptions, this is included in Appendix 4 (Basis of preparation) for the respective metric.

Changes in preparation or presentation of sustainability information

The sustainability information has been prepared, for the first time, in accordance with the ESRS. In 2024 we announced a refinement of our BaBW approach and goals. In practical terms this means we have adjusted some goals, others have become 'business as usual', and new goals have been added. In cases where goals have been changed, this is explained in the metrics and targets section of the topical sections.

Incorporation by reference

Some disclosures in the sustainability statements are incorporated by reference. In such cases, a reference to sections of the Annual Report is included in the respective disclosure. See Appendix 1 (Incorporation by reference) with an overview of these references.

Voluntary disclosures

These sustainability statements contain the mandatory disclosure requirements following from the ESRS. This means that information is included relating to sustainability topics that qualify as material topics within the meaning of the ESRS, as well as general sustainability information that must be disclosed regardless of materiality. In addition to mandatory information, we believe it is beneficial for users of these sustainability statements to include certain information on a voluntary basis on topics that have not been identified as material. These disclosures are indicated as voluntary disclosures throughout the sustainability statements.

Role of the Executive Board and Supervisory Board in sustainability matters

Composition of the Executive Board and Supervisory Board

The Company's management and supervision structure is organised in a so-called two-tier system, consisting of an Executive Board (comprising of two executive members) and a Supervisory Board (comprising of ten non-executive members).

The Supervisory Board has adopted a Diversity Policy for the Supervisory Board, Executive Board and Executive Team and a Profile for the Supervisory Board (both available on the Company's corporate website) with the aim of ensuring the availability of the appropriate skills, expertise and experience within the key corporate bodies. With respect to gender diversity, the Executive Board currently consists of two male members (100% male, 0% female; the average for 2024 being identical). The aim is that the Executive Board comprises of at least 30% male and at least 30% female members, as set out in the Diversity Policy. It is recognised that the current composition of the Executive Board leaves room for improvement on gender diversity. However, the composition is also impacted by the limited size of the Executive Board. In the event of succession planning, we will continue to look for opportunities to strengthen the gender diversity of the Executive Board.

As at the end of 2024, the Supervisory Board consisted of six male members and four female members (60% male, 40% female; on average in 2024 59% male and 41% female). Furthermore, eight members of the Supervisory Board qualify as 'independent' as meant in the Dutch Corporate Governance Code (80% independent and 20% dependent). Information on the expertise and skills of the members of the Executive Board and Supervisory Board with respect to sustainability and the experience relevant to the sectors, products and geographic locations of the Company is included in the profiles of the Executive Board (page 50) and Supervisory Board (pages 60-61).

While employees and other workers are not directly represented in the Company's supervisory body, the Company attaches great value to ongoing and constructive consultation with the representatives of its employees and other workers, such as works councils and trade unions. Regular meetings take place with the various works councils which are active within the Company and many HEINEKEN operating companies are in regular conversation with labour unions. All operating companies are expected to respect employees' and other workers' rights to freedom of association.

Roles and responsibilities in sustainability matters

The Company launched its multi-year EverGreen strategy in 2021, aimed at delivering superior and balanced growth and future-proofing its business. Progress is measured through the 'North Star' of the Company's EverGreen strategy and long-term value creation model, the 'Green Diamond'. The Green Diamond model aims to balance 'growth', 'capital efficiency', 'sustainability and responsibility' and 'profitability'. The Company's strategy emphasises balancing feasibility with affordability and highlights the importance of aligning business and sustainability priorities and investments. This approach, which is also driven by our double materiality assessment, will guide our prioritisation and phasing over time.

Sustainability is included in the Green Diamond, as the Company believes it is important to define and realise its sustainability ambitions. Strong sustainability governance, which includes management oversight of sustainability-related impacts, risks and opportunities, is an important part of the success of the EverGreen strategy. Consequently, a broad range of sustainability topics has been embedded in the Company's governance structure.

Executive Board

The Executive Board is charged with the management of the Company as laid down in the Articles of Association of the Company. It is responsible for determining and implementing the Company's strategy in order to realise sustainable long-term value creation. It is responsible for setting and achieving operational and financial objectives in this regard, considering, among others risks and opportunities, stakeholder interests and the Company's impact in the field of sustainability, including the effects on people and the environment. The Executive Board defines the sustainability strategy and sets sustainability-related ambitions and goals subject to the relevant approval from the Supervisory Board.

The **Executive Team** of the Company ensures effective implementation of the key priorities and strategies within the organisation, including in the field of sustainability. By demonstrating effective stakeholder management, the Executive Team is able to expedite the realisation of the Company's strategy. Several members of the Executive Team are members of the committees noted below. Both the Executive Board and Executive Team are regularly provided with deep dives on sustainability-related topics as set out in the paragraph 'Meetings and activities of the Supervisory Board' on pages 62-63 of the Corporate Governance statement.

The Executive Board is assisted by the **Risk Committee**, a cross-functional platform chaired by the Chief Financial Officer (CFO). The Risk Committee regularly reviews the Company's risk profile and the Company's key risks, associated mitigating actions and monitoring activities. The Risk Committee also reflects on the risk levels and the risk impact and proposes interventions if required including with respect to sustainability matters. The Risk Committee meets at least three times per year, or as often as deemed required.

The **Sustainability and Responsibility Steering Committee**, chaired by the CEO, plays a central role in managing sustainability-related impacts, risks and opportunities across the organisation. This committee oversees the implementation of the Company's sustainability strategy, which includes environmental, social, and responsible consumption initiatives. It is involved in setting and monitoring sustainability-related ambitions and goals identified by the Company, responding to identified impacts, risks and opportunities, and executing agreed funding. Each meeting begins with an update on the progress of relevant ambitions and goals.

The committee benefits from the extensive sustainability knowledge of several key members. Discussions are led by deep subject matter experts with 10-20 years of experience in areas such as climate change, water, circularity, social issues within our workforce and value chain, and responsible consumption. The Sustainability and Responsibility Steering Committee meets at least six times per year, and the CFO has a standing invitation to join the meetings.

The Company also established an **Environmental Steering Committee** on a managerial level, in order to further streamline and contribute to achieving the Company's ambitions and goals in the field of carbon reduction, circularity, water usage and nature. The **Responsible Consumption Steering Committee** periodically reviews and evaluates the Company's performance and progress against its ambitions and goals in the field of promoting responsible alcohol consumption.

The **Disclosure Committee,** chaired by the CFO, reviews and advises on material public disclosures, which includes public disclosures in the field of sustainability. The Disclosure Committee meets at least five times per year, or as often as deemed required.

Supervisory Board

The role of the Supervisory Board is to supervise the management of the Executive Board and the general affairs of the Company and its affiliated enterprises, as well as to assist the Executive Board by providing advice, including in relation to the sustainability strategy. The Supervisory Board's scope is set out further in the Regulations (Terms of Reference) of the Supervisory Board (available on the Company's corporate website).

As part of its role, the Supervisory Board supervises how the Executive Board determines the Company's strategy to realise sustainable long-term value creation, considering the four elements of the Green Diamond of the EverGreen strategy and, among others impacts, risks and opportunities connected to the business, resource allocation, competitiveness and sustainability matters. The Supervisory Board is informed regularly by the Executive Board in its meetings about how sustainability influences the strategy, impacts, risks and opportunities of the Company.

Sustainability is identified as one of the core fields of skills and experience for Supervisory Board members. Five members of the Supervisory Board are currently identified as having elevated skills and experience in the field of sustainability. To safeguard understanding and capabilities, the Supervisory Board is provided with regular deep dives on sustainability topics by internal and external experts.

The Supervisory Board has installed five committees: the Preparatory Committee; the Audit Committee; the Remuneration Committee; the Selection and Appointment Committee; and the Sustainability and Responsibility Committee. The function of these committees is to prepare the decision-making of the Supervisory Board. The Supervisory Board has drawn up Regulations (Terms of Reference) setting out the role and responsibility of each committee, its composition and the manner in which it discharges its duties. These Regulations (Terms of Reference) are available on the Company's corporate website.

The aforementioned five individual Supervisory Board members with elevated skills and experience in the field of sustainability are members of the Supervisory Board's **Sustainability and Responsibility Committee.** This committee is responsible for supervising the activities of the Executive Board with respect to environmental, social and responsible consumption matters. The duties of the Sustainability and Responsibility Committee include:

a. A periodic review and evaluation of the Company's sustainability and responsibility strategy and related objectives and the performance on these objectives, including in the areas of the environment, social and responsible consumption;
b. The relationships of the Company with its stakeholders on sustainability and responsibility matters;
c. External sustainability and responsibility-related developments relevant for the Company; and
d. Such other matters concerning the Company's sustainability and responsibility matters as the committee shall see fit and proper or as shall be referred by the Executive Board or Supervisory Board from time to time.

The committee is entitled to investigate any matters belonging to the domain entrusted to the committee and is authorised to request all necessary information from the Executive Board and to seek external advice or assistance from one or more experts appointed by the committee. The committee meets at least three times per year. More details on the subjects it discussed in 2024 can be found in the paragraph 'Sustainability and Responsibility Committee' on page 64 of the Corporate Governance statement..

Other committees established by the Supervisory Board also touch upon sustainability aspects within its respective domain:

– Skills and experience in the field of sustainability are considered as a factor when an individual is discussed by the **Selection and Appointment Committee.**
– The **Remuneration Committee** makes recommendations to the Supervisory Board on remuneration target setting and tracks the performance under the set targets. The targets linked to remuneration of the Executive Board include performance measures in the field of sustainability.
– The **Audit Committee** supervises the activities of the Executive Board with respect to the publication of financial information and areas including governance, financial and sustainability reporting, risk management and compliance with internal and external audit recommendations for these areas.
– The **Preparatory Committee** prepares the Supervisory Board decision-making on matters not already handled by any of the other committees, such as in relation to acquisitions and investments including sustainability-related considerations.

The committees present the main topics discussed in their meetings to the entire Supervisory Board, including the key sustainability-related matters, to ensure that the full Supervisory Board is aware of, and can discuss, the key developments.

Integration of sustainability-related performance in incentive schemes

The Remuneration Policy of the Executive Board is aligned to the Company's EverGreen strategy and its Brew a Better World (BaBW) ambitions.

The Executive Board's long-term variable remuneration is tied to two environmental targets, on carbon emissions reduction and water efficiency improvement; and one social target on gender balance. The sustainability-tied element of the Executive Board's Long-Term Incentive Plan (LTIP) accounts for 25% of the total LTIP and is linked to the performance over a three-year period. These targets are also cascaded to the senior management community. When also taking into consideration the Executive Board's Short Term Incentive (STI) Plan, the sustainability-tied element of both the Executive Board's LTIP and STI Plan accounts for 13%. The Supervisory Board determines the terms for any incentive plans for the Executive Board, which require subsequent approval from shareholders at the General Meeting.

In accordance with the Dutch Corporate Governance Code, the remuneration of Supervisory Board members is not dependent on the results of the Company and no incentive plans are in place for Supervisory Board members.

Statement on due diligence

Main aspects and steps of due diligence

As part of our ways of working, we apply due diligence activities that are designed to help us identify and address actual and potential human rights and environmental impacts, risks and opportunities. This is part of the foundation of our Brew a Better World strategy.

HEINEKEN began formalising due diligence activities focused on human rights risks in 2016, and our approach to due diligence has been constantly evolving ever since then. These activities include risk-based human rights assessments, workshops and audits in own operations and for outsourced workers, risk-based supplier screening, as well as the development of specific policies, guidance and toolkits. Our approach informed how we identify, prevent, mitigate and account for actual and potential negative impacts on society. Although we have mainly focused on HEINEKEN's immediate operations, our approach also extended to parts of the value chain, including suppliers depending on their risk profiles and Brand Promoters. Our approach continues to evolve as we gain experience in different operational contexts, which in turn also shapes how we set and implement it in line with our business strategy and geographical footprint.

Although the formal approach to due diligence originally focused on human rights in line with the UN Guiding Principles on Business and Human Rights, similar risk identification and mitigation activities have long underpinned the BaBW ambitions and goals captured under the environmental pillar. Examples include the resilience analysis for climate-related risks (see section 'Climate change – Strategy'), the water security self-assessment and the Global Water Risk Screening for water-related risks (see section 'Water – Impacts, risks and opportunities – Strategy') and the nature assessment on land-, water- and biodiversity-related risks (see the Biodiversity section).

2024 was a level-setting year for due diligence. The European Corporate Sustainability Due Diligence Directive (CSDDD) was formally approved, and HEINEKEN strives to continuously improve its process in view of the future requirements of the CSDDD and the principles outlined in international instruments such as the United Nations (UN) Guiding Principles on Business and Human Rights and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. In addition, we recognise that some of the basic principles of due diligence are included in the requirements of the CSRD.

In 2023, HEINEKEN kicked off its first integrated salient human rights and environmental risk assessment across the value chain on the basis of the then draft CSDDD and the OECD guidelines to further refine and build our approach to due diligence and the activities outlined previously. The assessment was finalised in 2024, reconfirming the most salient human rights and environmental risks. The outcomes of the integrated risk assessment were in line with the outcomes of the double materiality assessment.

The human rights and environmental risk assessment conducted over 2023 and 2024 resulted in an updated value chain due diligence strategy focusing on both human rights and environmental risks. That strategy includes an updated visualisation of our value chain due diligence framework and a value chain due diligence roadmap containing both human rights and environmental activities, which will guide priorities between now and 2027. The roadmap builds on the five steps and the four cross-cutting elements of the framework, as outlined in the image below, and encompasses three key priorities: (1) embedding due diligence in HEINEKEN's policy framework, (2) implementing a solution for third-party risk management (TPRM), and (3) strengthening our governance of – and reporting on – value chain due diligence.

As the first next step, HEINEKEN is now working on further embedding due diligence in its policy framework, including the development of what will become a new Due Diligence Policy, as well as updating the existing Human Rights Policy, and the Supplier Code. Once available, the Due Diligence Policy will be made public. In the meantime, the current versions of those policies, as well as the Environmental Policy and its underlying policies, are publicly available. References to the relevant policies, assessment tools and actions for own employees and outsourced workers can be found in the Own workforce section. Relevant policies and actions for workers in the value chain are available in the Workers in the value chain section. In addition, more information about how HEINEKEN assesses and mitigates environmental risks is available in the environmental section.

Enhancing our due diligence framework across the value chain

HEINEKEN already has several programmes in place to assess human rights impacts on own employees and outsourced workers, as well as environmental programmes relating to carbon, water and circularity. In addition to this, the human rights and environmental risk assessment conducted in 2023 and 2024 identified a second step for HEINEKEN, which is to further strengthen and develop its processes to assess – and then further act upon – human rights and environmental risks in our upstream supply chain. To support and enhance these structural changes, HEINEKEN decided to move towards a new technology solution to future-proof our TPRM processes. This solution will be rolled out as of 2025. As a result, and to further enhance our processes, a new operating model, as well as guidance and operating procedures, are being developed that will support HEINEKEN's human rights and environmental third-party risk management workflow. We expect the new TPRM processes to further embed due diligence in our sourcing practices and help us identify, assess and act on human rights and environmental risks. In the meantime, we continue our supplier screening for regulatory findings and adverse media through our current compliance screening tool. Should risks be identified, HEINEKEN either addresses these through targeted supplier engagement or, in certain cases where the saliency of the potential human right risks is high, through social audits that assess whether labour and human rights are respected.

Finally, other important steps on the value chain due diligence roadmap include ensuring that HEINEKEN has the processes in place to meet the reporting requirements of CSRD and – in the future – CSDDD, and that stakeholders are engaged in the process. More information about our reporting journey can be found in the section 'How our BaBW strategy aligns with CSRD requirements' and about how we engage with stakeholders in the section 'Interests and views of stakeholders'. In late 2024, the decision was taken to strengthen the governance of value chain due diligence with the establishment of a Social Sustainability Steering Committee, reporting to the Sustainability and Responsibility Steering Committee. This Steering Committee will govern the human rights and value chain due diligence programmes, with a dotted line to the TPRM programme, which is governed by the Risk Committee.

Mapping of core elements of due diligence process

In this section, we provide a table with a brief overview of where core elements of our due diligence process are explained within the rest of the sustainability statement. The key steps of HEINEKEN's approach to due diligence – embed, act, assess, track and communicate – are visualised in the framework explained earlier, reflected in the key priorities of our value chain due diligence roadmap described earlier, supported by the cross-cutting elements, and in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

To further support sustainable growth, HEINEKEN is, where relevant, embedding human rights and environmental risk assessments within key forward-looking processes - for example, in M&A due diligence and new product innovation. This approach helps us to identify potential risks and managed early, strengthening our approach to sustainable business development across the value chain.

Core elements of due diligence	Sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	Refer to sections: 'General information - Governance' (pages 151-156) 'General information - Interests and views of stakeholders' (pages 158-159)
b) Engaging with affected stakeholders in all key steps of the due diligence	Refer to sections: 'General information - Interests and views of stakeholders' (pages 158-159) Own workforce Workers in the value chain
c) Identifying and assessing adverse impacts	Refer to section: 'General information - Description of the process to identify and assess material impacts, risks and opportunities' (pages 164-165)
d) Taking actions to cease, prevent or mitigate adverse impacts	Refer to the topical sections reflecting the range of actions through which impacts are addressed
e) Tracking the effectiveness of these efforts and communicating how impacts are addressed	Refer to the topical sections reflecting the ambitions, goals and targets to track the effectiveness of efforts

Risk management and internal controls over sustainability reporting

Scope, main features and components

HEINEKEN's risk management and internal controls over sustainability reporting have detailed procedures and methods, which include risk identification, assessment and mitigation procedures, with regular reviews and accountability across all levels to ensure the information's accuracy and reliability.

Risk assessment and mitigation approach

We have established a risk management and internal control system that forms the foundation of our sustainability reporting framework. This system is structured to identify risks, evaluate, and manage potential risks that could impact the reliability of our sustainability reporting. Below are the key components of this system:

- **Risk identification:** At this stage, we identify potential risks associated with metrics reporting processes through walkthroughs and interviews. The metric reporting process and identified risks are documented as part of the outcomes.
- **Risk assessment:** Each identified risk is analysed for its potential impact on sustainability reporting, and a primary mitigation strategy is agreed upon; all risks affecting the reliability of sustainability reporting are treated as priorities, following the risk mitigation approach detailed below.
- **Risk mitigation:** Following the assessment, for risk impacting the reliability of the sustainability reporting, internal controls are designed with clear execution steps to ensure accuracy and integrity of our sustainability disclosures.
- **Internal controls implementation:** Internal controls are deployed across operating companies and global functions, promoting a culture of accountability and precision throughout the Company.
- **Regular reviews:** To ensure ongoing effectiveness, we conduct annual reviews of our risk profile and internal control frameworks for sustainability reporting. These reviews ensure that risks are properly managed and that the control framework remains current and effective.

Main risks identified

We have identified key risks across the following categories:

- **Strategic:** Risks arising from changes in the business environment, such as sustainability trends, global events or environmental conditions, impacting our ability to align reporting practices with sustainability metric definitions and goals, leading to inaccurate or incomplete sustainability disclosures.
- **Operational:** Risks arising from weaknesses or failures in sustainability data collection processes, controls framework or reporting tools which could impact the accuracy, completeness and consistency of our sustainability data and disclosures.
- **Compliance:** Risks of non-compliance with sustainability applicable local and international laws, regulations, our internal policies, procedures and rules of conduct, which could result in reputational harm or penalties due to inaccurate or incomplete sustainability disclosures.
- **Reporting:** Risks arising from incorrect data inputs, inadequate controls and misapplication of reporting standards, leading to potential inaccuracies, omissions or misstatements in sustainability reports.

Integration of findings into internal functions

We have implemented internal controls over sustainability reporting (Sustainability & Responsibility – S&R) to mitigate the risks outlined above. Monitoring these controls is a key component of HEINEKEN's assurance model. Management teams across our global functions and operating companies in all regions are responsible and accountable for the effective execution of these S&R internal controls.

We monitor S&R internal controls as progress is made with implementing them. We apply a risk-based approach to monitoring S&R internal controls. An annual risk assessment and scoping is performed to ensure a minimum of 80% coverage of the metrics and operating companies with a heightened risk of misstatement.

Internal control findings identified through the S&R monitoring process are systematically documented as issues and actively addressed by management. Action plans are developed and implemented to resolve these issues and enhance control effectiveness. Internal control issues are formally closed upon achieving full resolution.

Periodic reporting to administrative and management bodies

Periodic reporting on the effectiveness of S&R internal controls is designed to ensure transparency and accountability. This reporting process includes a specific focus on key risks related to reporting of topical sustainability metrics to ensure that these are adequately addressed and monitored. To support the Executive Board in their responsibilities, a formal bi-annual Letter of Representation process requires management from operating companies, regions and global functions to take responsibility for accurate and complete sustainability reporting. This includes the communication of any open issues identified through control monitoring activities.

Strategy, business model and value chain

HEINEKEN's strategy overview

HEINEKEN is a global brewer with operations in over 70 countries. Our portfolio, led by the iconic Heineken® brand, includes more than 340 beers and ciders, encompassing international, regional, local and specialty products.

Sustainability strategy and goals

HEINEKEN is committed to advancing sustainability from 'barley to bar'. For more details, refer to the Brew a Better World introduction section (pages 140-147), which includes our sustainability strategy and goals.

Geographic and customer focus

HEINEKEN serves a diverse range of customer groups and markets, with recent changes reflected in both our product and geographic reach. A high-level breakdown by geography is available in note 6.1 Operating segments of the financial statements, while employee headcount by region is detailed in the Own workforce section.

Commitment to compliance and local laws

In several countries, legal restrictions govern the sale and consumption of alcoholic beverages, ranging from full bans to limitations based on community, region, or specific timeframes. HEINEKEN adheres to these local regulations in each market.

Our sustainability initiatives

HEINEKEN's sustainability-related goals span our entire product and service lifecycle, with a focus on reducing environmental and social impact and building resilient relationships with stakeholders.

We are actively tackling a wide range of sustainability issues that impact our business and the communities where we operate by developing solutions and initiatives with a view to also meeting future anticipated sustainability challenges. These initiatives are outlined in the topical sections in the sustainability statements.

Business model and value chain description

Our ambition is to Brew a Better World across the value chain, from Barley to Bar. We work with more than 35,000 direct suppliers across approximately 140 countries to support our operations.

Upstream

Agriculture

We source a wide range of agricultural raw materials for brewing and producing our beverages. Our ten primary raw materials include barley, hops, rice, and maize for our beers; apples for cider; grapes for wine; and various fruits for flavouring. These materials are grown by farmers across different regions worldwide, and we source them from both local and global suppliers. Developing responsible agricultural supply chains is a priority for us, as increasing the use of sustainable raw materials helps reduce the impact on nature and supports the social and economic conditions of farmers and their communities.

Packaging

Most of our beer and cider is packaged in glass bottles, aluminium cans, and steel kegs. For secondary packaging, we use materials such as paper and plastic. We are constantly exploring innovative ways to use packaging materials to enhance reuse and recycling. Packaging materials are sourced from various suppliers around the world. Our circularity strategy prioritises three key areas to drive progress towards a closed-loop approach for our packaging: reuse, recycled content, and recyclable design.

Operations

Brewing

Brewing beer and making cider is a craft. We operate over 170 breweries, malteries, cider plants, and other production facilities worldwide. These facilities enable us to brew, ferment, and process our beverages for distribution. Under our Net Zero Programme, we aim to improve energy consumption and transition to renewable energy. Our water strategy takes a holistic approach, focusing on responsible water use, effective wastewater management, and supporting water security in our production, supply chain, and communities – particularly in water-stressed areas.

Logistics

We manage the global movement of our products using various transport modes, including road, rail, ocean freight, and inland barges. We adapt our distribution methods to meet local demands and ensure timely delivery, using both our own fleet and third-party distributors. Reducing the distance our products travel benefits the environment, and optimising trips and trucks used for distribution is a key driver in reducing our impact.

Downstream

Customers

We sell our products through various sales channels, including on-trade establishments such as bars, restaurants, and hotels, as well as off-trade retailers, both large and small. To serve a cool drink, we work with our fridge suppliers to continually improve energy efficiency, explore fridge circularity, and - where possible - support local pubs and bars in accessing renewable electricity more easily.

Consumers

Our consumers are individuals who buy our beverages, either through our customers or via our e-commerce platforms. We offer more choice with our 0.0 portfolio of beer and cider brands and empower consumers with clear, transparent information about our products. We also use our brands to promote moderation and responsible consumption through campaigns and sponsorships, with an increasingly important role for our non-alcoholic products.

Interests and views of stakeholders

Overall approach of our stakeholder engagement

Meaningful and sustained stakeholder engagement is essential to shaping and evolving our strategy and reporting. HEINEKEN's EverGreen business strategy and Brew a Better World sustainability priorities have been developed through open dialogue and engagement with both internal and external stakeholders. This approach ensures that we address the most critical issues and focus on where we potentially have the greatest impact – whether positive or negative.

Our stakeholder engagement is proactive, transparent and continuous; while listening and learning from others, we also leverage our voice, reach and influence to drive positive change.

Identification

We recognise our stakeholders as those individuals, groups or organisations that have a direct or indirect interest in our business activities. We categorise and prioritise stakeholders based on their significance to our business and the potential impact of our actions on them.

Key stakeholders we actively engage with include, but are not limited to:

- **Consumers**, mostly through our brands
- **Customers**, including off- and on-trade partners
- **Investors**
- **Employees** and their representatives, like the HEINEKEN European Works Council
- **Suppliers**
- **Peers** within and outside the beverage industry
- **Employer organisations** and trade unions
- **Non-governmental organisations**
- **International organisations**, like the United Nations
- **Governments and regulators**, both global and local
- **Communities and rightsholders**, on a project-based approach

Engagement mechanisms

We continuously improve our stakeholder engagement processes, seeking ways to enhance the effectiveness of interactions and acting on stakeholder feedback when relevant.

We use various mechanisms and channels to foster effective stakeholder engagement, from listening and active involvement to joint projects and partnerships. Examples include:

- **Employee engagement surveys:** an annual survey of our employees to track engagement on a range of dimensions including personal development, direction and alignment, inclusion and diversity, and relations between employees and managers.
- **Expert meetings and roundtables:** meetings with experts from various fields including non-governmental organisations (NGOs), academic experts and representatives from peer organisations.
- **Reputation research:** conducted annually across 10+ top markets globally. The target audience of this custom research programme is influential consumers and it is designed to guide investment and track the impact of HEINEKEN programmes.
- **Dialogue with academic institutions:** collaboration with educational institutions to access cutting-edge research and insights relevant to our sustainability initiatives.
- **Government engagement:** engaging and partnering with government stakeholders regarding our investments, our business strategy and our determination to be a sustainable business.
- **Industry platforms:** working with peers in a wide range of industry platforms and roundtables – such as the Beverage Industry Environmental Roundtable – to drive systemic change and a sustainable transition.
- **Global and local partnerships with NGOs and (social) enterprises** to help address sustainability challenges and scale up positive impact.
- **Engagements with international organisations** like the United Nations Global Compact and related coalitions like the UN CEO Water Mandate and Water Resilience Coalition.
- **Shareholder meetings:** open and ongoing communication with investors to address concerns, gather feedback and share our sustainability progress.
- **Local community engagement:** engagement with local communities and rightsholders in areas where we operate to address their specific needs and concerns.

This commitment to ongoing stakeholder engagement yields several benefits:

- Valuable input and feedback on our strategy and programmes
- Enhanced understanding of emerging risks and opportunities
- Strengthened reputation as a responsible and responsive organisation
- Fostering innovation and collaboration
- Alignment with industry trends and best practices.

We use the insights and feedback received from stakeholders as a source of information for strategy development and decision-making. We also integrate the information into our sustainability performance assessments and reporting. This includes regularly conducting a materiality assessment to ensure our sustainability strategy and goals take into account the interests and concerns of our stakeholders.

We also have a Stakeholder Engagement Policy in place, which is available on our corporate website.

How we engaged with our stakeholders in 2024

During 2024, we held dedicated sustainability meetings with over 30 key investors including deep dives into topics like the net zero transition, watershed health and regenerative agriculture. We met with civil society and government officials and participated in open panels at the 2024 NY Climate Week, Stockholm's World Water Week and the Biodiversity COP16 in Colombia.

We participated in advocacy initiatives through the World Economic Forum (WEF), including the Alliance for CEO Climate Leaders, the UN Global Compact, the Water Resilience Coalition, RE100, the RE-Source Platform and the Dutch Sustainable Growth Coalition. We endorsed a joint letter from the Corporate Leaders Group Europe calling on the EU to set a greenhouse gas emissions reduction target of at least 90% by 2040.

We held meetings with NGOs such as Human Rights Watch and the World Wide Fund for Nature (WWF), and participated in a stakeholder roundtable on CSDDD organised by the Dutch Social Economic Council (SER). We also continued our engagement with our top suppliers in agriculture, packaging and cooling to help deliver our Brew a Better World ambitions. Additionally, we attended the UN Forum on Business and Human Rights to share our experience and challenges in operating in conflict-affected and high-risk areas with peers, civil society and other stakeholders.

We collaborated with industry peers through platforms like the Climate Pledge and the Beverage Industry Environmental Roundtable to address shared environmental issues. We also leveraged the Consumer Goods Forum, AIM-Progress, and Shift to drive collective progress in respecting human rights.

We participated in the Science Based Targets Network (SBTN) Corporate Engagement programme and the Taskforce on Nature-related Financial Disclosures (TNFD) forum, both tasked with developing methodologies for science-based targets and disclosures.

We strengthened our commitment to renewable energy by joining the Asian Clean Energy Coalition (ACEC) and the Clean Energy Buyers Association (CEBA) to enhance renewable energy access in Southeast Asia. Additionally, we became a member of the RE100/WBCSD renewable energy coalition in South Africa (RAiSE).

Important themes in 2024

Stakeholder meetings during 2024 highlighted several recurring themes. The table below summarises key questions raised by stakeholders and our corresponding responses. Stakeholder views and interests are regularly shared with relevant internal teams and steering committees to ensure alignment and informed decision-making.

Theme	Our response
Water	
Are your water efficiency goals ambitious enough, when compared to those of your peers?	Comparing water efficiency across beer companies requires careful consideration of context. For example, HEINEKEN operates a much broader global footprint than its major peers, and manages a relatively higher number of smaller breweries, which naturally leads to a higher hl/hl ratio compared to their larger facilities. We also use returnable bottles, a positive step for our circularity and CO_2 emissions agenda, though it needs additional water for bottle washing. Furthermore, when we integrate new production sites through acquisitions, it takes time to align them with our water efficiency standards. These factors make our goals uniquely tailored to our operations, but they are no less ambitious.
Circularity	
Which goals are the most challenging to achieve and why?	All three of our circularity goals are ambitious and come with their own challenges. However, the reuse goal is particularly demanding, as it requires significant effort and collaboration with multiple stakeholders. Our focus is on increasing the volume of reusable packaging used for our products, aiming to raise the percentage of volumes sold in reusable packaging to 43% by 2030. Achieving this will involve co-creating complex reuse infrastructures. Despite the complexity, we also see benefits in terms of growth and improved margins.
Diversity, equity & inclusion	
Where are you on your Equal Pay for Equal Work journey – and will you disclose any pay gap?	By 2024, 100% of our operating companies have been assessed and started to implement action plans to support equal pay for equal work (or work of equal value) between female and male colleagues. These plans focus on closing any pay gaps, ensuring equal representation, and addressing disparities in new hires and promotion opportunities. Actions include embedding structural checks and controls in processes to ensure gender-neutral pay decisions. As a result, we achieved a global pay gap of 2.3%. More information can be found in the Own workforce section.
Biodiversity	
Why is biodiversity not considered 'material' on your double materiality matrix, and will you report in line with TNFD or ESRS in the future?	Biodiversity was not considered 'material' on our double materiality matrix because it scored below the threshold defined by our methodology, which evaluates topics based on their impact, risks and opportunities. However, we recognise its close link to our efforts in emissions reduction, healthy watersheds, and sustainable sourcing of raw materials. Although deemed non-material, we report on biodiversity in line with the mandatory ESRS guidelines. See the Biodiversity section.
Governance	
Does your board get regular updates on your sustainability strategy?	Yes, sustainability is actively managed at all leadership levels. The Executive Board approves the sustainability strategy, while the Executive Team ensures its implementation across the organisation. The CEO chairs the Sustainability and Responsibility Steering Committee, which oversees progress and addresses challenges. The Supervisory Board and its Sustainability and Responsibility Committee monitor the strategy, provide advice on objectives, and review performance. See pages 151-152.

Material impacts, risks and opportunities and their interaction with strategy and business model

Double materiality matrix

We conducted our first double materiality assessment in 2023 to prepare for compliance with the ESRS. This comprehensive assessment will be conducted at least once every three years, with annual reviews in between. The outcome of the assessment remains valid for 2024 as we have not identified any significant internal or external changes that could affect the results.

A double materiality assessment has two dimensions:

- Impact materiality: sustainability topics that can significantly affect the economy, environment and people.
- Financial materiality: sustainability topics that can significantly influence HEINEKEN's development, performance or financial value.

These dimensions identify which sustainability topics are material for HEINEKEN to report on under the ESRS. See the next page for an overview of the material impacts, risks and opportunities.

Our double materiality matrix

Sustainability topics identified as material
Above the threshold of 2.5 on a scale from 1 to 5 in impact and/or financial significance. These topics are considered within the scope of ESRS reporting requirements.

Sustainability topics identified as relevant, but not material
These are topics with an impact and/or financial significance below the threshold of 2.5. While they are relevant for HEINEKEN, they are not material for ESRS reporting. However, some of these topics are included in our annual reporting as they are beneficial to users of our sustainability statements. We refer to these as 'voluntary disclosures'.

General information – **Strategy**

Overview material topics, impacts, risks and opportunities

Topic	Value chain	Main risks and opportunities	Main impacts (negative and positive)	Time horizon	Section
Climate change	**Upstream** ▸ **Operations** ▸ **Downstream**	– Carbon pricing, taxation, and emissions trading schemes are expected to be the primary levers through which governments regulate emissions and incentivise decarbonisation. This may potentially increase the price of raw materials, energy, equipment, and other related inputs.	– The use of fossil energy across the value chain continues to emit carbon into the atmosphere, which contributes to global warming. – HEINEKEN's net zero ambition is motivating value chain partners to set targets and reduce carbon emissions.	Short-, medium- and long-term	Climate change
Water security	**Upstream** ▸ **Operations** ▸ Downstream	– Changes in water availability due to climate change, population growth, or regulatory shifts may lead to production interruptions and loss of revenue.	– Water withdrawal in water-stressed areas reduces water availability. – Through collaboration with third parties, watersheds are increasingly being protected and restored.	Short-, medium- and long-term	Water
Responsible consumption	Upstream ▸ Operations ▸ **Downstream**	– Debates on alcohol consumption may result in increased excise duties, minimum unit pricing, reduced commercial freedoms—including availability and visibility—sponsorship bans, health warnings, reputational damage, and a negative impact on revenues and profits. – Become a market leader in the no- and low-alcohol category.	– Abuse and overconsumption of alcohol leading to negative health and societal impacts. – Expanding no- and low-alcohol beverage options ensures that consumers 'always have a choice'.	Short-, medium- and long-term	Consumers and end-users
Sustainable agriculture	**Upstream** ▸ Operations ▸ Downstream	– Disruption of sourcing continuity, such as changes in the availability, quality, or price of ingredients due to external factors like political instability and climate change, may lead to resource shortages, increased costs, production interruptions, and loss of revenue.	– Sourcing of raw materials, grown using conventional methods, can increase carbon emissions and impact the availability and quality of water. – Collaborating with business partners and farmers to adopt innovative and sustainable agricultural practices reduces environmental impact and enhances resilience to climate change.	Short-, medium- and long-term	Resource use and circular economy; Workers in the value chain
Resources and circularity	**Upstream** ▸ **Operations** ▸ **Downstream**	– Changes in the impact, speed, and costs of new environmental regulations may affect operations and increase expenses.	– Contributing to carbon emissions by sourcing virgin materials. – Indirectly contributing to landfill waste through consumers. – Investing in return systems for reusable packaging fosters a circular economy by promoting material reuse and reducing demand for virgin resources. – Innovating in reusing by-products in production enhances resource efficiency and minimises waste.	Short-, medium- and long-term	Resource use and circular economy
Responsible marketing	Upstream ▸ Operations ▸ **Downstream**	– Commercial campaigns that do not align with HEINEKEN's Responsible Marketing Code, such as those seemingly targeting minors or promoting excessive alcohol consumption, may result in fines, litigation, and damage to the brand's reputation.	– Positively influencing consumer behaviour through Responsible Consumption and 0.0% campaigns. – Providing transparent, easily accessible information on labels beyond local legal requirements empowers consumers to make informed choices.	Short-, medium- and long-term	Consumers and end-users

General information – **Strategy**

Overview material topics, impacts, risks and opportunities

Topic	Value chain	Main risks and opportunities	Main impacts (negative and positive)	Time horizon	Section
Labour practices and human rights	Upstream > Operations > Downstream	– Significant alleged or actual non-compliance with the Human Rights Policy or Supplier Code within our operations or value chain may lead to claims, fines, and reputational damage.	– Raising labour and human rights standards globally due to HEINEKEN's operational footprint.	Short-, medium- and long-term	Own workforce; Workers in the value chain
Diversity, equity & inclusion (DEI)	Upstream > Operations > Downstream	– Failure to achieve our DEI ambitions and unlock the full potential of our people and organisation may result in lost business opportunities.	– Promoting inclusivity and actively adopting DEI practices within the organisation fosters a diverse workplace culture.	Short-, medium- and long-term	Own workforce

See Appendix 2 for an overview of how the impacts, risks and opportunities link to the policies, actions and targets. The policies, actions and targets are further described in the topical sections.

Current financial effects of material sustainability matters

The sustainability matters outlined above have a financial impact on HEINEKEN's 2024 consolidated financial statements. We assessed sustainability-related impairments, liabilities and provisions, which are considered to be immaterial in 2024.

In addition, the execution of our BaBW strategy is supported through CapEx and OpEx investments. Our sustainability investments underlying our sustainability strategy are embedded in how we run our business and how we have designed our (operational) processes. These investments most often form part of larger investments, and have in most cases multiple objectives of which sustainability is only one of them. It would require significant judgement to identify the incremental financial investment associated with specific sustainability objectives. In our view, the current ESRS guidance provides insufficient detail and clarity (e.g. what is considered to be sustainability-related CapEx and OpEx) to prepare a monetary disclosure that supports consistent and reliable reporting across companies.

At the end of the reporting year, we have not identified any material risks and opportunities for which there is a significant risk of material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period.

Resilience of the strategy and business model

HEINEKEN's strategy and business model are designed to be resilient and capable of addressing material impacts and risks while taking advantage of significant opportunities. Resilience is reflected in our comprehensive approach to managing climate-related risks and opportunities and recent assessments carried out to assess salient human rights and environmental risks throughout our value chain. Refer to the Climate change, Water, Resource use and circular economy, Own workforce and Workers in the value chain sections for further details.

We have conducted qualitative and quantitative assessments to understand how these factors could impact our business. This includes scenario analyses to evaluate the potential effects of different future conditions on our operations, financial performance, and supply chain.

A key aspect of our resilience strategy involves adaptation and mitigation efforts. We are investing in sustainable brewing practices and working to reduce our carbon footprint through the adoption of renewable energy sources and energy-efficient technologies.

Our risk management framework incorporates climate-related risks, enabling us to identify, assess and mitigate potential impacts on our operations and financial health. Additionally, we are exploring new product innovations and market opportunities that align with consumer demand for sustainable products, with the aim of transforming potential risks into avenues for growth.

Through these efforts, HEINEKEN demonstrates a robust capacity to manage material risks and capitalise on opportunities, supporting long-term resilience and sustainability.

Link between HEINEKEN material topics and ESRS standards

The shortlist of 15 topics, as shown in the double materiality matrix, has been tailored specifically to HEINEKEN, with each topic also linked to the ESRS framework. The table below provides an overview of these ESRS linkages for the material topics, including a note in case we have included entity-specific disclosures.

HEINEKEN material topic	ESRS disclosure requirements and/or entity-specific disclosures
Climate change	ESRS E1 Climate change[1]
Water security	ESRS E3 Water and marine resources[1]
Responsible consumption	ESRS S4 Consumers and end-users[1]
Sustainable agriculture	ESRS E5 Resource use and circular economy[1] ESRS S2 Workers in the value chain
Resources and circularity	ESRS E5 Resource use and circular economy[1]
Responsible marketing	ESRS S4 Consumers and end-users[1]
Labour practices and human rights	ESRS S1 Own workforce[1] ESRS S2 Workers in the value chain
Diversity, equity and inclusion	ESRS S1 Own workforce[1]

[1] This includes entity-specific disclosures

Description of the process to identify and assess material impacts, risks and opportunities

1. Evaluating HEINEKEN's current state and external context

We evaluated our current state and external context through a comprehensive desk-based assessment. This included external sources such as international standards and frameworks, sector trends and an in-depth peer and competitor review, and company-specific sources, such as the risk management process and company strategy presentations. A media analysis was conducted to evaluate the public opinion about HEINEKEN and its sector. In assessing this, we considered the business context of HEINEKEN, including its geographical presence, nature of business activities and transactions (among others when assessing Business Conduct). We also screened our site locations and business activities for actual and potential impacts or risks related to pollution, both within our own operations and across the value chain. This screening was conducted through desktop research and inquiries with internal stakeholders. We did not engage in consultations with affected communities on this topic, as we found no indications of communities being directly impacted by pollution.

This process resulted in a longlist of 30 topics which was reviewed by a project team to analyse what topics should be included, which topics could be combined (for example, 'carbon emissions' and 'climate change'), and what topics should be excluded (for example, topics relevant for certain peers but not necessarily for HEINEKEN's operations, like animal welfare). The longlist was narrowed down to a draft shortlist of 17 topics.

2. Mapping the value chain and potential impacts

Part of the assessment focused on understanding our value chain and the (potential) impacts of the draft shortlist of sustainability topics within this chain. HEINEKEN's operations and relationships were summarised and categorised into upstream, operational and downstream activities.

The shortlisted topics were then mapped against these activities.

The outcomes of phases 1 and 2 were presented to a group of 30 subject matter experts selected from within HEINEKEN. The goal of this session was to validate the value chain map and shortlist, including definitions. As a result, a final shortlist of 15 topics was confirmed, after integrating 'Sustainable packaging' into 'Resources and circularity,' and removing 'Innovation,' as it is considered an enabler for the other topics rather than a standalone sustainability issue.

3. Engaging internal and external stakeholders

We gathered input from internal and external stakeholders to pinpoint HEINEKEN's most crucial sustainability topics. This involved engagement with internal stakeholders – both subject matter experts and senior managers – and external representatives from NGOs, investors, governments, customers and trade associations.

Double materiality six-phase process

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Evaluating HEINEKEN's current state and external context	Mapping the value chain and potential impacts	Engaging internal and external stakeholders	Prioritising the material topics	Validating the outcomes with the group of subject matter experts	Confirming the results with the Executive Board

Internal stakeholders were assigned to a topic aligned with their area of expertise while external stakeholders were asked to select three to five topics from the shortlist of sustainability topics that they deemed most material.

We conducted 25 in-depth interviews. External stakeholders were specifically interviewed regarding impact materiality, while internal and financial (external) stakeholders were interviewed on both impact and financial materiality. On top of their qualitative input, stakeholders were asked to score the sustainability topics based on the impacts, risks and opportunities they identified, and on severity and likelihood.

To further validate the outcomes, a survey was distributed to 119 stakeholders in 15 markets across all four regions, with a 60% response rate. Stakeholders represented a wide range of sectors ranging from governments and NGOs to trade associations and customers. They were asked to select and rank the five topics that they deemed could have the most significant impact on the economy, environment and people.

Additionally, the risk management team was engaged to use the yearly Risk Assessment Cycle as a source for determining the financial materiality of sustainability topics.

4. Prioritising the material topics

The final scoring for double materiality was determined based on the interview results and risk management assessment. Survey results were used to help validate the outcomes of the interviews.

The prioritisation of sustainability topics for impact materiality was determined by calculating the average score of internal and external interview inputs. The prioritisation for financial materiality was determined by calculating the average score of internal and external interview inputs and risk management inputs.

Based on the average scores, topics were prioritised and visualised in a matrix. The outcomes of the survey were used to validate and confirm the topic ranking, with no material differences identified.

5. Validating the outcomes with the group of subject matter experts

A second validation session was organised with the subject matter experts from within HEINEKEN to discuss the outcomes derived from interviews and surveys. Participants discussed how the prioritisation of the impact and financial materiality met the group's expectations and how to set the appropriate threshold to define which topics are deemed material for ESRS reporting purposes.

It was agreed to set the threshold at 2.5 (out of 5) for both impact and financial materiality as it represents the median value on the 5-point scoring table. This means that any topics scoring above 2.5 are considered to be material, while topics scoring below 2.5 are considered to be relevant, but not material for ESRS reporting purposes.

6. Confirming the results with the Executive Board

The outcomes of the double materiality assessment were presented to the Executive Board for discussion and validation. A management judgment was made to elevate two topics that were close to the materiality threshold – 'Labour practices and human rights' and 'Diversity, equity and inclusion' – into the materiality space, making them in scope of the ESRS reporting requirements.

The annual reassessment of the DMA requires sign-off by the Executive Board. The Sustainability and Responsibility Steering Committee, chaired by the Chief Executive Officer (CEO), oversees the implementation of the Company's sustainability strategy. It is involved in setting and monitoring targets and responding to identified impacts, risks and opportunities (see the section 'General information - Role of the Executive Board and Supervisory Board in sustainability matters' for more information).

Integration of the DMA into overall risk management process

The eight material topics identified through the DMA assessment have been mapped to the risks identified in our overall risk management process. As part of this process, these risks—along with other relevant risks—are identified, mitigated, and monitored on an ongoing basis as part of routine business. HEINEKEN applies a proactive approach to ensure that risk management is part of executive conversations and embedded in company processes. Risk management is integrated into overall management processes, and our ongoing commitment to managing risks in a conscious manner increases the likelihood of achieving our strategy, business, and sustainability objectives.

The Executive Board of HEINEKEN is accountable for overseeing risk management, risk oversight, and the protection of the company's reputation, assets, and brands. The Board is supported by the Risk Committee, chaired by the CFO, in conducting regular reviews of the group's risk assessment cycle. These reviews summarise the company's key risks, mitigating actions, and monitoring activities, and they also assess the level of risk HEINEKEN is willing to accept and the impact these risks may have on the company's objectives.

General disclosures relating to setting and monitoring ambitions and goals

Setting ambitions and goals

HEINEKEN's sustainability strategy (BaBW) will continue to evolve due to stakeholder expectations, evolving requirements and regulations. Senior leaders across the business discuss and address the ambitions and goals before they are presented to the Executive Board and Supervisory Board for approval.

Monitoring performance

There is a clear governance process in place to review our progress on each of our BaBW ambitions and goals, including a dedicated S&R Steering Committee with senior leadership to review progress on a quarterly basis. This is supported by regional and operating company reviews, identifying areas of focus and facilitating decision making to (re)balance efforts to maximise progress. Forecasting and performance monitoring will be further embedded in 2025 to cover sustainability reported metrics beyond our BaBW goals.

Identifying lessons or improvements

Our global, regional and operating company Steering Committees discuss learnings and areas for improvement. The recommendations and dilemmas discussed at these forums often emerge from management committees (e.g. our Environmental Steering Committee) and regular reviews within the delivery programmes.

Responsible business conduct

Foundation: our way of working

We know that we can only be successful if we lead with integrity and fairness, with respect for people, the law and our values. This is the essence of our business conduct framework, which forms the foundation of our ways of working. It guides our day-to-day decisions, actions, engagement, and governance, ensuring we operate responsibly.

Zero tolerance to bribery and corruption

Code of Business Conduct

A cornerstone of our framework is the Code of Business Conduct (the 'Code'). It serves as a beacon, reflecting the core principles and policies that define expected behaviours for everyone in our Company. The Code provides a framework for ethical decision-making, offers guidance to employees on navigating challenges, and fosters a culture of integrity and compliance.

Business conduct training and awareness

We provide annual mandatory Code of Business Conduct training to all employees worldwide. In 2024, we introduced a new 'edutainment' e-learning module that uses storytelling to engage employees and guide them in doing the right thing. This interactive training, inspired by real Speak Up cases, helps employees understand and apply our ethical standards in their daily work, fostering thoughtful reflection on various business conduct topics. In 2024, over 85,000 employees completed this training.

To support ongoing engagement and awareness, we promote responsible business practices through various initiatives. In 2024, campaigns highlighted key events such as World Whistleblower Day, Anti-Corruption Day, and Integrity Week, reinforcing our commitment to ethical standards and keeping our employees informed and motivated to uphold our values.

Zero Tolerance of Bribery and Corruption

As a multinational company operating in more than 70 countries, including those with high levels of corruption, we pay close attention to exposure to bribery and corruption risks. Our principle is to never engage in bribery, and our anti-bribery and anti-corruption framework is designed to prevent, detect, and respond to bribery and corruption threats. The framework includes risk-based third-party due diligence, mandatory disclosures of conflicts of interest and awareness campaigns and training.

Training on Anti-Bribery and Anti-Corruption

Our anti-bribery and anti-corruption e-learning equips employees to recognise and handle potential bribery and corruption challenges they may encounter during their work. This training is mandatory for selected employees. In 2024, over 10,000 employees completed the training.

In addition to our own employees, we also provide training to selected business partners who may pose an elevated bribery and corruption risk. This training reiterates our zero-tolerance policy on bribery and corruption, explains how to recognise and resist bribery and corruption, and encourages speaking up when necessary.

An effective Speak Up framework

We proactively encourage everyone to speak up when they have questions or concerns about potential misconduct, such as fraud, discrimination, harassment, or corruption involving our Company, employees, or business partners. Multiple confidential channels are available to both employees and external parties to report concerns.

Our Speak Up channels include a network of trusted representatives – employees selected and trained to receive and help register potential Speak Up reports – and an external Speak Up service. This service is managed by an independent provider and is available 24/7. We regularly communicate the availability of these channels to employees and third parties to encourage their use, stressing that reports are treated confidentially and that retaliation is not tolerated.

In 2024, we received 2,965 Speak Up reports (2023: 2,765). These reports covered workplace grievances (10%), allegations of fraud (30%), discrimination and harassment (29%), conflicts of interest (8%), and other concerns (23%; including 10% that did not involve an alleged Code of Business Conduct violation). We have closed 78% of the 2024 Speak Up reports, with 22% still pending. For the cases that were fully or partly substantiated (49%), corrective and preventive actions were taken as appropriate, including process and control improvements, awareness initiatives, training, coaching, and disciplinary measures ranging from warnings to termination of employment.

Environmental

In the environmental section of the sustainability statements we focus on the topics:

- E1 Climate change
- E3 Water
- E5 Resource use and circular economy

E1: Climate change – **Strategy**

E1 Climate change

Our net zero strategy

Climate change and nature loss are already impacting our business globally, affecting ingredient and water supplies, energy access and increasing production costs. A proactive strategy focused on mitigation and adaptation is essential to enhance resilience, safeguard operations and aim for the long-term sustainability of our business and supply chains.

Our climate strategy[1] aims to reach net zero across our value chain by 2040. To achieve this, we have set long-term and near-term[2] targets, approved by the Science Based Targets initiative (SBTi). This ambition aligns with the 1.5°C global temperature limit in the Paris Agreement. We have mobilised the organisation, established a team of internal experts, contracted external engineering firms and established robust governance and reduction roadmaps. Our net zero strategy has been approved and adopted by the Executive Board[3]. To incentivise delivery, our senior management is rewarded for reduced emissions. For more details on the remuneration policy of the Executive Board, see page 153.

In 2024, we were included for the third consecutive year in CDP's 'A list' for Climate Change.

Key ambition areas behind reach net zero carbon

2040 goal

Reach net zero

Reach net zero in Scope 1, 2 and 3

We aim to achieve net zero reduction in Scope 1 and 2 by 2030, make progress in reducing Scope 3 emissions by 2030 and fully advance Scope 3 initiatives towards net zero by 2040.

Our strategy to reach net zero across our value chain is built on the four Rs: reduce, replace, remove and report. This involves transitioning from fossil fuels to renewable energy across our operations and value chain.

We are also actively collaborating with suppliers, customers, and other stakeholders to develop and scale solutions – from regenerative agriculture to circular packaging – that support our ambition and contribute to reducing Scope 3 emissions.

To reach net zero we will have to adopt a portfolio of high-quality carbon removal projects to neutralise the 10% residual emissions, in line with SBTi requirements.

2030 goal

Reach net zero in Scope 1 and 2

90% CO_2 reduction in Scope 1 and 2

Scope 1 emissions originate from sources directly owned or controlled by HEINEKEN, such as combustion at production sites, logistics operations, owned transportation, warehouses, owned offices and company-owned bars. Scope 2 emissions result from purchased energy used in HEINEKEN facilities, including electricity, steam, heating and cooling.

Achieving net zero requires a minimum 90% reduction in absolute emissions compared to the 2022 baseline, with high-quality carbon removals neutralising a maximum of 10% of residual emissions.

Meeting our Scope 1 and 2 net zero goal by 2030 will require us to optimise processes, reduce energy demand and replace fossil fuels with renewable energy across all our sites globally. The solutions will be mixed between on-site engineering solutions and off-site procurement agreements.

2030 goal

Reduce Scope 3

26% CO_2 reduction in Scope 3

Scope 3 emissions are indirect emissions generated by our suppliers and customers. Scope 3 comprises two categories: forest, land and agriculture (FLAG) emissions and energy-based emissions (non-FLAG). Flag emissions come from farming activities associated with crop use for raw materials. Non-FLAG emissions are derived from the use of fossil energies from packaging materials, logistics, cooling and other related activities.

Our strategy to reduce Scope 3 emissions emphasises collaboration with suppliers to promote sustainable agricultural practices, such as regenerative agriculture and the use of low-carbon fertilisers, along with the adoption of renewable energy, low-carbon technologies and circular packaging. To support this, we provide climate-focused training to suppliers and work with industry coalitions to enable supplier access to renewable energy projects and capacity-building initiatives under competitive terms.

We aim for zero deforestation in our key deforestation-linked commodities by 2025. This includes barley in Mexico, sugarcane and maize in Brazil and rice in Cambodia.

[1] Our BaBW net zero strategy reflects our interpretation of a transition plan for the purpose of the ESRS.
[2] SBTi defines near-term targets as those that have a target year of 5 –10 years from the date the target is submitted to the SBTi.
[3] Please see the General information section for more detail on the approval process by the Executive Board and the Supervisory Board.

Understanding our material impacts, risks and opportunities

Identifying climate-related risks

To understand our climate risks, we conduct regular resilience analysis, identifying risks relevant to our material environmental topics. For more information on HEINEKEN's climate-related risks, please see the General information section.

How we use resilience analysis

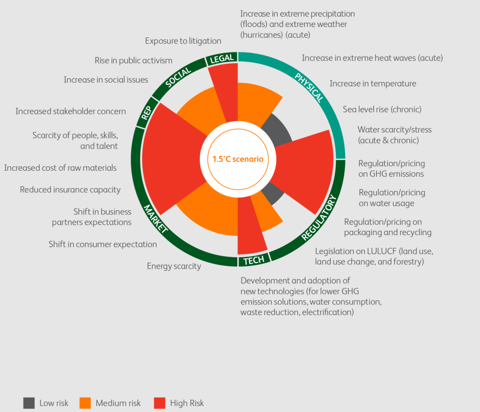
HEINEKEN performed its first detailed resilience analysis of its strategy and business model in relation to climate change in 2022. This was part of the work we completed in relation to the Task Force on Climate-related Financial Disclosures (TCFD). HEINEKEN's resilience analysis, using climate scenarios, considered impacts from barley to bar, encompassing our own operations and our upstream and downstream value chain.

We refined the analysis in 2023 by conducting further research to understand the potential impact of these risks in specific markets and globally. Detail of this analysis is included in our 2023 Annual Report.

In 2024, we performed a high-level reassessment of the analysis and concluded that the three risks identified in 2023 remain the most applicable to our business. As part of this assessment, we confirmed that there were no significant changes to external or internal conditions which would impact our analysis and identified risks. The scenario analysis does not consider mitigation actions being undertaken by HEINEKEN.

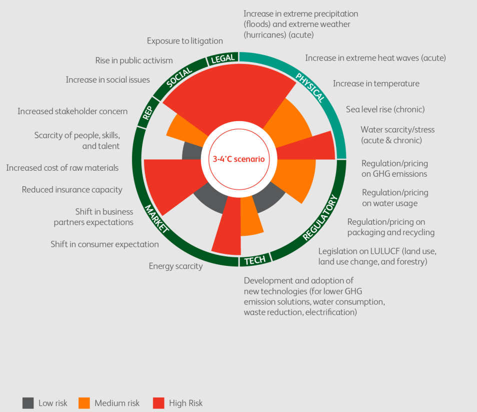
Risk levels for HEINEKEN in a 1.5°C scenario by 2050

The global temperature increase of 1.5°C above pre-industrial levels as the baseline goal of the Paris Climate Agreement. This scenario assumes the delivery of decarbonisation efforts. In this scenario the main risk for a company like HEINEKEN will be climate mitigation.



Risk levels for HEINEKEN in a 3–4°C scenario by 2050

The global temperature increase of 3–4°C above pre-industrial levels. This scenario assumes that the Paris Climate Agreement goals are not met. In this scenario the main risks for a company like HEINEKEN are adaptation to physical risks.



Our methodology

We developed relevant scenarios based on the Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA) and Network for Greening the Financial System (NGFS) scenario models[1]. These scenarios are underpinned by robust scientific research.

We considered two climate scenarios to test a full range of impacts, a 1.5°C scenario and a 3–4°C scenario. These scenarios consider climate-related physical risks (including climate related hazards) and transition risks.

HEINEKEN categorises and manages environmental dependencies, impacts, risks and opportunities based on their impact and likelihood of occurrence.

Short-term (<1 year): We are addressing immediate environmental dependencies, impacts, and risks that require prompt action. Every quarter, our Risk Committee reviews our key environmental risks and performs a strategic review of these risks. In some circumstances, risks will be mitigated by short-term financial investment. These investments are presented in our annual planning, allowing us to implement necessary measures and monitor their effectiveness.

Medium-term (1 to 5 years): We are strategically planning for environmental risks and opportunities that may arise in the near future. This supports our mid-range planning, providing a balance between immediate actions and long-term sustainability goals.

Long-term (>5 years): Environmental risks and opportunities often manifest over extended periods. Considering a long-term horizon enables us to incorporate these risks and opportunities into our long-term planning, ensuring the resilience of our assets and infrastructure. This approach aligns with the useful life of our assets and the environmental profile of the sectors and geographies in which we operate.

Linking climate scenarios with financial statements

In preparing the consolidated financial statements, HEINEKEN has considered climate change, including climate change scenarios and the BaBW ambitions, on the estimates and judgements used in preparing the consolidated financial statements. See note 3b of the financial statements.

[1] The specific scenarios used include IEA Net Zero Emissions (NZE) 2050, IEA Stated Policies Scenario (STEPS), NGFS scenarios framework, Representative Concentration Pathways (RCP) 1.9, RCP 7.0, RCP 4.5, RCP 8.5.

Climate change – **Strategy**

Key inputs

The table below identifies situations that may contribute to a specific warming level or arise as a consequence of it. It does not consider mitigation actions being undertaken by HEINEKEN. This assessment was used to help determine the risk levels outlined by the graphs on the previous page. Input from HEINEKEN's strategy, risk management and sustainability teams helped define the range of risks presented below.

Input	Relevance to HEINEKEN	Assumptions in a 1.5°C scenario Society successfully delivers decarbonisation efforts	Assumptions in a 3–4°C scenario Society fails to deliver decarbonisation efforts
Market (macroeconomic trends)	The cost and availability of materials required for production influences the skills and availability of talent required for the workforce and shapes expectations from our stakeholders.	– Greater demand for renewable energy sources and less reliance on fossil fuels. – Increased cost of raw materials due to sustainable sourcing and stricter environmental regulations. – Higher demand for talent with necessary skills related to technological advancement and increased regulatory and legal compliance. – Reduced insurance capacity due to higher regulation and pressure on insurers.	– Greater reliance on fossil fuels compared to 1.5°C scenario. – Increased cost of raw materials due to scarcity issues. – Lower demand for talent due to reduced technological advancement, regulatory compliance and legal compliance compared to a 1.5°C scenario. – Reduced insurance capacity due to severe impacts of climate change in a 3–4°C scenario.
Technology	The development and adoption of new technologies will be needed to reduce the Company's GHG emissions.	– Increased demand for technological solutions needed to reduce GHG emissions over a shorter time period.	– Demand for technological solutions needed to reduce GHG emissions will exist; however, the demand in the short term will not be as high as in a 1.5°C scenario.
Regulatory	Regulation could result in increased costs which could impact profitability.	– Increased regulation and pricing on GHG emissions as governments implement more rigorous policies to limit emissions.	– Fragmented and inconsistent regulation – Lack of incentives to decarbonise
Reputational	Levels of stakeholder concern could influence the brand's reputation and stakeholder decisions regarding the Company.	– Stakeholder concern will grow driven by increased focus on companies to achieve climate ambitions and progress towards the 1.5°C scenario.	– Stakeholder concern will still exist; however, there will be a lack of focus from key parties such as investors, governments and suppliers.
Social	Intensifying social issues could result in changing consumer behaviour, workforce instability and supply chain challenges.	– Public activism will be less frequent or intense if significant progress is being made to reach the 1.5°C scenario. – Climate action towards a 1.5°C scenario will reduce drivers that contribute to social challenges.	– Increased public activism expected due to frustration with society's failure to deliver on climate goals. – Higher temperatures will likely cause resource shortages, displacement and migration, inequality, increased costs and other factors which could result in social challenges.
Physical	Extreme weather events could expose our sites to climate risks such as floods, temperature extremes and water stress.	– Extreme weather events will still exist but could be less frequent compared to higher warming scenarios. – Increased temperatures and droughts cause water stress and impact crop yields.	– Extreme weather events occur more frequently, intensely and impact larger regions. – Increased temperatures and droughts cause water stress and impact crop yields.

Constraints

Due to the inherent nature of predicting future situations, climate scenario analysis is subject to various constraints. These include uncertainties around timing of future events, availability and accuracy of data and uncertainties regarding assumptions. For the analysis, we assumed that normal business growth will continue and that there will be no disruptive technologies that would alter HEINEKEN's approach to the production process.

Scenario analysis results

We consider the level of risk to HEINEKEN's assets and business activities as a result of exposure to certain climate-related hazards and transition risk drivers. All HEINEKEN locations were mapped, dependent on their geography, to identify the aggregated risk of combined exposure to potential risks. HEINEKEN assessed physical and transition risks that relate to our own operations and our upstream and downstream value chain. Business assets and activities are considered, such as brewery production facilities, own malting production facilities, warehousing, water management, logistics, sourcing raw materials and regulation.

Addressing our most material physical and transition risks

From the highly rated risks in the two scenarios, we selected the three most material risks for HEINEKEN. In deciding on the most material risks, we considered the likelihood, magnitude and duration of these events. This table summarises how the risk or impact could manifest in a 1.5°C and 3-4°C scenario and outlines where we have addressed the risk or impact in our strategy.

Topic	Key risk or impact	1.5°C scenario Potential risk or impact	3–4°C scenario Potential risk or impact	Where do we address this in our strategy?
Regulatory: Pricing on GHG emissions	Carbon pricing, taxation and emissions trading schemes are expected to be the primary levers through which governments regulate emissions and incentivise decarbonisation. This may increase the price of raw and packaging materials, energy, equipment and other related inputs.	Carbon pricing, implementation of carbon taxes and strengthening of emission trading schemes used to incentivise businesses towards lower emissions across the value chain.	Carbon pricing schemes are fragmented and lacking in many countries. Prices remain low, with a smaller percentage of value chain activities covered.	Our actions related to our goals and targets will help mitigate HEINEKEN's impact on the environment and enhance resilience to transitional risks, such as carbon cross-border tax and national quotas for GHG emissions. For more information on these goals and targets and the actions we are taking, please see the Climate change 'Actions and resources' section and 'Metrics and targets' section. This year, we introduced an Internal Carbon Pricing Policy. For more information, please see the 'Policies' section.
Physical risk: Water scarcity and stress	Changes in water availability due to climate change, increased demand for water, or regulatory shifts may lead to production interruptions and loss of revenue. Water withdrawal in water-stressed areas reduces water availability.	Significant technological advancements in water management along with regulatory restrictions and access protection will contribute to efficient water use.	Increased population growth, uneven economic development, rising temperatures and conflict over water resources will intensify water stress globally.	HEINEKEN's strategy 'Towards healthy watersheds' aims to protect and restore the watersheds from which it sources water. This will help build resilience against water unavailability and business disruptions. For more information on these goals and targets and the actions we are taking, please see the Water 'Actions and resources' section and 'Metrics and targets' section.
Market: Increased cost of raw materials	Disruption of sourcing continuity, such as changes in the availability, quality, or price of ingredients due to external factors like political instability and climate change, may lead to resource shortages, increased costs, production interruptions and loss of revenue.	While the impact of weather on yields by 2050 is expected to be less severe compared to higher warming scenarios, there will be increasing annual yield variability due to climate change. Moreover, initial technological advancements and practices may have a short-term negative impact on yields compared to conventional agricultural practices.	Increased climate-related yield and quality variability compared to lower warming scenarios. In addition, extreme weather events such as wetter and warmer winters in key growing areas will increase the protein content, leading to higher processing costs for brewing.	HEINEKEN's Scope 3 agriculture emissions (FLAG) reduction strategy helps identify high-risk sourcing countries and build resilience through practices like regenerative agriculture. For more information on these goals and targets and the actions we are taking, please see the Climate change 'Actions and resources' section and 'Metrics and targets' section.

Due to the high level of uncertainty among climate factors, monitoring the significance of risk categories is an ongoing process considering changes in external conditions and scenario assumptions. We review detailed scenario analyses and climate risks on a regular basis. We may conduct scenario analysis and climate-related risk assessments more frequently in the event of significant political and economic changes, or a significant change in climate factors.

Climate change – **Strategy**

Addressing our delivery risks

Preventing future emissions

Locked-in GHG emissions are probable future emissions that would be unavoidable due to existing infrastructure and assets. In the beverage industry, there are several assets that could result in potential locked-in GHG emissions, as they could require the use of fossil fuels. For HEINEKEN, these assets exist under our current operations, and we are working to manage them so they do not jeopardise progress against our climate ambitions. Mergers and acquisitions of non-efficient entities may bring assets into scope that are inherently energy inefficient, necessitating robust due diligence.

Assets	HEINEKEN's plans to manage risks related to locked-in GHG emissions
Conventional energy contracts	We limit the use of long-term conventional energy contracts and provide opportunity to step out and replace them with renewable energy contracts.
On-site power generation	We do not own any coal-, gas- or oil-fired power plants. We sign power purchase agreements (PPAs) and pursue on-site solutions where possible. We also purchase energy attribute certificates (EACs) as a short-term solution in countries where PPAs are not yet available.
Production equipment	We have set roadmaps for operating companies to identify the renewable heat solutions such as heat pumps, sustainable biomass, renewable biogas and biomethane, and solar thermal boilers.
Greenfield projects	We have developed an internal process to design greenfield breweries with low-carbon emissions from the start of operations. We are piloting this concept in future investment plans.
Packaging	Some of our packaging suppliers use glass furnaces. We aim to support our suppliers to invest in low-carbon furnaces in the near future.
Refrigeration assets, owned buildings and pubs and logistics	We are exploring opportunities to reduce energy use and transition to renewable energy, where feasible.

Challenges for our net zero strategy

In view of our global footprint and the diverse markets in which we operate, we have certain challenges in delivering our net zero strategy. While it is too early to determine the impact of such challenges on our ability to achieve our goals, we remain steadfast in our journey and will continue to engage with policymakers to advocate for removing barriers to decarbonisation and explore innovative solutions with our partners.

Policy and regulation

In 14 of the 60 markets where we operate, sourcing renewable electricity through energy certificates or corporate power purchase agreement is not currently possible because of regulatory barriers. While these markets account for a relatively small portion of our overall electricity demand, we aim to collaborate with local platforms to advocate for access to renewable electricity.

Technology and infrastructure

HEINEKEN operates in diverse markets, facing significant challenges due to the lack of harmonised energy infrastructure. This inconsistency creates complexity and affects the adoption of technical solutions. For example, what works in Brazil may differ greatly from solutions in the Netherlands. To address this, we have developed 16 site archetypes, each representing an unique combination of renewable thermal solutions. However, this diversity adds complexity to programme deployment and speed of implementation.

Affordability

The wide variation in energy grid structures leads to significant cost differences across markets, making renewable thermal energy solutions highly variable in cost. For example, Ethiopia's low-carbon electricity grid supports the electrification of thermal needs, prompting HEINEKEN Ethiopia to invest in electric boilers. In other markets, for example Vietnam, high natural gas prices compared to bioenergy have led to the deployment of biomass boilers fuelled by rice husks. This ongoing cost diversity requires thorough cost analysis and careful assessment of the financial impact of our operating companies. Poorly executed investments in these solutions could inflate energy costs for some operating companies by 15–20 times.

We have learned that 'carbon economics' vary significantly and evolve rapidly. Through our net zero programme, we conduct detailed investment reviews, carefully considering various financial indicators. We are prioritising our investments to accelerate projects based on cost effectiveness and ease of implementation. Our decision making also considers where we need to wait for regulation and innovation to enable decarbonisation more effectively.

Immature carbon removal market

The carbon removal market is still emerging, but it is projected to grow substantially in the coming years. We are actively monitoring developments and exploring opportunities. However, options remain limited, measurement and traceability need to be improved and prices for high-quality removal projects can be prohibitive, reflecting the early stage of this market. As it evolves, we will assess its potential to complement our broader decarbonisation efforts.

Evolving accounting standards

The GHG Protocol accounting standards for Scope 1, 2, and 3 will continue to evolve, and SBTi is expected to release new Net Zero standard 2.0 in 2025. These updates will be critical in refining how companies like HEINEKEN account for and attribute emissions reductions relating to their operations and across their value chain. We welcome these updates which will clarify how to accelerate delivery of carbon reduction.

Policies

HEINEKEN has several internal policies in place to guide how we address climate impacts, risks and opportunities. Climate change mitigation, which includes the deployment of renewable energy and energy efficiency, is addressed in our Renewable Electricity Policy and Biomass Policy. HEINEKEN does not have a dedicated policy on climate change adaptation; however, we plan to develop one in the future. HEINEKEN has a general Environmental Policy that encompasses the policies outlined below. Global Corporate Affairs is responsible for updating the Environmental Policy as necessary, incorporating input from relevant stakeholders to reflect the latest external standards, legal developments, and best practices.

Renewable Electricity Policy

Background	Key content	Scope	Accountability
As part of our goal to be net zero in Scope 1 and 2 by 2030, we aim to use 100% renewable electricity for both on-site electricity generation and purchased electricity. By using renewable electricity, we reduce our reliance on fossil fuels.	Provides specific binding policies and non-binding guidance to help operating companies: – understand renewable electricity sourcing options available to them; – explain the potential risks and mitigations associated with each sourcing option; and – enable progress towards their renewable electricity targets.	Applies to all HEINEKEN operating companies and to all new and existing renewable electricity supply agreements.	The Chief Supply Chain Officer, Chief Procurement Officer and Chief Corporate Affairs Officer are accountable for this policy. The policy is monitored by these functions to ensure that it remains relevant to strategic objectives.

Biomass Policy

Background	Key content	Scope	Accountability
Biomass is one of several bioenergy solutions we use at HEINEKEN to increase our renewable energy use in production, particularly for generating heat in boilers. While biomass offers valuable opportunities, it also presents challenges; if not sourced responsibly, it can lead to negative environmental impacts.	Provides a non-binding framework for sourcing biomass in alignment with internal sustainability criteria and sets a mandatory requirement to obtain third-party sustainability certification for all sourced biomass. We share a manual with our biomass suppliers that includes relevant information from this policy.	Applies when a HEINEKEN operating company or third-party supplier is the owner and operator of a bioenergy plant. The policy covers new and existing biomass supply agreements and the supply chain from the source of biomass (e.g. forests) to HEINEKEN.	The Chief Supply Chain Officer, Chief Procurement Officer and Chief Corporate Affairs Officer are accountable for this policy. The policy is monitored by these functions to ensure that it remains relevant to strategic objectives.

Internal Carbon Pricing Policy

Background	Key content	Scope	Accountability
An internal carbon price assigns a monetary value to carbon emissions, helping HEINEKEN to simulate potential future costs of external carbon pricing and integrate climate-related financial risks into our investment decisions.	Applies region-specific shadow pricing to potential Scope 1 and 2 GHG emissions from investments, regardless of current carbon taxes in each country.	Applies to all HEINEKEN operating companies with potential Scope 1 and 2 GHG emissions from investments. It applies when calculating the net present value of the investment.	The Chief Supply Chain Officer, Chief Procurement Officer, Chief Corporate Affairs Officer and Director Business Control are accountable for this policy. The policy is monitored by these functions to ensure that it remains relevant to strategic objectives.

Actions and resources

The table below highlights the key actions taken and planned to prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities relevant to climate change. The activities relevant to many of these actions play a critical role in achieving our ambitions and policy objectives.

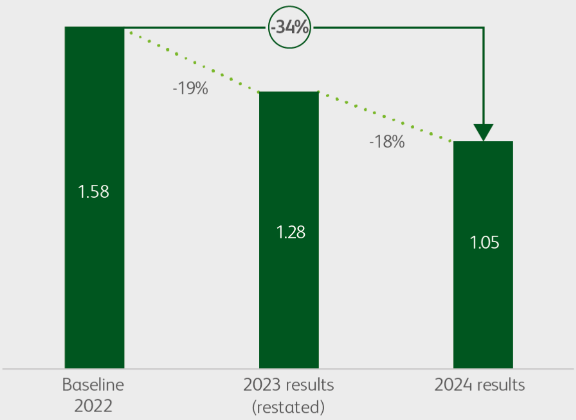
Key actions	Related activities	Value chain scope	Affected stakeholder groups	Expected outcome	Time horizon
Reduce energy consumption and replace fossil fuels with renewables	– Reduce with energy efficiency, leveraging insights across our sites and internal benchmarks. – Replace with renewable electricity, through various mechanisms such as PPAs or EACs. – Replace with renewable thermal, moving away from fossil energy to renewable and low-carbon technology.	Own operations – Scope 1 and 2 GHG emissions	Production, logistics	Increase energy efficiency and reduce overall energy consumption from production and logistics. As a result, we will reduce GHG emissions from our own operations	2030
Strengthen supplier engagement	– Engage with suppliers in all categories to identify and develop shared solutions in the value chain. – Support our suppliers to create decarbonisation roadmaps. – Provide top suppliers with access to Supplier Leadership on Climate Transition, a climate school designed to develop capabilities on climate and encourage them to set their own science-based targets.	Upstream and downstream value chain – Scope 3 emissions	Agriculture suppliers, packaging suppliers, other suppliers	Reduce supplier emissions. As a result, we will reduce emissions in our upstream and downstream value chain	2040
Focus on agriculture initiatives (FLAG)	– Launched the Low Carbon Farming programme, engaging farmers via raw material suppliers to promote sustainable practices like cover cropping, no-tillage, organic matter use, and optimised seed and fertiliser application. – Introduced 'Project TRANSITIONS', a large-scale regenerative agriculture programme in France. – Developed a strategy to source low-carbon fertilisers and initiated our strategy on zero deforestation.	Upstream value chain – Scope 3 emissions	Agriculture suppliers	Increase adoption of low-carbon practices in agriculture building resilience of agricultural suppliers by improving soil health, promoting efficient water management and contributing to carbon sequestration. As a result, we will reduce our FLAG emissions	2040
Focus on packaging initiatives and circularity (non-FLAG)	– Pursue market interventions by engaging suppliers across all categories through strategic meetings to develop shared decarbonisation solutions and roadmaps. – Support upstream glass and aluminium suppliers with roadmaps to enhance energy efficiency and increase renewable energy usage. – Advance our circularity strategy, disclosed in the Resource use and circular economy section focuses on three key areas: reuse, recycled content and recyclable by design.	Upstream and downstream value chain – Scope 3 emissions	Packaging suppliers	Reduce supplier emissions, increasing reuse of packaging, and driving up the recycled content in our glass and cans will reduce Scope 3 emissions related to packaging	2040
Carbon removals	– Review emerging external standards and best practices. – Develop sourcing principles for future investments. – Assess investment and partnership opportunities in our own land, third-party land and agricultural projects.	Upstream and downstream value chain and own operations – Scope 1, 2 and 3 emissions	Production, agriculture suppliers. other suppliers	Secure carbon removals to address residual emissions we cannot eliminate through decarbonisation. Align with external standards, securing carbon removals through a mix of insetting projects and external carbon credits	2040
Collaboration and advocacy	– Collaborate with industry groups, such as the Beverage Industry Environmental Roundtable (BIER) to share industry specific knowledge and learnings – Engage with sustainability platforms to learn best practices – Work with advocacy groups aligned with our net zero strategy who can influence policy makers and regulators	Own operations, upstream value chain and downstream value chain	Local authorities, NGOs	Learn and share best practices, advocate for harmonised standards and effective regulation	Continuous

Climate change – **Impacts, risks and opportunities – Actions and resources**

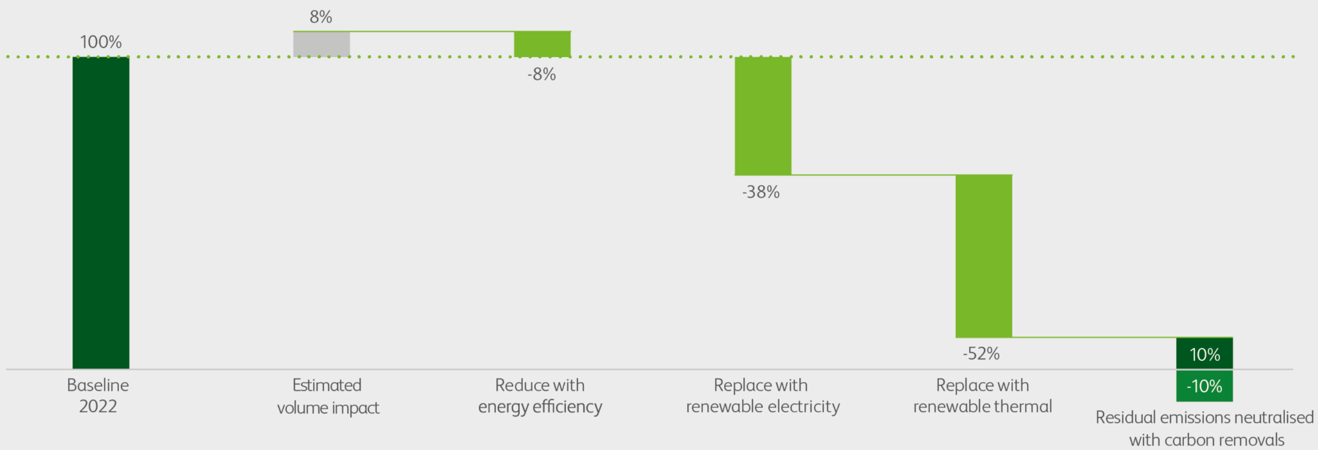
Achieved and expected GHG emission reductions

Our Scope 1 and 2 priority is to reduce emissions by minimising energy demand, followed by transitioning from fossil fuels to renewable energy.

Scope 1 and 2 (million tonnes CO_2)

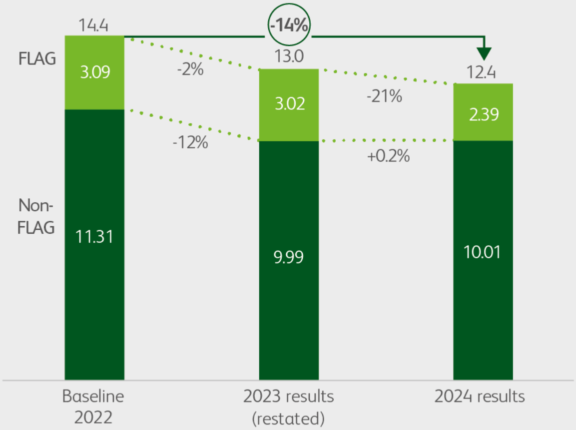


Contributors to our 2030 reduction pathway

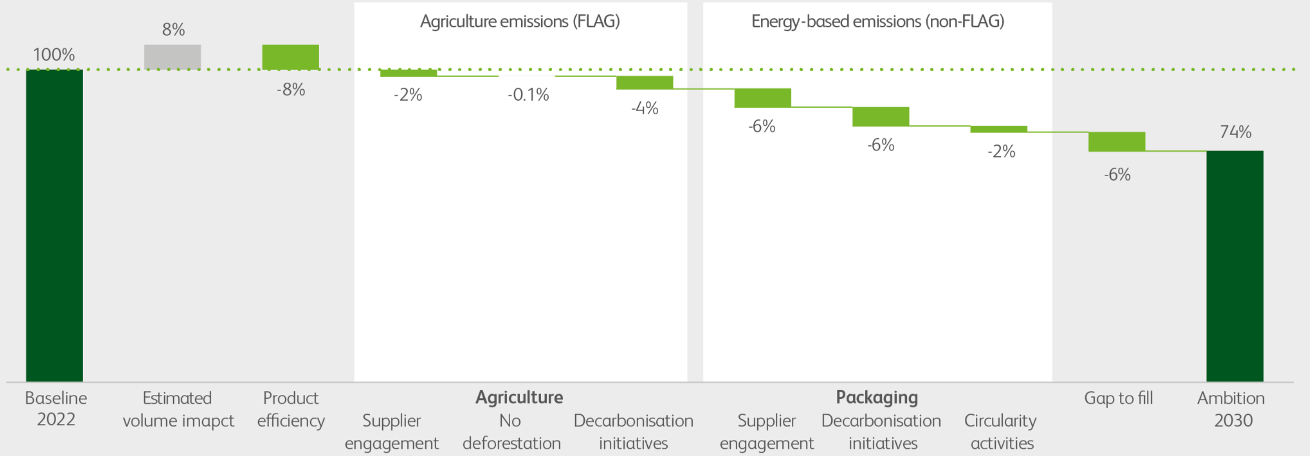


Our near-term Scope 3 ambition targets the largest impacts on our Scope 3 carbon footprint – packaging and raw materials – through supplier engagement, market interventions and circularity.

Scope 3 (million tonnes CO_2)



Contributors to our 2030 reduction pathway



Results above are based on our SBTi target boundary. These results and progress are further detailed in the section 'Metrics and targets'.

Investments and funding

Allocation of resources

The actions above are supported through CapEx and OpEx investments. Our sustainability investments underlying our sustainability strategy are embedded in how we run our business and how we have designed our (operational) processes. For climate change our investments relate to, among others, building our breweries in a net zero setup, transitioning to renewable thermal and procuring renewable electricity. Examples of this are the recent electric boiler investments in Ethiopia, heat pump investment in Hungary and thermal storage investment in Portugal.

These investments most often form part of larger investments, and have in most cases multiple objectives of which sustainability is only one of them. It would require significant judgement to identify the incremental financial investment associated with specific sustainability objectives. In our view, the current ESRS guidance provides insufficient detail and clarity (e.g. what is considered to be sustainability-related CapEx and OpEx) to prepare a monetary disclosure that supports consistent and reliable reporting across companies.

In addition, we recognise that our future spend is subject to business, regulatory, government or other developments, which could influence the level of spend on capital expenditure. While we monitor these uncertainties and adjust our strategies where possible to minimise potential disruptions, the inherent unpredictability of these external factors means that some degree of uncertainty will always be present. We remain committed to managing these challenges as effectively as we can, making decisions that consider both our immediate needs and long-term goals while recognising the limitations imposed by external circumstances.

The extent to which we are able to implement our plans depends on the availability and allocation of resources. Access to finance at an affordable cost of capital is critical, particularly for significant initiatives such as investments in innovative solutions. The full implementation of certain long-term projects, like large-scale on-site renewable energy installations, is contingent upon continued financial support and strategic resource allocation. As a result, our ambitions have been integrated into our strategic and annual budgeting plans to ensure the appropriate resource allocation.

Refer to the EU Taxonomy section on pages 199-205 for the proportion of CapEx eligible and aligned with the climate change mitigation objective.

Internal carbon pricing

Internal carbon prices are used to encourage decarbonisation investments, simulate potential future costs of external carbon pricing, and integrate climate-related financial risks into investment decisions. In 2024, we updated our Internal Carbon Pricing Policy. Going forward, this policy mandates our operating companies to apply a shadow price for carbon for potential Scope 1 and 2 carbon emissions from investments.

Scheme type

We apply differentiated shadow pricing based on the International Energy Agency's (IEA) regional classifications, which consider factors such as economic status, UN climate pledges, and the strength of climate policy in each country. This approach offers a more accurate financial indicator of carbon pricing risk for each country than a single, blanket price. A shadow price on CapEx and OpEx supports planning and evaluating investments that impact Scope 1 and 2 carbon emissions, such as renewable energy projects, while accounting for potential cost increases from expanding global carbon taxes.

Scope of application

Our operating companies in all geographies must apply region-specific shadow pricing to business cases for all potential Scope 1 and 2 carbon emissions from investments, regardless of current carbon taxes in each country.

Pricing assumptions

Carbon prices follow the IEA's Global Energy and Climate Model guidelines and will be reviewed annually to incorporate any major changes.

Classification	Country examples	Carbon price 2024-2030 (€/tCO_2eq)	Carbon price 2031-2040 (€/tCO_2eq)
Advanced economies with net zero emission pledges	European Union, United Kingdom, New Zealand	130	191
Emerging market and developing economies with net zero emission pledges	South Africa, India, Singapore	84	149
Selected emerging market and developing economies	Brazil, Mexico, Nigeria	23	79
Other emerging market and developing economies	Cambodia, Egypt, Jamaica	14	33

The inclusion of internal carbon pricing in business cases was limited in 2024. With the policy update, we anticipate a more consistent integration of shadow pricing moving forward.

Our carbon footprint

HEINEKEN's carbon footprint (Scope 1, 2 and 3) in 2024 was 15.9 million tonnes CO_2eq. This footprint spans several stages of our value chain. Our brewing operations take place across 181 sites in 60 countries.

Upstream emissions originate primarily from agriculture (e.g., barley, maize, hops, and sugar) which are processed by raw material suppliers into the ingredients we use for brewing. Other upstream emissions come from packaging (e.g., aluminium cans and glass bottles). Once brewed and packaged, our products are distributed to warehouses and logistics centres, either through our own fleets or third-party logistics providers.

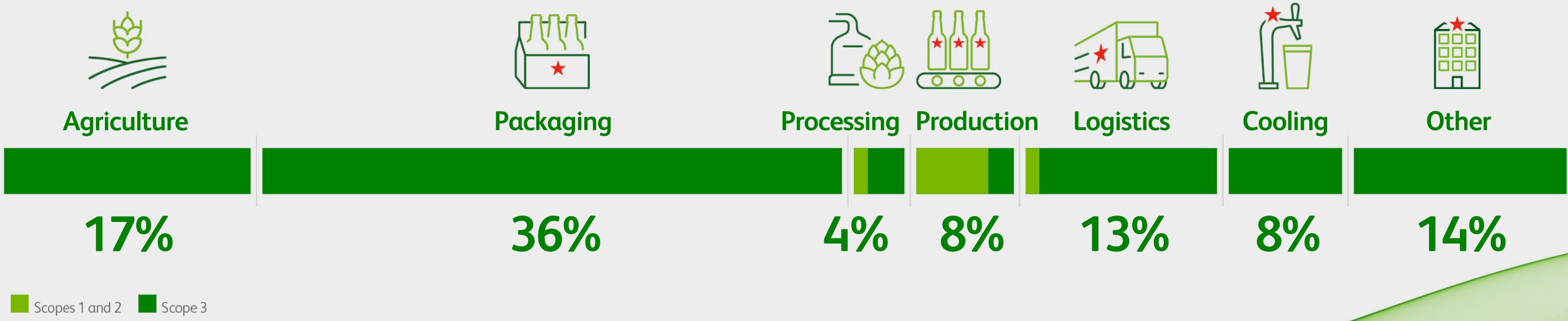
Downstream emissions are generated in bars and restaurants, where refrigeration plays a significant role. Beyond the product lifecycle, our corporate emissions fall into various categories, including capital goods, employee commuting, business travel, and franchise operations. Together, these elements capture the complexity of our carbon footprint and the breadth of our impact.

2024 gross GHG emission total:
15.9 million tonnes CO_2eq

Scope 1:
1.0 million tonnes CO_2eq

Scope 2:
0.1 million tonnes CO_2eq

Scope 3:
14.8 million tonnes CO_2eq



Metrics and targets

The following table outlines HEINEKEN's goals and targets to meet our ambitions as well as metrics to track progress on those goals and targets.

BaBW ambition	BaBW goal	Target	Time horizon target	Metric	Progress 2024	Progress 2023[1]
Reach net zero carbon	**Reach net zero across our value chain by 2040[2]**	Reach net zero in Scope 1, 2 and 3 33% CO_2 reduction in Scope 1, 2 and 3 by 2030	2040	% CO_2eq reduction in Scope 1, 2 and 3 emissions vs. 2022 baseline	-16%	-11%
	Reach net zero in Scope 1 and 2 by 2030[3]	90% CO_2 reduction in Scope 1 and 2	2030	% CO_2 reduction in Scope 1 and 2 emissions vs. 2022 baseline	-34%	-19%
		100% electricity from renewable sources in Scope 1 and 2	2030	% electricity from renewable sources in Scope 1 and 2 in production	84%	77%
	Reduce Scope 3 by 2030	26% CO_2 reduction in Scope 3	2030	% CO_2eq reduction of Scope 3 vs. 2022 baseline	-14%	-10%
		30% CO_2 reduction of Scope 3 FLAG emissions	2030	% CO_2eq reduction of Scope 3 FLAG emissions vs. 2022 baseline	-23%	-2%
		25% CO_2 reduction of Scope 3 non-FLAG emissions	2030	% CO_2eq reduction of Scope 3 non-FLAG emissions vs. 2022 baseline	-11%	-12%

1 2024 is the first year that we measure progress against our 2022 baseline. 2023 progress is based on restated 2023 values.
2 Net zero is defined by SBTi as a minimum of 90% emissions reductions across Scope 1, 2, and 3. A maximum of 10% residual emissions that cannot be eliminated otherwise must be covered with permanent carbon removal and storage solutions.
3 We have defined this goal as a 90% emissions reductions across Scope 1 and 2. A maximum of 10% residual emissions that cannot be eliminated otherwise must be covered with permanent carbon removal and storage solutions.

Reach net zero carbon

Overall, we reduced Scope 1, 2 and 3 emissions by 16% versus our 2022 baseline. Combined Scope 1, 2 and 3 reductions have contributed to overall progress. In 2024, the incorporation of the Distell acquisition in the carbon footprint led to an increase in our Scope 3 emissions versus 2023. However, progress has still been made due to a favourable mix of crop-related raw material usage and packaging supplier decarbonisation efforts.

Scope 1 and 2

We have reduced Scope 1 and 2 emissions by 34% compared to the 2022 baseline. We cannot use a one size fits all approach, and decarbonisation requires precise planning and tailored solutions. We are developing custom strategies for each location which account for geographical, socio-political, technological and economic variations. We continue to implement a toolkit to increase the adoption of renewable electricity, including PPAs, on-site solutions, energy certificates and other mechanisms. After six years of development, we secured two strategic PPAs in Nigeria and implemented renewable electricity solutions in smaller markets like Suriname, the DRC and Peru. In 2024, we used 84% renewable electricity across our global operations. Some of our Renewable Electricity projects allow us to realise cost savings and manage volatile energy prices.

Scope 3

In 2024, we reduced Scope 3 emissions by 14% compared to the 2022 baseline. Both agricultural and energy-based emissions have decreased (FLAG 23% and non-FLAG 11%). The integration of our recent acquisitions in South Africa and India have reshaped our raw material portfolio, using more apples for cider in South Africa and more rice in India. This new portfolio has a lower carbon intensity and contributes greatly to reducing our FLAG emissions. In contrast, integrating these businesses increased packaging emissions, affecting our non-FLAG results. Our packaging supplier decarbonisation programme has softened the impact of these integrations.Through the Supplier Leadership on Climate Transition initiative, we have successfully equipped suppliers to set Science-Based Targets (SBTs). To date, 56 suppliers have established targets, with an additional 18 suppliers joining the programme in 2024. We launched the REfresh Alliance with 10 beverage companies to support suppliers in accelerating the adoption of renewable electricity. We are also working with our suppliers to comply with SBTi FLAG guidance.

Climate change – **Metrics and targets**

For agriculture, the third season of our low-carbon farming pilot programme saw almost 300 projects underway, trialling sustainable farming practices around cover cropping, no-tillage, organic matter use notably and fertiliser application optimisation. There is still much work ahead to establish regenerative agriculture projects at scale globally. Most markets are less developed and scaling up and coordinating efforts will require ongoing collaboration, investment and innovation.

For packaging, we are launching initiatives to support glass and aluminium suppliers with site-specific roadmaps focused on energy efficiency and renewable energy. We are increasing the recycled content in our glass and cans to reduce carbon emissions. In 2024, we conducted six decarbonisation workshops with strategic glass suppliers and mapped over 100 initiatives across Europe, Americas and Africa and the Middle East.

Methodologies and significant assumptions used to define the targets

We use the SBTi methodology to ground our emissions reductions goals in science. This approach helps us to define how much and how quickly we need to reduce our GHG emissions to limit global warming to 1.5°C above pre-industrial levels[1]. HEINEKEN's GHG Accounting standard sets the foundation for our net zero targets. GHG accounting and reporting practices are based on standards and frameworks from leading global organisations including the Greenhouse Gas Protocol. Scope 2 market-based accounting is used to measure performance against our targets. GHG accounting methodology is expected to evolve with updated methodology and guidance.

As part of the critical assumptions for setting GHG emission reduction goals and targets, we considered future developments and how these could potentially impact both our GHG emissions and emissions reductions. While steady progress is made, the road ahead is not always smooth and we anticipate that future carbon reductions will not be linear. As we advance further in our journey, the challenges become more apparent, in view of our large global footprint and the diverse markets in which we operate. For example, complexity around thermal energy infrastructure, significant cost differences across markets, developments in methodologies and carbon removal markets are factors that could impact HEINEKEN's ability to achieve its goals. We refer to page 172 for more details on future developments and how these could potentially impact our emissions and emissions reductions.

Future developments such as shifts in consumer expectations, regulatory factors, market dynamic (renewable energy scarcity) and new technologies are considered as part of our climate-related risks assessment. The impact of an increase in sales volumes is also considered, which is why we are focused on key decarbonisation levers that will reduce our emissions.

[1] HEINEKEN is not excluded from EU Paris-aligned Benchmarks.

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Metrics

Data reported in this section represents metrics in accordance with ESRS requirements. For comparison purposes, we also include further detail on our carbon footprint. These metrics include a breakdown of our carbon footprint and additional metrics to our goals and targets (included in the previous section).

GHG emissions

The table below outlines our overall GHG emissions results. Gross GHG emissions reflect all emissions from our total carbon footprint. HEINEKEN SBTi GHG emissions reflect emissions within our approved SBTi target boundary. The SBTi target boundary excludes less than 5% of our total Scope 1 and 2 emissions and less than 10% of our total Scope 3 emissions compared to the baseline, allowing HEINEKEN to focus targets on activities we are able to influence. Exclusions mainly include CH_4 and N_2O gases and refrigerants in Scope 1 and 2, sorghum crop, rice crop from all sourcing countries except Vietnam and other local crops used in local recipes, capital goods, other logistic activities, e.g., inbound logistics of secondary packaging materials, commercial merchandise, and spare parts, downstream transport and distribution, home cooling of our products, franchises and investments. In the future, we will disclose target values for 2035 towards our 2040 ambition.

Carbon footprint (ktonnes CO_2eq)		Gross GHG emissions 2024	HEINEKEN SBTi GHG emissions 2024	2023 restated[1]	2022 baseline[1]	2030 target	2040 target
Scope 1 GHG emissions		**974**	**933**	**1,014**	**1,100**	**110**	**110**
Scope 2 GHG emissions	Market-based	**117**	**114**	**268**	**482**	**48**	**48**
	Location-based	863	N/A	N/A	N/A	N/A	N/A
Scope 3 GHG emissions		**14,815**	**12,408**	**13,001**	**14,399**	**10,644**	**1,440**
Scope 3 FLAG		2,694	2,394	3,016	3,091	2,164	309
Scope 3 Non-FLAG		12,121	10,014	9,985	11,308	8,480	1,131
	Purchased goods and services	10,188	9,762	10,366	10,561	7,765	1,056
	Capital goods	647	—	—	—	—	—
	Fuel and energy-related activities	271	26	259	305	229	31
	Upstream transportation and distribution	1,720	1,632	1,471	1,522	1,141	152
	Waste generated in operations	30	—	68	85	64	9
	Business travelling	52	52	62	108	81	11
	Employee commuting	77	77	74	38	29	4
	Upstream leased assets	82	82	91	95	71	10
	Downstream transportation	207	—	—	—	—	—
	Use of sold products	1,345	725	571	561	421	56
	End-of-life treatment of sold products[2]	52	52	39	1,124	843	112
	Franchises	57	—	—	—	—	—
	Investments	87	—	—	—	—	—
Total GHG emissions	Market-based	**15,906**	**13,455**	**14,283**	**15,981**	**10,802**	**1,598**
	Location-based	16,652	N/A	N/A	N/A	N/A	N/A

1 Values include UBL and Distell acquisitions.
2 Data improvements allowed for better distinction of packaging emissions between category one and category twelve, explaining the large decrease compared to the 2022 baseline.

In the table above we excluded the linear annual reduction target as per the prescribed ESRS formula. This disclosure would not provide relevant and meaningful insights for stakeholders given that GHG emission reductions are not inherently linear in nature.

Climate change – **Metrics and targets**

The table below outlines Scope 1 emissions from installations in the scope of an EU emission trading scheme (ETS) or non-EU ETS and GHG intensity as a factor of net revenue.

	2024
Scope 1 GHG emissions from regulated ETS (%)	22%
Total GHG emissions per net revenue (tCO_2eq/mEUR)[1]	
Market-based	533
Location-based	558

Biogenic emissions

Biogenic emissions include emissions from combustion of biogenic materials that come from sustainable sources. These emissions are separately reported from the total emissions inventory. Total biogenic emissions from Scope 1 and 2 in 2024 was 525 ktonnes CO_2eq.

Energy consumption and mix

In GWh	2024
Fuel consumption from coal and coal products	181
Fuel consumption from crude oil and petroleum products	1,121
Fuel consumption from natural gas	2,338
Fuel consumption from other fossil sources	263
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	321
Total energy consumption from fossil sources	**4,224**
Total energy consumption from nuclear sources	**0**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	1,301
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,230
Consumption of self-generated non-fuel renewable energy	37
Total energy consumption from renewable sources	**3,568**
Total energy consumption	**7,792**

In MWh/mEUR	2024
Total energy consumption per net revenue[1]	261

Renewable electricity contractual instruments

The market-based method quantifies Scope 2 emissions based on contractual instruments to reflect emissions associated with purchased energy. The share of HEINEKEN's contractual agreements in 2024 is disclosed in the table below.

Contract type (%)	2024
Physical power purchase agreement (PPA)	42%
Virtual power purchase agreement (vPPA)	8%
Energy attribute certificates (EACs)	21%
Other (e.g. retail contracts, specific projects)	29%
Total	**100%**

[1] Total net revenue was used to determine these metrics. Refer to note 6.1 of the financial statements.

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E3: Water – **Strategy**

E3 Water

Our water strategy

Water is not only essential to our products – it's an important resource that supports all aspects of our operations. For decades, HEINEKEN has made water management a core priority, recognising its importance to our business, communities and the environment. Our 2030 water strategy, 'Towards healthy watersheds' is designed to create long-term value in our production processes and go beyond our breweries to actively support the health and sustainability of local watersheds, especially in regions facing water stress.

This strategy is built on three key pillars: water in our production, water in our communities where we operate and water in our supply chain. By adopting a value chain approach, we address water management not only within our own operations but also upstream with our suppliers and within the communities that rely on these water resources.

In 2024, we scored on CDP's '-A list' for Water.

Key 2030 ambition areas behind healthy watersheds

Water in our production

Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl worldwide

We focus on managing water in our production process through three key areas: water efficiency, water reuse and recycling, and wastewater treatment.

We aim to improve water efficiency by implementing practices that reduce, reuse and recycle water for alternative purposes, with a particular emphasis on water-stressed areas. We focus on fostering the right culture to implement water best practices and invest in advanced water-saving technologies and process optimisations across our sites.

Where possible, we integrate circular water systems, allowing us to further reduce water withdrawals and improve resilience against future challenges. We are working to efficiently treat wastewater to prevent potential environmental impacts, such as eutrophication, following discharge. By doing this, we aim to preserve the health of the watersheds where we operate to protect local ecosystems, maintain regulatory compliance, and support our broader sustainability goals.

Water in our communities

Fully balance water used in our products in water-stressed areas

We recognise that water challenges vary by location and understanding the local context is essential in defining relevant water balancing activities.

We aim to replenish 1.5 litres of water to the local watershed for every litre of beer we sell. To achieve this, we implement a variety of interventions, including nature-based solutions such as land conservation and ecosystem restoration. Additionally, we invest in infrastructure enhancements and projects to reduce water loss, such as mitigating leakage, to improve the reliability of water supply.

As part of our efforts to support communities, we implement targeted programmes to improve access to safely managed water where it is most needed, particularly in regions facing water stress.

To ensure our efforts deliver measurable impact, we employ the Volumetric Water Benefit Accounting (VWBA) methodology, a globally recognised standard developed by the World Resources Institute (WRI). This standard helps us track and validate the outcomes of our water stewardship efforts.

Water in our supply chain

100% Sustainably sourced ingredients (hops, barley)

Water stewardship within our supply chain is a cornerstone of our sustainability strategy, as agriculture accounts for nearly 90% of our total water footprint. Barley, our primary crop, is naturally water-efficient and typically rainfed, which reduces the need for irrigation in most regions.

However, in certain sourcing areas, structural irrigation is required to maintain soil moisture, and we anticipate that this need will grow due to changing environmental conditions. We assess water in sourcing locations using the Sustainable Agriculture Initiative (SAI) global principles, with water management being a key area of assessment.

Through SAI, we aim to reduce water use, treating wastewater from farming activities and promoting responsible water management practices across our supply chain.

Please see the Resource use and circular economy section for more details on sustainably sourced hops and barley.

Understanding our material impacts, risks and opportunities

For our approach on determining impacts, risks and opportunities related to water, see General information section.

Screening of assets and activities

HEINEKEN has assessed water risks across its breweries and beyond since 2010. Our three-step approach to assessing water risks comprises internal and external evaluations and verification.

Step 1:
Water security Self Assessment
Annually

On an annual basis, all our operating companies conduct a local water security assessment. This is to indicate the status of water quantity, water quality and water availability on site and to identify water risk locally, including areas of high-water stress, to ensure remedial efforts are in place.

Step 2:
Global Water Risk Screening
Every 5 years

Every five years, and whenever we have new consolidated facilities, we perform a comprehensive water risk assessment for all operations known as a Global Water Risk Screening. For this, we use a water risk mapping tool developed by the WRI called Aqueduct to identify sites located in areas of high-water risk including areas of high and extremely high-water stress as defined by ESRS. In addition, we include geospatial data as an extra layer to better understand water risks that are not accessible through the WRI tool.

Water risk idenified?
Yes

Step 3:
Source Water Vulnerability Assessment (SVA)
Ad-hoc

If steps 1 or 2 identify a water risk for specific sites, a local SVA is conducted by a third-party specialist, to confirm water risk conditions in local areas where we operate and where we source water from. The subset of sites resulting from this process are referred to as 'water-stressed sites'. These sites have been identified as a priority in terms of our 'Towards healthy watersheds' strategy for the period up to 2030.

In 2023, we extended our Global Water Risk Screening from our manufacturing facilities to our top agricultural suppliers and primary sourcing areas. This yielded valuable insights into regions experiencing water stress and into the maturity of our suppliers in managing water resources. This initial screening was complemented with a broader assessment of our key suppliers following guidance provided by the Science Based Targets Network (SBTN), which focuses on both water quantity and quality, to identify priority sourcing countries that require action (steps 1 and 2 of the methodology).

Engaging with our watershed stakeholders

Each watershed is unique, shaped by the ecosystem and biodiversity it supports as well as local governance, stakeholders and community needs. Our sites must take a contextual approach to managing water risks, based on local circumstances, and progress may be faster and more straightforward in some locations than others.

As part of our SVAs, we evaluate if a manufacturing facility's water intake affects the availability and/or the quality of water for the people in the local community and ecosystems. We then identify the relevant stakeholders and assess their interests and potential for a partnership around water management activities.

Water-stressed areas

Based on our approach, we identified 41 sites in water-stressed areas and these are a priority for our strategy until 2030. This will build resilience to water unavailability, avoid business disruptions and improve water quality.

Policies

HEINEKEN has an Environmental Policy in place to address our material impacts, risks and opportunities related to water.

Environmental Policy

Background	Key content	Scope	Accountability
To outline the guiding principles, ambitions and internal policies established across the business to support our environmental goals, manage risks, and enable accelerated action and innovation.	The Environmental Policy outlines aspects relevant to HEINEKEN's 'Towards healthy watersheds' strategy. It provides the overarching framework to address water management, including: – Maximising water reuse and recycling – Treatment of wastewater – Water balancing in water-stressed areas – Sourcing of water sustainably Additionally, it addresses the minimisation of water usage in our production processes, including in areas at water stress, by integrating advanced water-efficient practices and technologies. The policy is made available to stakeholders via our website.	The policy applies to all HEINEKEN management, employees and contract workers across our operating companies and global functions.	Global Corporate Affairs is responsible for updating this document as necessary, incorporating input from relevant stakeholders to reflect the latest external standards, legal developments and best practices.

HEINEKEN does not have a policy or practices related to sustainable oceans and seas. This is not applicable to HEINEKEN because our operations are largely land-based. We do not, at relevant scale, extract seawater or raw materials from the ocean or discharge into seawater.

Actions and resources

The table below highlights the key actions taken and planned to prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities relevant for water. The activities relevant to many of these actions play a critical role in achieving our ambitions and policy objectives.

Key actions	Related activities	Value chain scope	Affected stakeholder groups	Expected outcome, including relation to areas of water risk, including areas of water stress	Time horizon
Improve our understanding of water risks in our supply chain	– Expanded the scope of our risk assessment to cover the upstream value chain, following the guidance outlined in SBTN methodology and other industry-wide standards. Our focus is on addressing the impacts of water quantity and quality within our value chain.	Own operations and upstream value chain	Production, agriculture suppliers	Identified priority sourcing countries requiring focused action to improve water efficiency and quality. As a result, we will integrate measures to address both water quantity and quality and expand our regenerative agriculture efforts in these regions as part of our existing sustainable agriculture programmes.	Completed in 2024
Reduce average water usage	– Developed Water Efficiency Acceleration Programme with cleaning and disinfection suppliers, leading to a number of water-saving projects worldwide. While implementing the water-saving projects, we also collaborate with equipment manufacturers to supply water-saving technologies to our facilities. – Share water efficiency opportunities as part of the Good Practice Programme.	Own operations	Production	Reduce average water usage across operations with a particular focus on water-stressed areas, minimise environmental impact of water withdrawal in water-stressed areas and realise financial savings.	Continuous
Wastewater treatment	– Strengthen controls to optimise wastewater treatment plants and comply with regulatory requirements and wastewater treatment effluent discharge limits. – Enhance wastewater treatment capabilities globally and regionally by cross-sharing best practices for wastewater treatment.	Own operations and downstream value chain	Production, communities	Prevent potential environmental impacts from discharge by treating wastewater in all facilities and reduce the risk of water pollution to watersheds and downstream users.	Continuous
Increase internal and external water reuse and recycling	– Identify and implement opportunities for water reuse across our sites and externally, while establishing industry collaborations. – Developed principles for greenfield projects to guide the design of water treatment sites, prioritising reduced water usage through enhanced efficiency, reuse and advanced treatment processes.	Own operations and downstream value chain	Production, external partners	Reduce water required per litre of beverage by decreasing demand for freshwater at the watershed level. Create healthier watersheds by maximising water circularity, prioritising water-stressed areas.	Continuous
Fully balance water used in our products in water-stressed areas	– Added three fully water-balanced water-stressed sites in Indonesia in 2024, bringing the total to 12 fully water-balanced sites. – Accelerate partnerships to achieve water balance across our 41 water-stressed sites. – Promote collective action where possible, including in Mexico and Indonesia. – Provide access to safely managed water for communities in targeted countries using interventions based on local needs.	Own operations, upstream value chain and downstream value chain	Production, external partners	Increase volume of water replenished to watersheds in water-stressed areas and through this, fully balance water used in our products in water-stressed areas.	Continuous

Allocation of resources

The actions above are supported through CapEx and OpEx investments. Our sustainability investments underlying our sustainability strategy are embedded in how we run our business and how we have designed our (operational) processes. For water our investments relate, among others, to the set-up and operation of wastewater treatment plants and/or water reclamation plants as part of our brewery design. Our water-related capital expenditures primarily focus on establishing and operating water reclamation plants, such as the one in Mexico, upgrading water treatment plants, and reducing losses in the UK and the Netherlands. Additionally, we have invested in wastewater treatment plants in Nigeria and Burundi.

These investments most often form part of larger investments, and have in most cases multiple objectives of which sustainability is only one of them. It would require significant judgement to identify the incremental financial investment associated with specific sustainability objectives. In our view, the current ESRS guidance provides insufficient detail and clarity (e.g. what is considered to be sustainability-related CapEx and OpEx) to prepare a monetary disclosure that supports consistent and reliable reporting across companies.

In addition, we recognise that our future spend is subject to business, regulatory, government or other developments, which could influence the level of spend on capital expenditure. While we monitor these uncertainties and adjust our strategies where possible to minimise potential disruptions, the inherent unpredictability of these external factors means that some degree of uncertainty will always be present. We remain committed to managing these challenges as effectively as we can, making decisions that consider both our immediate needs and long-term goals while recognising the limitations imposed by external circumstances.

Collaborating with stakeholders

Many different users tap into shared water resources and maintaining the health of the watershed requires collective multi-stakeholder action. We collaborate through local and global alliances to increase our reach and scale our positive impact. We work with like-minded partners to advance watershed protection in water-stressed areas.

Partnerships for change

We have been a member of the UN Global Compact CEO Water Mandate since 2009 and joined its Water Resilience Coalition upon its foundation in 2020. This industry-driven, CEO-led coalition aims to build water resilience across global operations and supply chains and to achieve a collective positive water impact in at least 100 vulnerable water basins by 2030.

We are also part of the Beverage Industry Environmental Roundtable (BIER), a technical coalition of leading global beverage companies working together to advance environmental sustainability within the beverage sector.

We are also actively involved in Water, Sanitation and Hygiene (WASH) projects in several countries, including Myanmar and India, and we participate in local water funds and alliances around the world, including in Mexico and Indonesia.

Metrics and targets

HEINEKEN has established an ambition 'Towards healthy watersheds and nature' that is underpinned by three goals[1] and targets which address the material impacts, risks and opportunities relevant to water. The goals and targets guide our key actions and activities outlined previously in the 'Actions and resources' section.

The following table outlines HEINEKEN's goals and targets to meet our ambitions as well as metrics to track progress on those goals and targets.

BaBW ambition	BaBW goal	Target	Time horizon target	Metric	Progress 2024	Progress 2023
Towards healthy watersheds and nature	**Reduce average water usage to 2.6 hl/hl in water-stressed areas by 2030**	Reduce average water usage to 2.6 hl/hl in water-stressed areas	2030	Average water usage in water-stressed areas (hl/hl beverage produced)	3.0	3.0
	Reduce average water usage to 2.9 hl/hl worldwide by 2030	Reduce average water usage to 2.9 hl/hl worldwide	2030	Average water usage worldwide (hl/hl beverage produced)	3.1	3.2
	Fully balance water used in our products in water-stressed areas by 2030	Reach 100% water balancing in our products in water-stressed areas	2030	% of sites in water-stressed areas 100% water balancing	29%	28%

Towards healthy watersheds and nature

By improving our water efficiency globally and in water-stressed areas, we will increase our resilience against water unavailability and business disruptions. By minimising water usage, we decrease the volume of water withdrawals, helping to alleviate pressure on freshwater sources, particularly in regions facing water scarcity or environmental stress. We aim to maximise reuse and recycling to reduce the need for increased water withdrawals in water-stressed sites. In addition, our aim is to fully balance water we put in our products in water-stressed areas. This means that we will return to the local watershed every litre of water that goes into our product.

In 2024, our global average water usage was 3.0 (hl/hl beverage produced) in water-stressed areas and 3.1 (hl/hl beverage produced) across all our breweries, achieving an 11% reduction versus the 2018 baseline (12% reduction when adjusted for acquisitions and divestitures). We expanded our water efficiency acceleration programme in collaboration with cleaning and disinfection suppliers. The programme is active at 56 sites spanning all regions and is delivering results, such as in Italy and Brazil where water use is down by 13% and 9%, respectively. We share best practices from the programme on our global platform enabling production sites to learn, share and reapply them across the company. Advanced technologies and water treatment optimisation are also delivering results across many sites, including in Mexico and Ethiopia. In Myanmar, a shift in water treatment saved around 1.0 hl/hl and in Cambodia, adjusting the source of water withdrawal delivered a 0.4 hl/hl reduction in water use.

In 2024, 29% of sites in water-stressed areas were fully balanced. As the number of sites in scope increases, it is harder to achieve our goals and we are challenged to think creatively and to partner with diverse stakeholders to identify projects and drive collective action. Following water risk assessments in India and France, we increased the number of water-stressed sites from 32 in 2023 to 41 in 2024. Of these 41 sites, 36 have started water balancing projects and 29% are fully water balanced.

Methodologies and significant assumptions used to define the targets

Our goals and targets were established based on both internal and external factors. For water usage, internal considerations include our performance during the baseline year (3.5 hl/hl in 2018), feasibility of improvements given technological advancements and annual investment capacity, project lead times and forecasted business growth. Externally, we considered peer performance and industry targets set for similar timeframes, using as a reference Sustainable Development Goal 6, sustainability frameworks and guidance from the BIER and the CEO Water Mandate. For water balancing, the volumes replenished through our initiatives are calculated using VWBA methodology.

[1] HEINEKEN's water goals are voluntary, not mandatory (required by legislation).

Metrics

Data reported in this section represents metrics in accordance with ESRS requirements. These metrics are additional to our goals and targets (included in the previous section).

Water consumption

Water consumption is the amount of water drawn (water withdrawals) into the boundaries of a HEINEKEN production site and not discharged back (water discharge) to the water environment or a third party over the course of the reporting period. As such, water consumption consists of the water in the produced beverage, but also in other products like co-products such as spent grain and yeast.

Water withdrawal is the total volume of water sourced from public water utilities and our own wells, used across all manufacturing operations, whereas water discharge refers to the volume of water returned to the environment after treatment in our operations.

Water consumption (in million m^3)	2024
Total water consumption	34
Total water consumption in areas at water risk, including areas of high water stress	15

In 2024, water intensity as a factor of revenue (total water consumption per net revenue) was 1.15 thousand m^3/mEUR[1].

Recycling and reusing water

Water reuse and recycling involves repurposing water already used in processes within our facilities. This internal reuse reduces fresh water demand by circulating treated water back into the same or different processes.

By the end of 2024, HEINEKEN was operating 26 water reclamation plants (2023: 23) as well as eight sites that treat and reuse wastewater for general cleaning to reduce our reliance and impact on freshwater. Most of these plants are related to our breweries in India. The total amount of water reused and recycled in 2024 was 2.19 million m^3. This amount represents water reused and recycled that can be accurately measured from water reclamation plants and other treated effluent reuse on-site.

[1] Total net revenue was used to determine these metrics. Refer to note 6.1 of the financial statements.

E5: Resource use and circular economy – **Strategy**

E5

Resource use and circular economy

Our circularity and sustainable agriculture strategy

By embedding circular principles throughout the value chain, we can reduce environmental impacts and conserve resources. Transitioning to a circular economy is important to HEINEKEN, as it reduces our reliance on finite resources, addresses supply risks and avoids negative externalities rising from waste. Improving circularity will play a significant role in reducing our Scope 3 carbon emissions, of which packaging accounts for the largest share.

For the purpose of alignment with ESRS, sustainable agriculture is disclosed in this section. Our sustainable agriculture strategy supports our approach on carbon, water and social impact in our value chain. It focuses on sustainable sourcing of key ingredients (hops, barley) in line with the Sustainable Agriculture Initiative (SAI) global principles. This is a lever for reducing our Scope 3 carbon emissions and improving water stewardship in our supply chain.

Key 2030 ambition areas behind maximise circularity

Reusable packaging

43% of volumes in reusable format

We are focusing on increasing the use of reusable packaging for our products to reduce the demand for new packaging materials.

To achieve this goal, we will need to co-create efficient return infrastructure that drives consumer participation, while addressing logistical and operational hurdles. Additionally, reusable packaging will need to be attractive to consumers, requiring a thoughtful balance of convenience, design and sustainability.

Recycled content

50% recycled content in bottles and cans

To close the loop on our packaging, we aim to optimise can-to-can recycling by collaborating with our value chain to maintain a high-quality, segregated stream of used beverage cans for our suppliers. Additionally, we are working to improve glass recycling rates in key markets to increase the recycled content in glass bottles.

Many markets lack the infrastructure or systems to support efficient collection and high-quality recycling. To address this, we advocate for well-designed extended producer responsibility (EPR) legislation that aims to improve collection rates and promotes recycling materials in a closed-loop system, minimising downcycling and waste leakage.

Recyclable by design

99% of all packaging is recyclable by design

We are dedicated to making 99% of our packaging fully recyclable by design, which goes beyond just selecting recyclable materials. This involves a comprehensive and also complex approach, where recyclability is seamlessly integrated into every stage of our product development process, from concept to final design. We are working to establish clear recyclability standards that guide innovation, so that packaging not only meets sustainability goals but also aligns with the latest industry best practices.

Key ambition area behind nature

Sustainable agriculture

100% sustainably sourced ingredients (hops, barley)

We aim to leverage sustainable sourcing of ingredients for the brewing of our beer and other beverages. By promoting sustainable farming in line with SAI principles, we aim to increase the proportion of our key ingredients – barley and hops – that are sustainably sourced.

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Other Information

Understanding our material impacts, risks and opportunities

For more information on HEINEKEN's resource use and circular economy-related impacts, risks and opportunities, see the General information section.

Policies

HEINEKEN has an Environmental Policy in place to address our material impacts, risks and opportunities related to circularity.

Environmental Policy

Background	Key content	Scope	Accountability
To outline the guiding principles, ambitions and internal policies established across the business to support our environmental goals, manage risks, and enable accelerated action and innovation.	The Environmental Policy outlines aspects relevant to HEINEKEN's circularity strategy, including: – Transitioning away from the use of virgin resources through requirements and procedures to ensure packaging materials, including recycled materials, are safe for reuse. – Sustainable sourcing through defined actions for HEINEKEN and its suppliers, with the aim to ensure accurate and compliant reporting. Expectations for suppliers are communicated through the Supplier Code. The policy is made available to stakeholders via our website.	The policy applies to all HEINEKEN management, employees, and contract workers across our operating companies and global functions.	Global Corporate Affairs is responsible for updating this document as necessary, incorporating input from relevant stakeholders to reflect the latest external standards, legal developments and best practices.

Sustainable sourcing of agricultural materials – principles and procedures

Background	Key content	Scope	Accountability
To identify which actions need to be taken to ensure that HEINEKEN can verify that the sustainable sourcing tonnage amounts reported are accurate.	The HEINEKEN Sustainable Sourcing Procedures define three processes: – How to produce sustainably cultivated crops (farm level) – How to provide sustainably sourced materials to HEINEKEN (supplier) – How sustainable volumes are administered and claimed by HEINEKEN (HEINEKEN) Details of the procedures are communicated to suppliers.	The procedures apply from farm to HEINEKEN and include all intermediary processors and/or traders.	The implementation of principles and procedures of SAI are overseen by our Senior Director Global Procurement. We regularly evaluate our SAI principles and procedures to ensure they still embody our values and align with our Company strategy.

Actions and resources

The table below highlights the key actions taken and planned to prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities relevant to resource use and circular economy. The activities relevant to many of these actions play a critical role in achieving our ambitions and policy objectives.

Key actions	Related activities	Value chain scope	Affected stakeholder groups	Expected outcome	Time horizon
Increase volumes sold in reusable packaging	– Identify key markets with the potential to increase share of reusable packaging and develop implementation roadmaps – Support markets with insights into consumer behaviour to increase uptake of reusable packaging – Build and expand capabilities related to reusable packaging management to maximise efficiency of the system, e.g. reduce losses – Engage in advocacy to create conducive legislative environment for reusable packaging and align on system design with key stakeholders	Own operations, upstream value chain and downstream value chain	Production, packaging suppliers, logistics, customers	Reduce Scope 3 emissions for packaging, mainly driven by reduced reliance on virgin materials Minimise packaging waste sent to landfill by implementing efficient systems with high return rates Commercial and financial benefits from reusable business model	2030
Increase volume of closed-loop recycled content in primary packaging	– Identify key markets with the potential to increase recycling rates and build implementation roadmaps together with external stakeholders – Engage with all global suppliers to have visibility on their roadmaps to increase the share of recycled content – Advocate for closed-loop recycling and well-designed extended producer responsibility (EPR) schemes	Own operations, upstream value chain and downstream value chain	Production, packaging suppliers, customers	Reduce Scope 3 emissions from packaging, mainly driven by a reduced reliance on virgin materials and by an increase in recycling rates Reduce waste to landfill from consumers	2030
Create packaging that is recyclable by design	– Design packaging to be compatible with a recycling stream that has been successfully proven to work at scale in a representative market for the Company – Procure packaging materials that are technically designed to fit into a recycling stream that has been proven to work at scale in a representative market for the Company – Integrate recyclable by design standards in the innovation process	Own operations, upstream value chain and downstream value chain	Production, packaging suppliers, local authorities, NGOs	Reduce waste to landfill by consumers	2030
Reduce waste to landfill from production sites	– Reduce waste going to landfill and improve circularity by focusing on adequate management of waste products – Work with local stakeholders to improve waste management – Implement innovative solutions to reuse waste co-products from our own operations	Own operations and downstream value chain	Production, customers, local authorities	Reduce waste to landfill from own operations	Continuous
Increase sustainably sourced raw materials	– Work with suppliers to sustainably source crops through enhanced farming practices – Engage our suppliers to adopt SAI principles and obtain certification	Own operations and upstream value chain	Production, agriculture suppliers, procurement	Reduce carbon and water impact by applying low carbon farming practices.	Continuous
Monitor new environmental regulation	– Monitor and advocate for effective and harmonised environmental regulations related to packaging such as EPR and deposit return schemes (DRS) – Increase awareness and preparedness to meet regulatory requirements	Own operations, upstream value chain and downstream value chain	Production, packaging suppliers, customers	Respond effectively to impact, speed and costs of new environmental regulations	Continuous

Allocation of resources

The actions above are supported through CapEx and OpEx investments. Our sustainability investments underlying our sustainability strategy are embedded in how we run our business and how we have designed our (operational) processes. For circularity, our investments relate, among others, to the implementation of collection systems in countries where this does not yet exist, complying with environmental regulations on EPR and DRS, transitioning towards packaging which is recyclable by design and increasing our share of reusable bottles. Exemplary for this are our recent investments in glass collection and sorting centres in Brazil and ongoing investments behind our 2024 launch of reusable bottles in South Africa.

These investments most often form part of larger investments, and have in most cases multiple objectives of which sustainability is only one of them. It would require significant judgement to identify the incremental financial investment associated with specific sustainability objectives. In our view, the current ESRS guidance provides insufficient detail and clarity (e.g. what is considered to be sustainability-related CapEx and OpEx) to prepare a monetary disclosure that supports consistent and reliable reporting across companies.

In addition, we recognise that our future spend is subject to business, regulatory, government and other developments, which could influence the level of spend on capital expenditure. While we monitor these uncertainties and adjust our strategies where possible to minimise potential disruptions, the inherent unpredictability of these external factors means that some degree of uncertainty will always be present. We remain committed to managing these challenges as effectively as we can, making decisions that consider both our immediate needs and long-term goals while recognising the limitations imposed by external circumstances.

Metrics and targets

The following table outlines HEINEKEN's goals and targets to meet our ambitions as well as metrics to track progress on those goals and targets.

BaBW ambition	BaBW goal	Target	Time horizon target	Metric	Progress 2024	Progress 2023[1]
Maximise circularity	**43% of volumes sold in reusable format by 2030[2]**	43% of volumes sold in reusable format	2030	% of volumes sold in reusable format	39%	-
	50% recycled content in bottles and cans by 2030[3]	50% recycled content in bottles and cans	2030	% of recycled content in bottles and cans	44%	-
	99% of all packaging is recyclable by design by 2030[4]	99% of all packaging is recyclable by design	2030	% of packaging recyclable by design	98%	-
Nature	**100% sustainably sourced ingredients (hops, barley) by 2030[5]**	100% sustainably sourced ingredients (hops, barley)	2030	% sustainable volume (hops, barley)	75%	77%

1 When goals were introduced in 2024 no 2023 results are included.
2 Relates to circular material use rate and the waste hierarchy level, preparation for reuse.
3 Relates to the minimisation of primary raw material and the waste hierarchy level, recycling.
4 Relates to the increase of circular product design and the waste hierarchy level, recycling.
5 Relates to sustainable sourcing and use of renewable resources and is not relevant to a specific waste hierarchy level.

Maximise circularity

2024 is the first year of disclosing performance on our circularity goals and targets. As a result of this, and because our performance is measured against an absolute goal and target, we are not able to compare our performance to prior year results.

In 2024, 39% of product volumes were sold in reusable formats. Increasing our performance in this area is driven by transitioning to reusable formats. For example, we launched the innovative returnable Heineken® STAR bottle in South Africa which contributed positively to our performance. Another important driver is volume growth or acquisitions in markets with high reuse share. Reusable packaging brings greater complexity in quality management, logistics, and value chain operations, requiring a significant capability shift to achieve our goal. Wider adoption demands a systemic transformation, involving collaboration to co-create efficient return infrastructures, drive consumer participation, and address logistical and operational challenges. Expanding our reusable portfolio requires us to ensure reusable packaging is appealing and convenient for consumers, featuring efficient and attractive design.

In 2024, our portfolio consisted of 44% recycled content in bottles and cans (44% in glass bottles and 47% in aluminium cans). The recycled content of our packaging portfolio is mainly driven by suppliers, and we are engaging in negotiations and partnerships with them to achieve our goal. We also aim to increase the probability that packaging is recycled and collected in practice. This will increase the amount of material available to produce packaging with recycled content. To increase recycled content in glass packaging in Brazil, HEINEKEN and Ambipar launched a partnership in 2024 to develop a collection and sorting system. The lack of infrastructure for efficient collection, as demonstrated in Brazil, and high-quality recycling in many markets underscores the need for well-designed EPR legislation to improve collection rates, enable closed-loop recycling, reduce downcycling and waste leakage.

98% of our packaging is recyclable by design by the end of 2024. Most of our packaging is already recyclable by design and can be recycled at scale across the globe. Our two main challenges are to improve the recyclability of secondary plastic packaging and other non-recyclable packaging which includes a variety of packaging types used in small volumes. To do so we need to improve packaging designs and recycling at scale through market interventions.

In prior years, our BaBW strategy contained a goal on Zero Waste to Landfill for all our production sites. While we have made good progress diverting more than 99% of our total waste volume from landfill, closing the gap remains challenging for the last sites representing less than 1% of the total waste. Closing the gap on these remaining sites is difficult due to local complexities e.g. in remote areas, where finding alternative solutions is more challenging. While it remains an area of focus, we have decided to remove this as an external goal. We will externally report our overall progress on production waste to landfill as part of our required ESRS disclosures.

Resource use and circular economy – **Metrics and targets**

Nature

In 2024, 75% of hops and barley was sustainably sourced. This is a slight decrease from the prior year (77%) due to a new methodology applied to more accurately measure sustainably sourced ingredients. Instead of determining sustainably sourced ingredients based on contracted future volumes, we obtained confirmation directly from suppliers of sustainable volumes delivered in 2024.

In Mexico, we started our journey to sustainably source barley in 2018. This year, 40 suppliers applying sustainable farming practices delivered 62% of the volume. The local production plan involves training, on-site consulting and internal audits. Mexico also partners with Malteurop, aiming to reduce the volume of water used to irrigate barley while respecting yield and quality.

Methodologies and significant assumptions used to define the targets

We are taking action to address the material impacts, risks and opportunities relevant to resource use (crop-related raw materials) and circularity guided by goals, plans and roadmaps. To define these ambitions, goals and targets[1], we engaged with internal stakeholders, industry peers, suppliers and leading organisations in the field of circular economy and sustainable agriculture. This enabled us to better understand industry best practices. Our circularity goals are aligned with the principles of the Ellen MacArthur Foundation[2]. Our circularity goals go beyond compliance with evolving packaging legislation across the globe. We are at the beginning of our circularity journey and this is the first year we will report our progress on circularity goals and targets.

We base our standards for sourcing sustainably cultivated crops on the globally recognised SAI principles. This requires the efficient production of safe, high-quality agricultural products in a way that protects and improves the natural environment, enhances the social and economic conditions of farmers, their employees and local communities, and safeguards the health and welfare of farmed species.

1 Our circularity and resource use (sustainable agriculture) goals are voluntary, not mandatory (required by legislation).
2 Ellen MacArthur Foundation is a leading non-profit organisation that produces evidence-based research on circular economy.

Metrics

Data reported in this section represents metrics in accordance with ESRS requirements. These metrics are additional to our goals and targets (included in the previous section).

Resource inflows

Key resource inflow materials include biological materials such as product ingredients (malt, hops, sweeteners, etc.) and technical materials such as packaging (cans, kegs, glass bottles, etc.). Other materials consists of raw materials that do not classify as biological (adjuncts, stabilisers, etc). Water is also a key raw material in our production process and is covered in the Water section.

Inflow material (ktonnes)	2024
Products and technical materials	3,847
Biological materials	7,680
Other materials	241
Total weight of products and technical and biological materials	**11,768**

Sustainable sourcing

Biological materials sustainably sourced (%)	2024
All crop-related raw materials	54%

In addition to hops and barley, we measure other product ingredients that are sustainably sourced, such as maize, wheat and sugar cane. This metric reflects other crop-related materials as well as hops and barley. In 2024, new methodology was applied to all crop-related raw materials. Instead of determining sustainably sourced ingredients based on contracted future volumes, we obtained confirmation directly from suppliers of sustainable volumes delivered in 2024.

Currently, we do not classify any paper or cardboard as sustainably sourced, as we have not yet published a sustainable sourcing strategy for paper-based materials. We are working to develop this strategy that will address our FLAG targets and upcoming EU Deforestation Regulation (EUDR). Effective measurement of sustainably sourced paper-based materials will require extensive engagement with suppliers and compliance with appropriate credible standards and certifications.

Packaging

Reused and recycled input material	2024 ktonnes	2024 %
Reused input material	709	16%
Recycled input material	1,363	31%
Total reused and recycled input material	**2,072**	**47%**

Reused input materials were purchased during the year to facilitate the growth of our reusable portfolio and replace reusable bottles lost in the market. This metric does not incorporate the management of reusable packaging that is currently in use in the market. We internally track rotation times and losses to improve the efficiency of our reusable packaging portfolio. Improving this efficiency will reduce costs, waste and carbon emissions.

Recycled input material weights are obtained from our suppliers through questionnaires or contracts. In addition to this, we ask suppliers for strategy roadmaps which allow us to refine our strategy towards our goal of 50% recycled content in bottles and cans.

The table above reflects reused and recycled input rates based on the total inflow of packaging materials. The share of reused and recycled input material as a % of the total weight of products and technical and biological materials is 18%.

Products and waste

Products and materials

As our beverages are designed for human consumption, packaging is the key aspect of our product that can be designed in line with circular principles. Whether packaging can be classified as recyclable is determined by assessing if it meets all three criteria:

- It can be recycled at scale – proven by effective recycling of 30% at a representative country level.
- It does not negatively affect other recycling streams.
- At least 90% of multi-material packaging by weight needs to be recyclable.

Recyclable by design packaging in our portfolio mainly includes glass bottles, returnable kegs, aluminium cans, cardboard, crates, high-density polyethylene (HDPE) and steel caps.

Recyclable by design (%)	2024
Rates of recyclable content in products and their packaging	98%

The challenges we need to tackle to improve the recyclability of our packaging portfolio include:

- Shrink films and other secondary plastic packaging: Confirming that these types of packaging are recycled in practice is an industry-wide challenge. We are working with the value chain and our peers to increase the probability that secondary plastic we use is recycled in practice.
- Other non-recyclable packaging (small volumes and variety of packaging types): Other non-recyclable packaging represents less than 1% of our total packaging weight. We will create a plan for these packaging types to change their design or help facilitate collection and recycling in practice.

We recognise that packaging that is recyclable by design does not guarantee it will be recycled in practice. To address this, our recycled content goal focuses on increasing the likelihood of recycling by supporting robust collection systems, raising consumer awareness on proper disposal and collaborating with industry stakeholders to close the loop.

Post-consumer packaging waste

We acknowledge that, despite our efforts to maximise recyclability of our packaging, it may not be recycled by consumers in practice. We included the impact of indirectly contributing to landfill waste through consumers in our Impacts, Risks and Opportunities table, see pages 161-162. The ESRS waste metrics are applicable to waste from own operations (production waste) and do not reflect waste resulting from consumers (downstream value chain). For 2024 reporting, HEINEKEN has made use of the value chain exemption. In the future, we will report entity specific metrics to reflect waste disposed of by our consumers.

Production waste

HEINEKEN is focused on adequate management of waste products, reducing waste to landfill and improving circularity in our breweries. We focus on giving waste a second life by prioritising reuse, recycling and recovery. Our production outflows include the following categories:

- Preparation for reuse: Materials are reused for their original purpose.
- Recycling: Materials are reprocessed for other uses such as human consumption, animal feed, etc.
- Other recovery operations: Waste is converted into energy such as biogas.
- Incineration: Waste is incinerated without energy recovery.
- Landfill and other disposal: Waste is sent to landfill. Third-parties contracted by us, may use other disposal methods (e.g. deep injection).

The primary waste streams are food and packaging waste. The composition of our waste mainly includes sludge waste (e.g. anaerobic sludge, aerobic sludge), packaging waste from own operations (e.g. plastic, glass), and co-products (e.g. surplus yeast, spent kieselguhr, brewer's grains).

Waste is classified as hazardous if it contains substances that are explosive, flammable, toxic, corrosive or otherwise harmful to people or the environment. Hazardous materials could include waste such as batteries, paint and hydraulic oils. In 2024, HEINEKEN produced no radioactive waste.

Co-products and waste hierarchy (ktonnes)			2024	2023[1]
Destination	Non-hazardous	Hazardous	Total	Total
Preparation for reuse	81	0	81	28
Recycling	4,530	2	4,532	4,575
Other recovery operations	71	1	72	92
Total amount of weight diverted from disposal	**4,682**	**3**	**4,685**	**4,695**
Incineration	3	0	3	8
Landfill and other disposal operations	52	1	53	63
Total amount of weight directed to disposal	**55**	**1**	**56**	**71**
Total amount of waste generated	**4,737**	**4**	**4,741**	**4,766**

[1] 2023 restated

Non-recycled waste refers to the total waste that is not diverted to disposal through preparation for reuse or recycling. In 2024, the total amount of non-recycled waste was 128 ktonnes (3% of total waste).

Biodiversity

Building our biodiversity approach

We recognise the intrinsic link between our business and biodiversity, which is why we are in the process of developing an approach for biodiversity. Many of our current BaBW 2030 goals play a role in addressing biodiversity through sustainable sourcing, water balancing, reducing carbon emissions and increasing circularity. Based on our double materiality assessment, biodiversity was not identified as material for HEINEKEN. However, in this section we disclose in line with mandatory ESRS requirements on the processes used to identify biodiversity and ecosystem-related impacts and dependencies across our value chain. Knowing our impacts and dependencies forms part of the building blocks to shape an approach for addressing biodiversity.

Understanding our material impacts, risks and opportunities

Identifying nature-related impacts and dependencies

Our biodiversity and ecosystem-related impacts mainly come from sourcing raw materials and operating breweries and malting plants.

At the end of 2023, we conducted an initial scan of our dependencies on biodiversity and ecosystems using 'ENCORE', a tool that helps organisations explore their exposure to nature-related risks, dependencies and impacts from a sector perspective. This confirmed that our dependencies mainly arise from our reliance on healthy ecosystems for sustainable water supply (upstream and own operations), soil health (upstream) and raw materials (upstream). This finding aligns with global trends where agricultural production across all sectors accounts for 70% of water withdrawals worldwide. In addition, the beverage industry is dependent on water as a primary ingredient. Sites located in water-stressed areas can face significant production volatility, making water a material focus area for HEINEKEN (refer to the Water section).

In 2024, we conducted a more detailed nature assessment of our direct operations and supply chain to better understand the extent of our actual and potential nature-related impacts and dependencies in these parts of our value chain. We evaluated HEINEKEN's impact on land, water and biodiversity, alongside the local environmental conditions and vulnerabilities at our breweries and upstream supply chain locations. The assessment followed the first two steps of the Science Based Targets Network (SBTN) guidance and partially aligns with the Taskforce on Nature-related Financial Disclosures (TNFD) framework, focusing on the 'Locate' and 'Evaluate' aspects of the 'LEAP' (Locate, Evaluate, Assess and Prepare) approach. A suite of externally available tools was used for the assessment, including Soil Grids, Global Forest Watch, WRI Aqueduct, WWF Water Risk Filter, and the Integrated Biodiversity Assessment Tool (IBAT).

The assessment confirmed that the majority of HEINEKEN's impacts on nature — around 80% — occur in our upstream value chain, primarily due to the farming of agricultural commodities. Following the SBTN methodology, we identified a number of top 'commodity & country' pairs for further refinement and deeper analysis. Barley emerged as a key focus area, due to the large quantities we purchase, and the impact of farming on land use and soil pollution. Western Europe stands out due to the high volumes of agricultural commodities and the region's current vulnerability to soil and water pollution. Other key regions of focus include the Americas (mainly for water availability and land condition), and Australasia (mainly for water availability, and water and soil pollution).

For our own sites, the assessment validated that our current water risk assessment approach is well aligned with a science-based methodology, closely matching our already identified water-stressed sites. For biodiversity, we used multiple lenses, including ecosystems integrity and threatened species, to assess potential risks. In addition, we have used the IBAT to help identify sites that are in or near biodiversity-sensitive areas. At the end of 2024, we identified that 27 sites (13% of sites) are within 1 km of a Key Biodiversity Area. HEINEKEN already has many site-level actions to address the main drivers of biodiversity loss. For example, we are reducing our GHG emissions, we have put wastewater treatment plants in our breweries and we aim to limit waste sent to landfill. However, we are yet to assess whether our activities at the mentioned sites negatively impact local biodiversity in these areas. Further analysis will be conducted to understand the local contexts of these sites, the potential risks to biodiversity and mitigating actions.

Downstream impacts, primarily related to packaging, are considered through our circularity strategy. Please see the Resource use and circular economy section.

The next phase of our approach involves undertaking an assessment of our transition and physical risks and opportunities, as well as systemic risks.

Actions and resources

Focus on agricultural initiatives

We address biodiversity impacts in our upstream agricultural supply chain through our goal to source 100% sustainably sourced barley and hops by 2030. We base our standards for sourcing sustainably cultivated crops on the globally recognised Sustainable Agriculture Initiative (SAI) Platform.

In addition, we continue to explore new partnerships for regenerative agriculture in our supply chain. Regenerative agriculture is an outcome-based holistic farming approach that protects and improves soil health, biodiversity, climate and water resources while supporting farming business development. In 2024, we launched our first large-scale regenerative agriculture programme in France, named 'Project TRANSITIONS', in collaboration with VIVESCIA cooperative and its malt subsidiary Malteurop. The programme reached 200 farmers in 2024 and aims to reach 1,000 farmers by 2026 (up to 100,000 ha of land).

We will continue our journey to better understand the nature-related impacts in our agricultural supply chain by conducting more detailed nature assessments for our top-priority 'commodity and country' pairs using sub-national data. This will help us address the local contexts where we are sourcing and support engagements with our suppliers to identify where action is needed.

Engaging with communities

We address affected communities in water-stressed areas as part of our Source Water Vulnerability Assessments. Through this assessment, we evaluate if the water intake of our sites affects the availability and/or the quality of water for local communities. We then implement programmes to replenish watersheds and provide access to safely managed water in targeted countries. See the Water section.

Building our approach

We will review our methodology for identifying operations in or near biodiversity-sensitive areas and define a framework to outline what actions are needed in 2025.

Additionally, we will expand our understanding of nature impacts and dependencies by identifying HEINEKEN's nature-related physical and transition risks and opportunities to support the finalisation of our approach to biodiversity and nature.

EU Taxonomy

This section includes the disclosures following the EU Taxonomy Regulation (EU 2020/852).

Introduction and objective

The EU Taxonomy Regulation (EU 2020/852), which entered into force on 12 July 2020, is part of the EU Green Deal, Europe's strategy to achieve climate neutrality by 2050. Its goal is to increase sustainable investments by offering investors transparent and reliable non-financial information. The EU Taxonomy serves as a classification system that defines environmentally sustainable economic activities—activities that can make a significant contribution to one or more of the six environmental objectives:

– Climate Change Mitigation (CCM);
– Climate Change Adaptation (CCA);
– Sustainable and protection of water and marine resources (Water);
– Pollution prevention and control (Pollution);
– Protection and restoration of biodiversity and ecosystems (Biodiversity); and
– Transition to a circular economy (Circularity).

As a publicly traded company in the Netherlands, HEINEKEN is subject to the EU Taxonomy Regulation. For economic activities in scope, it is required to report on how much Turnover, Capital Expenditure (CapEx) and Operating Expenses (OpEx) are 'eligible' (in scope), and how much is 'aligned' with the EU Taxonomy.

For an economic activity to be aligned, it should make a substantial contribution to one or more of the EU's environmental objectives, ensure it does not do significant harm (DNSH) to the other objectives, and as the Company as a whole, comply with the minimum safeguards.

Eligibility and alignment analysis

In line with last year's analysis, HEINEKEN has no eligible turnover under the activities currently included in any of the six environmental objectives in the EU Taxonomy. HEINEKEN will continue to analyse the EU Taxonomy annually to identify potentially eligible turnover-generating activities, either through an expansion of its own business activities or through an expansion of the scope of activities included in the EU Taxonomy.

In comparison with last year, the analysis regarding the non-revenue generating activities of CapEx and OpEx has been updated. The expanded understanding of how the EU Taxonomy links to HEINEKEN's investments has resulted in an increase in Taxonomy activities for which there is eligible CapEx. In addition to last year's analysis, eligible CapEx for the following activities has been included:

– 4.24 Production of heat/cool from bioenergy
– 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
– 6.6 Freight transport services by road
– 7.1 Construction of new buildings
– 7.2 Renovation of existing buildings
– 7.7 Acquisition and ownership of buildings

The OpEx KPI, as per the EU Taxonomy, is considered not material to our business model. The denominator of OpEx amounts to €735 million, being 3.8% of HEINEKEN's total OpEx (€19,313 million) and is mainly related to repair and maintenance. As the reporting exemption is used, the numerator in the OpEx KPI tables is reported as nil.

This year, also the alignment assessment for the existing and newly identified eligible CapEx has been deepened. Alignment for capital expenditures has been assessed, resulting that none of the eligible CapEx can be considered aligned at this point. Although the reasons for not meeting the technical screening criteria for each activity differ and are unique to each activity, three motivations are consistent throughout the analysis. Firstly, collecting the correct information from the third parties is not feasible at the moment. Secondly, the climate risk screening needs to be expanded to all 28 climate-related physical hazards. For the relevant risks based on the screening, a scenario analysis should assess the materiality for these risks, only then will the DNSH for climate change adaptation be considered as met. Finally, HEINEKEN also assessed its processes against the minimum safeguards under the EU Taxonomy. Some minor gaps were identified, resulting in HEINEKEN's decision not to claim full adherence to the minimum safeguards pursuant to the EU Taxonomy.

HEINEKEN continues to assess updates, extensions or amendments made to the EU Taxonomy that could impact the reporting.

Qualitative information referred to in delegated act Article 8 (Section 1.2 of Annex I)

Accounting policies applied

There are different practices in reporting and interpretations observed in the market. HEINEKEN continues to monitor the developments in the regulation and market practice and consider this in future reporting. The policies applied for reporting on Turnover, CapEx and OpEx are further described below.

Turnover

In accordance with the EU Taxonomy, turnover is assumed to be equal to 'Revenue' as reported under IFRS and HEINEKEN's accounting policies. For 'Turnover', the denominator was equal to the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover. See the table below for Turnover as included in the denominator of the turnover KPI, along with references to the consolidated financial statements.

In millions of €	2024	Reference to consolidated financial statements
Revenue	35,955	Note 6.1
Turnover	35,955	

The numerator was calculated by considering the total eligible turnover, which includes the Turnover from products or services, related with the Taxonomy-eligible economic activities for the 2024 reporting year. During 2024 there was no eligible Turnover and therefore 0% eligible Turnover was reported.

HEINEKEN will reevaluate its eligible Turnover annually.

CapEx

For CapEx, the total denominator was equal to all additions to tangible and intangible assets during the financial year. This included purchased property, plant, and equipment (PP&E); additions to right-of-use assets (ROU); and purchased intangible assets. Additionally, it encompassed additions to tangible and intangible assets resulting from business combinations. See the table below for the total CapEx as included in the denominator of the CapEx KPI, along with references to the consolidated financial statements.

In millions of €	2024	Reference to consolidated financial statements
Purchased owned PP&E	2,322	Note 8.2
Additions to ROU assets	478	Note 8.2
Purchased intangible assets	281	Note 8.1
Total CapEx	**3,081**	

The numerator was calculated by considering the total eligible CapEx for the reporting year 2024. This CapEx includes:

- CapEx related to assets or processes linked to Taxonomy-eligible economic activities;
- CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling these activities to become low-carbon or reduce greenhouse gas emissions. This includes activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts under Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852, provided that these measures are implemented and operational within 18 months.

Estimates and assumptions applied to determine eligible CapEx

- Eligible CapEx for activities 4.24, 5.1, 5.3, 7.3 and 7.6 has been derived from project-by-project CapEx reporting. The allocation of spent CapEx to activities is based on the categorisation and description of projects. Thresholds have been applied for inclusion of projects in the allocation to economic activities. In case of doubt, a project is not included in the eligible CapEx.
- Eligible CapEx for activities 6.5 and 6.6 has been derived from the total purchases of PP&E and additions to ROU assets for those categories. Estimates have been applied in splitting the total investments between activities 6.5 and 6.6.
- Eligible CapEx for activities 7.1 and 7.2 has been derived from the total purchases of buildings (PP&E). The total amount related to 7.1 and 7.2 is reported on one line as it is not practicable to further split this between activities 7.1 and 7.2.
- Eligible CapEx for activity 7.7 has been derived from the additions and remeasurements of ROU assets of buildings.

HEINEKEN will reevaluate its eligible CapEx annually.

OpEx

For OpEx, the total denominator was equal to all direct non-capitalised costs related to the day-to-day servicing of assets of the property, plant, and equipment that are necessary to ensure the continued and effective use of such assets. For HEINEKEN, this primarily consists of repair and maintenance costs, as well as short-term lease expenses. Short-term lease expenses are reported under the 'Other expenses' line in note 6.3 of the financial statements. 'Repair and maintenance' is reported as a separate line in note 6.3. The OpEx denominator therefore excludes the other categories.

In millions of €	2024	Reference to consolidated financial statements
Repair and maintenance	640	Note 6.3
Short-term lease expenses (included in other expenses)	95	Note 6.3
Total OpEx	**735**	

As we concluded the amount of OpEx in scope of EU Taxonomy to be immaterial compared to the total OpEx, we have set the numerator to nil, resulting in 0% eligible OpEx in 2024.

HEINEKEN will reevaluate its eligible OpEx annually.

Assessment of compliance with regulation (EU) 2020/852

A precise definition is provided for each activity listed in any of the annexes of the EU Taxonomy, describing the economic activities that fall within the scope of the EU Taxonomy. The eligible activities reported in these disclosures align with the precise definitions outlined in the delegated acts and recommendations from the Platform on Sustainable Finance.

In assessing the eligibility of economic activities, the definitions outlined in the following documents were used:

- The Climate Delegated Act, published 9 December 2021 (latest version: 1 January 2024)
- The Disclosures Delegated Act, published 10 December 2021 (latest version: 1 January 2024)
- The Complementary Climate Delegated Act, published 15 July 2022
- The Environmental Delegated Act, published 21 November 2023
- Text amending the Climate Delegated Act, published 21 November 2023

In addition, the reporting incorporated the latest information available from the FAQ documents regarding the EU Taxonomy Regulation on the reporting of eligible economic activities and assets, published by the EU Commission in February 2022, December 2022, June 2023, and December 2023. Any activities deemed outside of the scope of these definitions from being classified as eligible are excluded. If, in the future, any of HEINEKEN's activities—whether turnover-generating or non-generating—are shown to be within the scope of EU Taxonomy's eligibility definitions, they will be incorporated in the first year that they are effective.

Net zero carbon emission strategy

As part of Brew a Better World, we aim to reach net zero carbon emission in our entire value chain. By 2030, we aim to reach net zero in Scope 1 and 2 and reduce our Scope 3 emissions. Power Purchase Agreements (PPAs) and Energy Attribute Certificates (EACs) are an important part of our sourcing strategy to contract renewable energy and drive progress towards our net zero emissions ambitions in Scope 1 and 2. While these steps contribute in decreasing our carbon emissions in Scope 1 and 2, they are not part of CapEx and OpEx KPIs as reported under the EU Taxonomy. The biggest part of our carbon footprint lies in the value chain beyond our own production sites (Scope 3). Any measures taken to reduce the carbon footprint in the value chain are also out of Scope of the CapEx and OpEx KPIs. More information on our Sustainability strategy and measures can be found in the Climate change section.

Nuclear and fossil gas related activities (Template 1 of Annex XII of the Disclosures Delegated Act)

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

EU Taxonomy – **Turnover**

Turnover

Economic Activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and Ecosystems (10)	DNSH Criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year 2023 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		Millions, €	%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		35,955	100%																
Total (A+B)		35,955	100%																

EU Taxonomy – **CapEx**

CapEx

Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and Ecosystems (10)	DNSH Criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year 2023 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		Millions, €	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]										
Production of heat/cool from bioenergy	4.24	12	0.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of water collection, treatment and supply systems	5.1	16	0.5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of wastewater collection and treatment	5.3	41	1.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	119	3.9 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Freight transport services by road	6.6	54	1.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings Renovation of existing buildings	7.1 7.2	314	10.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	7.3	9	0.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	58	1.9 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	7.7	318	10.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		941	30.5 %	100 %													0%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		941	30.5 %	100 %													0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		2,140	69.5 %																
Total (A+B)		3,081	100%																

[1] 'y' = 'yes', taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective; 'n' = 'no', taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective; 'n-el' = 'not eligible', taxonomy-non-eligible activity for the relevant environmental objective.
[2] 'el' = 'eligible', taxonomy-eligible activity for the relevant objective; 'n-el' = not eligible, taxonomy-non-eligible activity for the relevant environmental objective.

EU Taxonomy – **OpEx**

OpEx

Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year 2023 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		Millions, €	%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		735	100%																
Total (A+B)		735	100%																

Social

In the social section of the sustainability statements we focus on the topics:

- S1 Own workforce
- S2 Workers in the value chain

S1 Own workforce

Strategy

We strive to conduct business with integrity and fairness and with respect for people, the law and our values. Our social sustainability strategy sits within our corporate EverGreen and Brew a Better World strategy, with ambitions to embrace diversity, equity and inclusion, promote a fair and safe workplace, and conduct due diligence.

In 2024, strategic ambitions include: (1) aiming to have 100% of our employees earn at least a fair wage, (2) continuing assessments and action towards achieving equal pay for equal work, (3) gender balance across senior management, (4) shaping a leading safety culture, and (5) creating fair living and working standards for third-party employees and Brand Promoters.

Core to our strategy is respecting human rights through due diligence and good governance. HEINEKEN's approach to due diligence is explained in more detail in the section 'Statement on due diligence' (pages 154-155).

Our due diligence strategic framework guides how we assess, understand, avoid and address human rights-related risks, supported by our Code of Business Conduct, Human Rights Policy and implementation guidelines, Supplier Code and Speak Up Policy.

Our due diligence strategy applies to human rights with respect to our own workforce, as well as workers in the value chain focusing on five key areas:

1. Embedding human rights through policies and governance;
2. Risk based human rights assessment and prioritisation;
3. Acting by integrating the Human Rights Policy and identified risks into ways of working;
4. Tracking, also for assurance, of policy implementation;
5. Communicating progress internally and externally.

Own workforce

Our own workforce includes employees and non-employees. Employees are individuals with a contract of employment issued by a consolidated HEINEKEN entity and non-employees provide services for consolidated HEINEKEN entities, but are employed by an outsourced service provider (OSP) that has been directly contracted by HEINEKEN, and are therefore not on the payroll, nor are they contractually employed by a HEINEKEN entity.

Our ambition to ensure fair living and working conditions covers our employees and also certain non-employees workers. For 2024, we apply the ESRS phase-in exemption and do not report on non-employee workers.

Interest and views of stakeholders

Interests and views of stakeholders are disclosed in the General information section (pages 158-159).

Material impact, risks and opportunities and their interaction with strategy and business model

We have identified two material topics vis-à-vis our own workforce: labour practices and human rights; and diversity, equity and inclusion (DEI), as disclosed in the 'Material impacts, risks and opportunities and their interaction with strategy and business model' section. Those employed by OSPs are, generally speaking, at a higher risk of harmful labour practices and/or human rights violations, in particular when such OSPs operate in higher-risk countries. It is more difficult for HEINEKEN to identify these issues among OSPs compared to its own entities. DEI is relevant across HEINEKEN's workforce, for both employees of HEINEKEN entities and OSPs.

Furthermore, the level of actual risk for our own operations can vary depending on the geographical context.

While forced labour and child labour are included in our Human Rights Policy, the potential for these risks is mainly linked to sourcing activities for agriculture, packaging and energy, transportation and to non-formal waste picking economies.

See more info on material impacts, risks and opportunities and their interaction with the strategy and business model in the General information section (pages 160-163).

Policies

HEINEKEN has several internal policies in place to guide how we address the impacts, risks and opportunities relevant to own workforce.

Code of Business Conduct

Background	Key content	Scope	Accountability
We aim to conduct business with integrity and fairness and respect for people, the law and our values. The HEINEKEN Code of Business Conduct provides a foundation for how we work and do business, including in relation to labour practices and human rights. It sets out key principles for day-to-day actions, decisions, and interaction with colleagues and other stakeholders.	Our key principles and expectations for our employees. It covers a series of relevant topics, including discrimination, harassment, human rights, fraud and corruption as well as our Speak Up programme. It defines how employees should act and behave in their daily work, towards people both inside and outside of the Company.	The Code is publicly available on our website in more than 40 languages to ensure everyone working for or with our Company is able to read, understand and adhere to them. The Code is also supported by a mandatory e-learning for employees.	The Code of Business Conduct is overseen by our Director of Business Conduct. We regularly evaluate our Code of Business Conduct to ensure it still embodies our values and aligns with our Company strategy.

Human Rights Policy

Background	Key content	Scope	Accountability
Respecting people's dignity and human rights is a foundation of how we do business within our own operations and across our value chain. Taking action to prevent or remediate human rights issues requires multi-stakeholder collaboration and sharing expertise across HEINEKEN as well as within and beyond our industry.	HEINEKEN's Human Rights Policy is informed by international standards such as the Universal Declaration of Human Rights, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights. These frameworks provide the foundation of the 10 principles included in the policy, which are: 1. Health and safety 2. Non-discrimination 3. No harassment and violence 4. Child protection 5. Freedom of association and the right to collective bargaining 6. No forced labour (including human trafficking) 7. Rest and leisure 8. Fair wages and income 9. Access to water 10. Respect for human rights in high-risk contexts	We expect our employees, our management, individuals working for HEINEKEN through a third-party contract, our suppliers and business partners, to respect human rights in line with this policy.	Human rights is overseen by our Chief People Officer, who also chairs our Global Integrity Committee. As part of our governance structure, the Executive Board, S&R Steering Committee and Supervisory Board receive regular updates to align on strategy and report on progress and challenges. Where human rights audits have been conducted in operating companies, non-compliances are incorporated into our global issue management framework.

Own workforce – **Impacts, risks and opportunities – Policies**

Speak Up Policy

Background	Key content	Scope	Accountability
As HEINEKEN, we expect everyone to act responsibly and with integrity. Sometimes this may not be the case. If people experience, witness or suspect something that may violate our Code of Business Conduct, they are encouraged to speak up. This enables HEINEKEN to deal with the concern and helps to protect our people, Company and workplace.	Explains the importance of speaking up and provides specific information on when and how to speak up. It also explains what people can expect when they speak up, including our commitment to confidentiality and non-retaliation. The Speak Up Policy is available to all employees through the Business Code of Conduct communication.	Our employees and all interested stakeholders can report concerns through our internal Speak Up service	The Speak Up Policy is overseen by our Global Integrity Committee, which is chaired by the Chief People Officer. We regularly evaluate the Speak Up Policy to ensure it still embodies our values and aligns with our Company strategy.

Non-Discrimination Policy

Background	Key content	Scope	Accountability
We aim to foster a culture where diversity is embraced and celebrated. We believe that diverse and inclusive teams ignite diversity of thoughts, greater innovation and better performance. Discrimination is not tolerated. Everyone is valued fairly and equally, so that every individual can reach their full potential.	Non-discrimination is covered under our Code of Conduct, and specifically, employees should: – Treat everyone equally and fairly, without distinction according but not limited to: race, colour, gender, sexual orientation, religion, national or social origin, age and disability. – Respect the individual identity and diversity of others and enable everyone to share without the fear of negative consequences. – Communicate inclusively and avoid coming across in a way that could hurt others. – Challenge and speak up about discriminatory, non-inclusive or unequitable behaviour.	Own employees	The Code of Business Conduct is overseen by our Director of Business Conduct, and diversity, equity and inclusion is overseen by our Chief People Officer through the Senior Director Global Talent and Leadership. Monitoring of the Non-Discrimination Policy is embedded in our current risk management and internal control system.

Heineken Life Saving Commitments

Background	Key content	Scope	Accountability
These commitments provide us and anyone working on behalf of HEINEKEN (employee or contractor) with the commitments and actions to follow and to guarantee safety at work. Protecting our physical integrity and, ultimately, our life.	The 12 commitments are based on our operation's highest risk activities and are mandatory for anyone working on behalf of HEINEKEN (employee or contractor) on or off HEINEKEN's premises. With this, we want to ensure that everyone is empowered to stop work and speak up when work can't be executed safely or it is not possible to adhere to the Life Saving Commitments.	Applies to all HEINEKEN operating companies	The Chief People Officer is responsible for the approval of this policy. Monitoring of the life saving commitments is embedded in our current risk management and internal control system.

Own workforce – **Impacts, risks and opportunities – Policies**

Brand Promoters Policy

Background	Key content	Scope	Accountability
This policy establishes the principles and guidelines for the deployment of Brand Promoters. We commit to taking further steps to address and improve the working conditions of Brand Promoters with our agencies, outlet owners and joint-venture partners as well as other companies in the industry. We desire to increase Brand Promoters' opportunity to develop in their careers and to build more gender-diverse teams.	There are seven principles on the Brand Promoters Policy that help us achieve our goals: 1. Brand Promoter safety comes first 2. Support is always available 3. Training is mandatory 4. There are no exceptions 5. Management is always responsible 6. Agencies must conform to our Policy and outlets must be informed of our Outlet/Brand Promoters Standards 7. We regularly monitor compliance	Brand Promoters working on behalf of a brand owned by or licensed to HEINEKEN, its subsidiaries or joint ventures	The operating company Managing Director is accountable to ensure that the policy is fully applied. Monitoring of the Brand Promoters Policy is embedded in our current risk management and internal control system.

Non-Retaliation Policy

Background	Key content	Scope	Accountability
This policy highlights the Company's value for anyone who speaks up when they see something wrong which involves our Company or our people. We strictly prohibit any form of retaliation.	There is zero tolerance for retaliation. The Non-Retaliation Policy outlines clear examples of what constitutes retaliation, who is protected against retaliation, specifies the consequences for engaging in such actions, and what to do if someone experiences, witnesses, or suspects retaliation.	Our employees and all interested stakeholders (whether they are employed by our Company or not).	The Non-Retaliation Policy is overseen by our Director of Business Conduct. We regularly evaluate our Code of Business Conduct to ensure it still embodies our values and aligns with our Company strategy.

Addressing human rights in our own operations

To identify risks to people and our business, we conduct local on-site human rights risk assessments and action planning through internal workshops. Over the past five years, we have completed these risk assessments within 17 HEINEKEN operating companies globally and aim to continue the operating company risk assessment programme. Risks differ by country and include topics such as discrimination, excessive working hours, harassment, road safety and working conditions for third-party employees and farm workers.

In 2023 and 2024, we strengthened our social sustainability roadmap. For our own workforce we will continue to focus on raising standards of decent work wherever we operate, and in 2025 deploy a Due Diligence Policy, framework and strategy with a focus on respecting human rights in high-risk contexts.

To ensure the correct implementation of our Human Rights Policy and continuously integrate new knowledge and understanding, we have reviewed our standalone internal human rights measures introduced in 2022. Operating companies are required to assess local standards and implement specific programmes, such as to pay a fair wage and working conditions for third-party employees.

Risk for incidents of child, forced or compulsory labour

Child labour

We respect the rights of the child as stated in the United Nations (UN) Convention on the Rights of the Child, including the right to education, the right to rest and play, and the right to have basic needs met. We will not engage in or allow child labour within our facilities. We follow the International Labour Organization (ILO) definition of the minimum age for admission to employment or work.

While child protection is included as one of the principles in our Human Rights Policy, it has not been identified as a salient risk in our own operations and own workforce. Our efforts in this area focus more on our value chain that is detailed in the section 'Workers in the value chain - policies' (pages 225-227).

Our operating companies are required to only employ individuals that meet the legal minimum working or legal purchasing age (LPA) – whichever is highest. They are expected to have a system in place to check official documentation that proves an employee's age at the time of hiring. Operating companies have been provided with a guideline on 'what to do if child labour is identified' in the exceptional case where child labourers or young workers are found in our own workforce.

Forced or compulsory labour

We do not tolerate situations in which persons are forced to work through the use of violence or intimidation, or by more subtle means such as retention of identity papers. This means that none of our employees should pay for their job. Fees and costs associated with recruitment and employment should be paid by HEINEKEN. All our employees should work freely and be aware of the terms and conditions of their work and be paid regularly and in a timely manner as agreed.

We expect operating companies to adhere to the following implementation standards to prevent forced labour:

- All work must be conducted on a voluntary basis, with no coercion of any employee through any means.
- Government-issued identification, passports or work permits are not withheld from employees or kept on company premises for safekeeping. Copies can be taken, and originals returned to the employee.
- Employees are not required to pay recruitment fees, or any form of deposit.
- Every employee has freedom of movement, i.e. employees are not locked into the production facility or accommodation.
- Terms and conditions of employment are documented, meet local law and are made available in a language understood by employees.
- Wages are paid directly to employees and all earned benefits and wages are paid to employees upon termination of employment.

Engaging with own workforce

Engagement with own workforce and workers' representatives

Mode of engagement

We respect our employees' freedom of choice to be legally represented by a labour union without fear of retaliation. Where employees are represented by a legally recognised labour union, we will establish a constructive dialogue with this labour union. Where local laws and practices restrict the right to freedom of association and collective bargaining, we endeavour to develop other ways to have a meaningful dialogue with employee representatives, without violating local legal regulations.

We conduct our climate survey annually with the purpose of better understanding how our employees experience working for HEINEKEN. In 2024, we achieved a 92% response rate across our more than 89,000 employees.

Engagement process

Globally, where employees are represented by a legally recognised union, we establish a constructive dialogue with the freely chosen representatives and engage in good faith with such representatives. In countries and/or situations where the legal system prohibits or severely restricts the right of freedom of association, we support the establishment of alternative means to facilitate the effective representation of employee interests and communication between employees and management. Trade union membership data may not be processed unless explicitly permitted or required by applicable law and only in accordance with applicable data protection legislation.

In Europe, a European Works Council (EWC) Agreement, signed by the Executive Board, provides a framework for information and consultation on transnational matters affecting our employees in the EU.

Leadership and responsibility

People Directors in operating companies are responsible for enforcing our intolerance for harassment, discrimination or violence against employee representatives and members, and for ensuring that their safety and rights are protected. Equally, this applies to employees who chose not to affiliate with a trade union. People Directors are also responsible for ensuring there is no interference with the legal activities of employee representatives and rights of members. Employees can freely select their own representatives – their representatives should not be appointed by management.

Responsibility for the effective management of the EWC sits with the Chief People Officer, and operational support is provided to the EWC's Select Committee by the Global Director Social Sustainability. In addition, communication programmes are in place to support workers during transnational transformation programmes, such as mergers, acquisitions or restructuring.

Global Framework Agreement and human rights

Freedom of association and the right to collective bargaining is governed under the HEINEKEN global Human Rights Policy.

We currently do not have a global framework agreement with social partners.

Assessing engagement effectiveness

Our annual global climate survey is translated into country, functional and team action plans. Our Speak Up trends and issue reporting, including cases filed under freedom of association and the right to collective bargaining, are presented to the Global Integrity Committee. Finally, the effectiveness of local engagement is assessed by third party social compliance audits in consolidated operating companies with more than 50 FTEs. We aim to have assessed all in scope operating companies by the end of 2025.

Engaging with vulnerable workforce groups

How we gain insight into the perspectives of vulnerable groups

We aim to create an environment where people can share their views freely and be engaged through inclusive dialogue. A network of more than 120 DEI ambassadors work with dedicated councils and coalitions in every function and country where we operate, in order to drive an inclusive culture where everyone can thrive. As part of our DEI strategy, DEI ambassadors conduct regular listening and dialogue sessions with employees to inform ongoing action plans and understand employee perspectives and expectations.

Remediating negative impacts and providing channels for our own workforce to raise concerns

Remediation and grievance channels

We aim to address potential human rights issues at an early stage and seek adequate remedy in cases where human rights are violated. We actively encourage people to raise concerns they may have about HEINEKEN's operations, specifically in relation to suspected human rights violations and misconduct.

Approach to remediation

In line with our Human Rights Policy to seek adequate remedy in cases of human rights violations, we are committed to collaborating with judicial or non-judicial mechanisms.

All Speak Up reports that are filed directly in our global Speak Up portal are reviewed by an independent team, to protect the confidentiality of the person filing the report and to ensure adequate follow-up and investigation. The purpose of an investigation is to gather facts to determine whether the concern is substantiated, and if so, what actions need to be taken. All employees are expected to fully cooperate in investigations. Typically, after reporting a concern, the reporter receives an acknowledgement of receipt within five days and may be notified once the investigation is complete. Details of the outcome are usually not shared in order to protect the confidentiality of the investigation and respect the privacy of the people involved. If the concern is substantiated, a decision will be taken regarding what, if any, disciplinary action or remediation is needed. Other measures include process and control improvements as well as training to prevent future issues.

Speak Up framework

Channels for raising concerns

Multiple Speak Up channels are available to enable employees and external parties to raise questions and concerns rapidly and efficiently, in confidence and without fear of retaliation. They include Trusted Representatives and a Speak Up service (telephone and online), run by an independent third party and available 24/7, 365 days a year.

Human rights-related concerns shared through the Speak Up system are assessed and investigated where needed. Where appropriate, corrective and preventive actions are taken. Such actions include process and control improvements, awareness-raising, training, coaching and disciplinary measures ranging from issuance of a warning to termination of employment.

Tracking and monitoring effectiveness

The Speak Up framework is managed and monitored by the Global Integrity Committee and a Global Speak Up Review Team. The Integrity Committee oversees the effective implementation and application of the HEINEKEN Speak Up framework. The Integrity Committee primarily ensures that (alleged) violations of the Code of Business Conduct and/or its policies are appropriately and consistently handled and investigated.

Any Speak Up cases reported are assessed by the Review Team (consisting of representatives of Global Business Conduct, Global Process & Control Improvement, Global Audit and Global People). The Review Team determines whether the concern is admissible and, if so, whether it qualifies as a case to be handled by the Integrity Committee or by the operating company.

Assessment of workforce awareness and trust in processes

In 2024, our annual climate survey was completed by 92% of our employees. The statement 'I feel comfortable speaking up if I have concerns about misconduct/violations of the HEINEKEN Code of Business Conduct such as discrimination, harassment, fraud, bribery and conflicts of interest' scored a weighted average of 84%, and the statement 'I know which channels I can use to speak up about potential misconduct/violations of the HEINEKEN Code of Business Conduct' scored a weighted average of 92%.

We do not tolerate any form of retaliation against anyone for speaking up in line with our Non-Retaliation Policy. Retaliation is a violation of our Code of Business Conduct, and will lead to disciplinary action.

Actions and resources

Addressing material impacts on our own workforce

At HEINEKEN, we track human rights risks and impacts through four key channels: the HEINEKEN risk control framework, human rights reviews performed by Global Audit, our Speak Up channel and third-party assessments.

The HEINEKEN risk control framework embeds respect for human rights in internal controls. Our Risk Committee maintains oversight of human rights-related risks. Each operating company must check their own policies and practices against the Human Rights Policy and implementation guidelines.

Managing human rights audits

We conduct internal human rights audits to assess the performance of internal human rights management at a global level. An audit of the Corporate Human Rights programme took place in 2022 and 2024.

We have used an external provider to conduct social compliance audits of our own operations, focusing on third-party employees and Brand Promoters and including own workforce reporting and a review of the management systems in place. In 2024, 14 new operating companies were assessed, bringing the total to 40%, towards our goal of 100% by the end of 2025. Action plans are developed to address audit findings and root causes.

Building capabilities and culture is critical to fully integrate respect for human rights in HEINEKEN's daily operations. A competency model for employees working in our People function includes human rights as a key competency. In 2024 we delivered a campaign to support employees in mastering this competency, including videos, podcasts and live chats with peer companies on relevant topics. We also delivered an awareness campaign for all employees to mark International Human Rights Day.

Understanding human rights in high-risk contexts

We recognise that we may face human rights dilemmas in countries that are politically less stable or where human rights are compromised. In such circumstances, we critically review whether we can continue to operate in these countries and, if so, how. Our operating companies should never contribute to human rights violations by others. We aim to protect the security of our employees, their relatives and our facilities. We work with security staff who are properly instructed and trained to respect human rights.

When we enter a new market, we become embedded in the local economy and society. Some countries may go through periods of volatility which can present significant challenges and dilemmas for governments, citizens and long-term investors such as HEINEKEN. We must be prepared to deal with high-risk contexts that could impact our business and the human rights of employees and other stakeholders, particularly in our supply chain. The risk of human rights violations can be disproportionately high in areas of poor governance, volatility and political instability, and we continuously review whether we can continue to operate in such a location and how to manage the risks.

When identifying volatile countries, and specifically what this could mean for our business, we are guided by external expertise to consider conflict, security and economic, political and social factors such as governance, economic development and potentially vulnerable groups. Countries included in this category change over time and we review the situation annually to consider developments.

In 2024, we updated our methodology for ranking high-risk and volatile markers, considering both external and internal factors.

Our presence in a volatile country can help to enable sustainable economic development when we operate responsibly. We continue to consider how to stay engaged in volatile countries, while respecting the Company's commitment to doing business responsibly. In particular, we engaged with other companies in the same situation and an independent organisation with expertise in human rights to gain a better understanding of the negative impacts a company may be associated with when operating in a conflict-affected country.

In 2023 and 2024, we built on this and commissioned a due diligence assessment for the Company, covering our own operations as well as our value chain. This assessment resulted in an updated value chain due diligence strategy. For this specific context, mitigation actions were suggested focused on working conditions in the value chain, continuous risk assessment and security.

Addressing material risks and opportunities

We have conducted action planning workshops with 17 HEINEKEN operating companies over the past five years. We followed these up with actions to address salient risks. Risks differ by country and include topics such as discrimination, excessive working hours, harassment, road safety and working conditions of third-party employees and farm workers.

All operating companies are expected to apply the internal HEINEKEN Human Rights Implementation Guidelines, which support the implementation of our Human Rights Policy. This covers our most salient risks and report on the effectiveness in control self-assessments, as well as through internal and external audits.

Own workforce – Impacts, risks and opportunities – Actions and resources

Preventing negative impacts from our own practices

We launched a standalone internal human rights control for operating companies to self-assess standards and accountability for implementation of HEINEKEN's Human Rights Policy in 2022 through the global risk control framework. We have also published our updated Human Rights Policy implementation guidelines, human rights e-learning modules and relaunched our action planning workshops in a refreshed format. These initiatives contributed to our efforts to prevent negative impacts from our own practices in 2024.

How we allocate resources for managing material impacts

Awareness and focus on the topic has increased significantly across our operating companies. In 2024, the Global Social Sustainability and Human Rights team doubled in size, forming dedicated global teams to manage the topical focus areas of forced labour, child labour, decent work, social dialogue, harassment and discrimination, in addition to a team dedicated to reviewing and investigating allegations of misconduct filed through our Speak Up system.

Mitigating negative impacts from the transition to a sustainable economy

The HEINEKEN Human Rights Policy is our foundation to help us understand, avoid and address human rights-related risks and guides actions to respect human rights both in our own operations and across our value chain, including while delivering our environmental ambitions.

In the European Economic Area (EEA) we have developed People Principles together with the European Works Council (EWC). These set minimum standards and expectations for employees potentially impacted by transnational change programmes. With the principles, the EWC and management intend to ensure that employees impacted by transnational change processes, including those resulting from the transition to a climate-neutral economy, are treated with fairness and respect. Operating companies may decide, based on local requirements and agreements, to go beyond these principles through local goals and ambitions. Operating companies cannot provide less than these principles. The principles set standards around information and consultation, roles and responsibilities, training, workload and dismissal arrangements.

Own workforce – **Impacts, risks and opportunities – Actions and resources**

The table below highlights the key actions we have taken and planned to prevent, mitigate and remediate actual and potential impacts, and address risks and opportunities related to HEINEKEN's own workforce. The activities relevant to many of these actions play a critical role in achieving our goals and policy objectives.

Key actions	Related activities	Value chain scope	Affected stakeholder groups	Expected outcome	Time horizon
Embrace diversity, equity and inclusion	– Embedding our DEI agenda across all operating companies (including, for example, the implementation of DEI councils) – Equal pay for equal work assessments – Conducting listening and dialogue sessions to understand the impact and progress of DEI action plans – Updating key People function processes to further reflect DEI	Own operations	Own workforce – Own employees	– Achieving gender balance at senior manager levels – Expand DEI in our own operations	– Reaching gender balance across senior management: 30% women by 2025, 40% women by 2030

Ensure a fair and safe workplace	– Safeguarding an effective Speak Up framework
	– Conducting on-site human rights risk assessments and action planning workshops
	– Fair wages and equal pay assessments and action plans
	– Conducting third-party audits of operating companies and on-site OSPs
	– Global guidance to all operating companies setting the following expectations:
	  – Have a system in place to check official documentation that proves an employee's age at the time of hiring
	  – Ensure that employees are made aware of their rights to freedom of association and collective bargaining
	  – In countries and/or situations where the legal system prohibits or severely restricts the right of freedom of association, support the establishment of alternative means to facilitate the effective representation of employee interests and communication between employees and management
	  – Ensure government-issued identification, passports or work permits are not withheld from employees or kept on company premises for safekeeping. Copies can be taken and originals returned to the employee
	  – Employees are not required to pay recruitment fees, or any form of deposit
	  – Wages are paid directly to employees and all earned benefits and wages are paid to employees upon termination of employment
		Own operations	Own workforce – Own employees and non-employee workers where applicable.	– Maintaining a fair and safe workplace for our employees (including fair living and working standards)	Continuous

Metrics and targets

We are raising the bar to create a fair and safe workplace and to promote diversity, equity and inclusion. This means achieving gender balance at senior levels, paying our employees a fair wage, and demanding fair living and working standards for third-party employees and Brand Promoters. Our safety, health and well-being strategy aims to embed a leading safety culture, and ambitions, goals and targets are aligned with relevant UN Sustainable Development Goals (SDGs).

The following table outlines HEINEKEN's goals and targets to meet our ambitions as well as metrics to track progress on those goals and targets.

BaBW ambition	BaBW goal	Target	Time horizon target	Metric	Progress 2024	Progress 2023
Embrace diversity, equity and inclusion	**Gender balance across senior management: 30% women by 2025, 40% women by 2030**	Gender balance across senior management: 30% women	2025	% women in senior management positions	30%	28%
		Gender balance across senior management: 40% women	2030			
	Continue assessment and action towards achieving equal pay for equal work	-	-	% of operating companies assessed for equal pay for equal work	100%	100%
				% of operating companies with action plans to close any gaps relating to equal pay for equal work	100%	100%
A fair and safe workplace	**Continue to confirm 100% of our employees earn at least a fair wage**	-	-	% of operating companies assessed for fair wages	100%	100%
				% of assessed employees earning a fair wage according to Fair Wage Network	99.7%	100%
	Create fair living and working standards for third-party employees and Brand Promoters	100% of in-scope operating companies assessed	2030	% of operating companies assessed for fair living and working standards for third-party employees and Brand Promoters	43%	38%

Embrace diversity, equity and inclusion

By promoting DEI, we aim to foster a sense of true togetherness and create meaningful connections with our employees, consumers and customers. Our approach is based on the knowledge that a diversity of input and perspectives drives innovation and performance. It starts with courageous leadership, which is why we nurture bold and caring leaders who strive to create space for everyone, equally. Our diverse employees contribute to the unique nature of our Company and brands. Equal opportunities and fair treatment are fundamental building blocks of an inclusive environment.

Our goal is to achieve gender balance within our senior management. The International Labour Organisation defines gender balance as a representation ranging between 40% and 60% for either gender. Starting from our 2021 baseline of 23% female representation, and in consideration of industry benchmarks, we have set a target of 30% women by 2025, progressing towards 40% women by 2030. In 2024, we achieved our 2025 goal and target a year early by having 30% women in senior management. While we celebrate this important milestone, we recognise the ongoing work we need to do to achieve our 40% goal by 2030 on the path to gender balance.

We are dedicated to ensuring equal pay for equal work (or work of equal value) between female and male colleagues. We first achieved our goal of having 100% of our operating companies assessed and 100% action plans in place in 2023. In 2024, we continued to assess all operating companies and track action plans. Once again, we achieved our goal of having 100% of operating companies assessed with action plans in place to ensure equal pay for equal work (or work of equal value) between female and male colleagues.

Own workforce – **Metrics and targets**

A fair and safe workplace

We are dedicated to maintaining a fair and safe workplace for our employees. We strive to ensure that all our employees worldwide earn at least a fair wage and take action to advance equal pay for equal work between female and male colleagues. Seeking to ensure fair living and working standards for third-party employees and Brand Promoters is also important.

Ensuring a fair wage is a dynamic and ongoing process as the cost of living and other economic factors can change. We therefore assess wages across our operating companies against the Fair Wage Network annually. Assessments started in 2021, with a step-by-step approach in our operating companies in developing countries, and were rolled out to all other countries in 2022. In 2024, we expanded our assessment to include recently acquired entities. We assessed 99.2% of our own workforce and within that group achieved the goal of 99.7% of employees earning a fair wage.

Steady progress was made on our global initiative to strive for fair living and working standards for third-party employees and Brand Promoters. In 2024, we expanded the programme to the Americas region, launched the programme in Europe and continued action plans to close gaps in Asia Pacific and Africa.

Process for setting ambitions, goals and targets

The process for setting and monitoring ambitions, goals and targets is included in the general disclosures.

We recognise that effective dialogue with relevant internal and external stakeholders is an integral element of assessing our own human rights performance. The salient risks which form our Human Rights Policy, and for which metrics have been set through Brew a Better World, are the outcome of in-country human rights workshops involving diverse groups of employees.

Own workforce – **Metrics and targets**

Metrics

Data reported in this section represents metrics in accordance with ESRS requirements. These metrics are additional to our goals and targets (included in the previous section).

Employee characteristics

The tables below present the breakdown of employees by gender and region as well as type of employment contract per headcount as at 31 December 2024.

Employees by contract type, by gender[1]

Headcount	Female	Male	Other	2024 Total
Number of permanent employees	21,217	60,675	59	**81,951**
Number of temporary employees	1,558	5,740	15	**7,313**
Total number of employees	**22,775**	**66,415**	**74**	**89,264**

[1] Non-guaranteed hours employees are not reported by HEINEKEN because this type of employment contract is not commonly used within the Company. Additionally, the number of such employees is not significant to be considered material for reporting purposes.

Employee headcount in countries with at least 50 employees and representing at least 10% of HEINEKEN's total number of employees

Headcount	2024
Mexico	18,086
Brazil	13,926
Other countries	57,252
Total	**89,264**

Please refer to note 6.4 Personnel expenses of the financial statements, where we disclosed the average number of full-time employees.

Employees by contract type, by region

	AME	Americas	APAC	Europe	Head Office	2024 Total
Number of permanent employees	13,196	32,311	10,527	22,240	3,677	**81,951**
Number of temporary employees	789	3,500	822	1,537	665	**7,313**
Total	**13,985**	**35,811**	**11,349**	**23,777**	**4,342**	**89,264**

Collective bargaining coverage and social dialogue

In 2024, 83% of employees in the European Economic Area were covered by a collective bargaining agreement.

All European operating companies are represented under the Heineken European Works Council Agreement (timeline 2022-2026).

Own workforce – **Metrics and targets**

Diversity

Gender diversity

Gender in senior management	2024 Headcount	%
Female	296	30%
Male	678	70%
Other	0	0%
Total	**974**	**100%**

Our ambition is to achieve 40% female representation among senior management by 2030. This population currently comprises 70% men and 30% women.

Definition of senior management for gender distribution

We define senior managers as all employees who are eligible for the Senior Management Reward Policy (SMRP). This includes, among others, directors, functional heads, senior leaders and executive members. By using this definition, we aim to provide a comprehensive view of gender representation in our decision-making and leadership structures.

Age distribution across our workforce

Age group	2024 Headcount	%
Under 30 years old	17,100	19%
30-50 years old	58,912	66%
Over 50 years old	13,252	15%
Total	**89,264**	**100%**

We recognise the importance of engaging employees of all generations and value the unique perspectives and expertise that employees of all ages bring to the organisation. With a good distribution of ages across our Company, we are striving to foster a diverse and inclusive work environment.

Adequate wages

We are dedicated to providing a fair and safe workplace. This includes fair wage practices. Since 2020, we have partnered with the Fair Wage Network, an independent NGO that has developed an economically rigorous standard and methodology to assess, develop and optimise wage policies on multiple dimensions covering all wage indicators. We perform annual fair wage assessments across all operating companies to assess progress against the goal of 100% of employees globally earning at least a fair wage, according to the Fair Wage Network definition.

In 2024, we assessed 99.2% of our own workforce against the Fair Wage Network and found that 99.7% of the assessed employees earned at least a fair wage according to the amount determined by the Fair Wage Network for each respective country. The remaining 0.3% of employees below the amount determined by the Fair Wage Network were located in Singapore.

We determined that the increase of the fair wage for Singapore in 2024, as proposed by the Fair Wage Network, exceeded the actual changes in the consumer price index and was not fully aligned with other relevant indicators. This led to some employees who were above the threshold in 2023 falling below it. To ensure fair compensation for our employees, we followed up with an additional benchmark analysis using data from Singapore's Progressive Wage Model. Upon assessing our Singapore workforce against this benchmark, we found that 100% of our employees were earning a fair wage.

Ensuring a fair wage is a dynamic and ongoing process, as the cost of living and other economic factors can change. Moving forward, we will maintain a focus on fair wages through ongoing assessments and action plans. Our ambition remains to continue assessing our workforce and ensure all our employees worldwide to earn at least a fair wage.

Own workforce – **Metrics and targets**

Social protection

We are dedicated to ensuring that our workforce is covered by social protection programmes to safeguard well-being.

We have assessed social protection coverage for major life events like sickness, unemployment, employment injury and acquired disability, parental leave and retirement for 72% of our own workforce. These assessments considered the statutory coverage in each country as well as the additional coverage offered by our operating companies. Our findings indicate that all of the evaluated employees have access to social protection for the major life events of sickness, employment injury and acquired disability, parental leave and retirement, provided they meet the standard local eligibility criteria, such as age or a minimum work history, in line with local regulations and market practices.

For unemployment protection, we identified that Mexico and Nigeria are exceptions, as there are no general local provisions to safeguard against loss of income in these areas and unemployment protection is not a common market practice in these countries.

Work-life balance

We are dedicated to promoting a healthy work-life balance for all our employees. Most HEINEKEN employees are entitled to various types of family-related leave, including maternity leave, paternity leave, parental leave, and carer's leave. We have assessed 72% of HEINEKEN's own workforce. These assessments consider the statutory requirements in each country as well as any additional benefits offered by our operating companies.

The overall entitlement to all four types of family-related leave defined by the ESRS is 68%.

Our findings show that the availability of carer's leave, in particular, determines this reported figure. Currently, carer's leave is not offered to employees in Brazil, Egypt, India, and Nigeria, where this type of leave is not a common market practice. However, carer's leave is available to all other evaluated employees. Additionally, 100% of assessed employees are entitled to maternity or paternity leave, as well as parental leave.

% of employees entitled to family-related leave	2024
Maternity leave	100%
Paternity leave	100%
Parental leave	100%
Carer's leave	68%

Remuneration

Closing the gender pay gap

In 2024, the total gender pay gap at HEINEKEN was 28.4% in favour of women.

The total gender pay gap refers to the average difference in pay between men and women for all employees in the company. It can be broken down into two components: the explained and the unexplained pay gap. The explained pay gap encompasses the differences in pay attributable to objective factors, such as job role, education, work experience, responsibilities and geography. In contrast, the unexplained pay gap represents the portion of the pay gap that these factors cannot explain.

Our total gender pay gap primarily reflects the workforce profile of our Company and the industry in which we operate rather than providing actionable insights into genuine gender pay issues. HEINEKEN has a significant number of male employees in brewery roles in developing countries, where pay levels are generally lower. Consequently, the average pay for male employees at our Company is less than that of their female counterparts, resulting in a total pay gap that favours women.

HEINEKEN's goal is to ensure equal pay for equal work (or work of equal value) between female and male colleagues. In light of the limitations of the total pay gap described above, we have developed a methodology for equal pay for equal work analysis. This approach compares pay for female and male colleagues within similar roles within the same country, and is aligned with the requirements of the EU Pay Transparency Directive.

When evaluating equal pay for equal work, the global gender pay gap in 2024 was 2.3% in favour of men.

All operating companies globally are dedicated to delivering, monitoring and evaluating local action plans to close identified pay disparities between female and male colleagues. This includes integrating equal pay considerations into reward strategies, reward processes and initiatives.

Action plans also target gender representation, equal opportunities for promotion and gender balance in management teams. We monitor outcomes annually to ensure equal pay for equal work or work of equal value between female and male colleagues.

Understanding our remuneration ratio

This year, we are disclosing two remuneration ratios: one based on the requirements of the EU Shareholder Rights Directive (SRD) and the Dutch Corporate Governance Code (DCGC), and another based on the requirements from the Corporate Sustainability Reporting Directive (CSRD/ESRS). The difference between these two ratios can be attributed to the different methodologies prescribed by the ESRS and the SRD/DCGC, as well as the company's workforce profile.

For the SRD/DCGC, we calculate the CEO day ratio based on the average annual total remuneration of our employees, while the CSRD ratio is determined using the median annual total remuneration.

The remuneration ratio of our highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) is 402 to 1. This number differs significantly from the CEO pay ratio published in the remuneration report, which, for 2024, is 186 to 1 (see page 76).

HEINEKEN has a wide geographical footprint, with the majority of its business and employees located in developing countries, where pay levels and structures differ widely from those generally observed in the developed countries. Moreover, the Company also has a large number of breweries and in-house sales forces across the world. As a result, the median total remuneration is notably different from the average total remuneration when considering the broader employee base. This explains the significant variance between the two reported ratios.

The CSRD ratio was determined by dividing the highest-paid individual's annual total remuneration by the median employee's annual total remuneration, defined as follows:

Highest-paid individual's annual total remuneration

The CEO is the highest-paid individual in the Company. For total remuneration, we use the sum of all remuneration elements disclosed in the Remuneration Report. This includes the annual base salary, the 2024 short-term incentive (paid in 2025), the 2022-2024 long-term incentives, and pension contributions and other emoluments. For the year 2024, the total figure was €7,171,143.

Median employee annual total remuneration

We identified the median employee from among our active internal permanent employees. The total pay for this employee was calculated based on (i) annual base salary, (ii) short-term and long-term bonuses and cash incentives payable for the fiscal year 2024, and (iii) employee benefits. For the year 2024, the total figure was €17,854.

Incidents, complaints and severe human rights impacts

Work-related incidents and complaints

During the reporting period, 437 allegations of discrimination and harassment and human rights were fully or partly substantiated after thorough investigation. Where appropriate, corrective and preventive actions were taken. Such actions include awareness-raising, training, coaching and disciplinary measures ranging from issuance of a warning to termination of employment.

Grievances and complaints	2024
Discrimination incidents	373
Severe human rights issues and incidents	0
Social and human rights complaints	64
Total	**437**

There were no material fines, penalties and compensation damages for (severe) social and human rights incidents.

Safety culture

While we have significantly reduced incident severity across our operations, we still experience safety incidents as a result of our activities. We remain committed to doing the utmost to ensure that every one of our colleagues and contractors returns home safely every day. The personal commitment and actions of everyone who works on behalf of our Company – including employees, temporary workers and contractors – must comply with the Life Saving Commitments and HEINEKEN's safety standards. The HEINEKEN Life Saving Commitments (LSCs) are designed to address the highest-risk activities in our operations. The Golden Principle is the overarching principle through which we empower people to stop and speak up when work cannot be executed safely or if it is not possible to adhere to the LSCs.

Health and safety at the heart of everything we do

This year's Safety Day theme was 'Safety at Heart!', linked to our believe of having safety at the heart of everything we do, and emphasising the importance of taking care of ourselves and our colleagues just as we do for our loved ones. A wide range of global and local initiatives were held to reinforce the commitment and increase awareness around safety.

We carried out many activities to shape a leading health and safety culture in 2024. The introduction of the safety cultural transformation programme in 2024 enabled operating companies to assess their current safety cultural level, identify gaps and develop improvement plans to close them. During 2024, 45 locations have started with the cultural programme.

The regional turnaround programme launched in 2023 as an immediate call to action to improve safety performance where it is needed most. Plans to reduce injuries and strengthen a safety culture and mindset were implemented for selected functions and operating companies, based on their safety performance.

We continue to strengthen the HEINEKEN capability framework to embed health and safety and to integrate safety leadership into our global programmes through competence building, leadership programmes etc.

Looking ahead

We will further rollout the safety culture transformation programme to the next round of locations. The turnaround programme will remain as a key programme to improve the safety performance.

Fatalities and serious injuries

We deeply regret that two persons lost their lives while working for us in 2024 (2023: three). A sales team member in the Bahamas was involved in a head on vehicle collision which resulted in his death. A contractor working in performing floor painting activities in our Ecuador brewery suffered an electric shock resulting in his death. An independent investigation team thoroughly investigates every fatality to identify and understand the root cause.

We take action to prevent recurrence and share learnings, with corrective and improvement actions followed up until closure.

Our Total Recordable injury Rate (TRR) for employees and temporary workers improved to 0.9 per 200,000 hours worked (2023: 1.2). Injuries resulting in permanent disabilities decreased to one in 2024 (2023: four).

There were 978 injuries (2023: 1,073) that resulted in 651 (2023: 735) injuries with lost time cases among our employees and temporary workers. Of these injuries, 488 were in logistics and distribution, 134 in commerce, 314 in production and 42 in other functions. The decrease in the recordable injuries of employees and temporary workers is mainly the result of the previously mentioned turnaround programme.

The main types of work-related injuries are slips or falls, injuries while lifting or carrying objects, cuts by sharp objects (e.g. glass) or collisions (e.g. forklifts).

Fatalities	2024	2023
Fatalities of employees	1	1
Fatalities of temporary workers	0	1
Fatalities of contractors	1	1
Total	**2**	**3**
Injuries (absolute values)		
Permanent disabilities of employees	1	4
Total recordable injuries of employees and temporary workers	978	1,073
Total recordable injuries of contractors	193	198
Injuries (relative values) – employees and temporary workers		
Total reportable injury rate (per 200,000 hours)	0.9	1.2
Lost time injury rate (per 200,000 hours)	0.6	0.8

S2

Workers in the value chain

Strategy

Respect for individuals' dignity and human rights is a key consideration that informs our business practices, both within our own operations and throughout our value chain. We recognise that our impact on human rights – both positive and negative – can arise in all aspects of our operations, including through the activities of our direct suppliers and their networks.

We aim to conduct our business with integrity, fairness and respect for individuals, legal standards and our core values. We strive to continuously improve our human rights strategy in view of the principles outlined in international standards, including the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights.

Our human rights due diligence process is evolving to address these principles effectively. It focuses on the five key areas outlined in our strategy on value chain due diligence (see 'Statement on due diligence' in the General information section on pages 154-155), which also informs our approach in relation to our own workforce:

1. Embedding human rights through policies and governance;
2. Assessing and prioritising human rights risks;
3. Acting by integrating the Human Rights Policy and identified risks into ways of working;
4. Tracking, also for assurance of policy implementation;
5. Communicating progress internally and externally.

We define workers in our value chain as those beyond our own workforce, where the latter includes non-employees such as the workers of our third-party providers operating on our premises, as outlined in the Own workforce section.

Workers in our value chain designates any other workers from our barley to bar value chain. This includes a diverse range of workers, such as upstream farm workers, employees in packaging manufacturing, and those involved in the storage and transportation of the necessary commodities. On the downstream side, we consider workers in logistics, points of sale and even those in the informal sector, such as waste pickers. See the section 'Strategy , business model and value chain' (page 157) for more details on our value chain. We are also mindful of vulnerable populations, which may include – but are not limited to – indigenous peoples, women, ethnic minorities, the elderly, children and persons with disabilities. These workers are either employed by our direct suppliers or the suppliers of our suppliers.

We strive to ensure the respect of human rights of workers in our value chain, acknowledging the importance of a risk-based approach in our due diligence processes, particularly where we have the greatest leverage.

Throughout 2024, we have reviewed our overall due diligence approach, including third-party risk management, to enhance our ability to identify risks that may impact workers in our value chain. For more details, see 'Statement on due diligence' in the General information section on pages 154-155.

Additionally, due to the nature of our operations, we have focused our immediate efforts on areas where the risks are most pronounced. Specifically, the agricultural value chain presents a high concentration of labour and human rights risks, which require our attention. This focus is informed by the findings of the double materiality assessment, which identified 'labour practices and human rights' and 'sustainable agriculture' as material topics for the Company. Furthermore, the aforementioned maturity assessment of our due diligence approach reaffirms that some of our most salient risks are likely to be found within our agricultural value chain. The most salient human rights risks across the agricultural value chain may include, but are not limited to, forced labour, child labour, unsafe working conditions, excessive working hours and wages below living wage standards.

In 2024, we have mapped our agricultural commodities and sourcing countries, identifying a total of 10 crops sourced from over 50 countries.

We refined our value chain due diligence strategic framework to identify and then address the most salient risks, including for commodities and geographies. This will enable us to prioritise our interventions and define the most effective strategies for preventing and mitigating risks. Our refined approach will include engagement with workers and a concrete action plan to manage our impacts, risks, and opportunities, along with measures to assess effectiveness.

Interest and views of stakeholders

Interests and views of stakeholders are disclosed in the General information section on pages 158-159.

Material impact, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with the strategy and business model are covered in the General information section on pages 160-163.

Policies

We have established codes and policies for our own workforce that not only govern our internal operations but also shape how we conduct business across our value chain, including for human rights. For further details, please see the Own workforce section.

In addition, we have a set of policies that support our human rights approach throughout our value chain.

Supplier Code

Background	Key content	Scope	Accountability
Our impact on human rights can occur wherever we operate – including through the activities of our direct suppliers and their own suppliers. We expect our suppliers to comply with our Supplier Code. Our human rights standards, expressed in the Company's Human Rights Policy, also apply to our suppliers through the HEINEKEN Supplier Code.	The HEINEKEN Supplier Code establishes guidelines for ethical and sustainable practices throughout the value chain. With regard to respecting the dignity and human rights of all people, including health and safety, the Supplier Code's minimum standards are: 1. Non-discrimination 2. No harassment 3. Freedom of association and the right to collective bargaining 4. Freedom of movement and no forced labour 5. Children's rights 6. Reasonable working hours 7. Fair wages and income 8. Working safely 9. Emergency response and medical care The HEINEKEN Supplier Code is communicated to all of our suppliers. The criteria for a supplier to be considered within the scope of signing this code is the issuance of at least two invoices within the last 18 months. To ensure accuracy and inclusivity, we refresh our spend data on a monthly basis to identify suppliers who meet this criterion. It is important to note that one-time vendors are excluded from the scope of the Supplier Code. This diligent process ensures that our supplier relationships are consistently aligned with our ethical standards and business practices.	For workers in the value chain, we expect our suppliers to adhere to all applicable laws and regulations where they operate, as well as the minimum standards defined in this Supplier Code. These minimum standards should be incorporated into suppliers' own operations and communicated to all individuals employed by the supplier, regardless of the type of contract or location of their work, and individuals working for the supplier through a third-party contract. HEINEKEN also expects suppliers to take appropriate steps to ensure that their own suppliers comply with the minimum standards of the Supplier Code.	The Supplier Code is overseen by our Senior Director Global Procurement. We regularly evaluate our Supplier Code to ensure it still embodies our values and aligns with our Company strategy and Business Code of Conduct.

Sustainable sourcing of agricultural materials – principles and procedures

Background	Key content	Scope	Accountability
Sustainable sourcing within HEINEKEN covers sustainable agriculture (how the agricultural raw materials are grown and collected) and responsible sourcing (how we manage our agricultural raw materials supply chain). The goal of the sustainable sourcing initiative is to encourage and stimulate the production of agricultural materials in a manner that produces safe, high-quality agricultural products and protects and improves the natural environment and social and economic conditions of farmers, benefiting farm workers and their communities both directly and indirectly.	HEINEKEN's Sustainable Sourcing Procedures are based on the Farm Sustainability Assessment (FSA) developed by the Sustainable Agriculture Initiative and apply the following principles: – Use of the SAI FSA to set the sustainable standard, including essential questions about labour conditions. – Continuous improvement of the applied Codes of Practice. – Verification at farm and primary production level through farm audits. While our principles and procedures focus on how raw materials should be grown and measured, labour and human rights are indirectly addressed through the use of the SAI FSA questionnaire from bronze level, which helps us assess risks at farm level. Three performance levels exist within the SAI FSA: bronze, silver and gold.	For barley and hop, HEINEKEN has a goal to reach 100% sustainably sourced by 2030.	The implementation of principles and procedures of SAI are overseen by our Senior Director Global Procurement. We regularly evaluate our SAI principles and procedures to ensure they still embody our values and align with our Company strategy.

Additionally, our Renewable Electricity Policy, part of our net zero carbon ambition, aims to address the risk of forced labour in our renewable energy procurement process, especially within the solar energy industry. In addition to existing HEINEKEN Supplier Code and contract provisions, we offer guidance with template contract language and collaborate with suppliers to take appropriate steps to identify and address adverse forced labour impacts. See section 'Climate change – Policies' (page 173) for more details on our Renewable Electricity Policy.

Finally, as part of our value chain due diligence roadmap, HEINEKEN is now working on further embedding due diligence in its policy framework, including the development of what will become the Due Diligence Policy, as well as updating the Human Rights Policy and the Supplier Code. See 'Statement on due diligence' in the General information section on pages 154-155.

Addressing forced and child labour

HEINEKEN's Human Rights Policy takes a clear stand against forced labour. We do not tolerate situations in which people are forced to work through the use of violence or intimidation, or by more subtle means such as retention of identity papers.

As a member of the Consumer Goods Forum (CGF) Human Rights Coalition (HRC) – Working to End Forced Labour, we have committed to collective action to address forced labour in global supply chains through three priority industry principles:

1. Every worker should have freedom of movement.
2. No worker should pay for a job.
3. No worker should be indebted or coerced to work.

The CGF HRC has developed Guidance on the Repayment of Worker-Paid Recruitment Fees and Related Costs. The guidance recommends companies:

– Investigate recruitment fees and costs paid by workers
– Understand who is eligible for repayment
– Calculate the repayment amount
– Establish a timeline of repayment
– Engage and communicate with workers
– Verify payment

HEINEKEN's Human Rights Policy clearly opposes child labour. We respect the rights of the child as stated in the UN Convention on the Rights of the Child, including the right to education, the right to rest and play, and the right to have basic needs met. We will not engage in, or allow, child labour within our facilities or in those of our suppliers.

We aim to support the elimination of child labour in our value chain. We follow the ILO's definition of the minimum age for admission to employment or work. See the section 'Own workforce – Policies' for more information (page 208-211).

We provide clear instructions on actions to take, if child labour cases are found in the Company's value chain, which can be found in the Human Rights Policy implementation guidelines.

The company's position on no forced labour and the protection of children's rights is reflected in the Supplier Code.

Processes for engaging with workers in the value chain about impacts

HEINEKEN recognises the importance of engaging with workers throughout the Company's value chain as part of our due diligence processes and in addressing issues that arise through audits and grievance mechanisms. Implementing these practices helps to foster a safer, more equitable working environment, strengthening engagement and trust among workers.

Regarding our agricultural value chain, we leverage the SAI – a leading value chain initiative for agriculture. We use the FSA to certify on-farm sustainability through a complete governance and third-party audit scheme. Containing 109 questions across 11 topic areas, it applies to agricultural crops in across locations and covers environmental, economic and social sustainability, including labour conditions, health and safety, land rights, worker rights, equal conditions and forced and child labour. Questions are classified as essential, intermediate and advanced according to their complexity and depth. We expect our business partner to meet at least bronze level.

The complete verification audit process comprises 10 steps, including the selection of an approved and qualified third party to run the verification, pre-audit, verification management system, farm audit, results and letter of attestation, FSA volume claims and reporting. It is mandatory to run the verification audit process every three years.

While we do not directly engage with workers on farms, we promote and actively support suppliers in improving performance, including by adhering to labour-related standards through our Supplier Code and Sustainable Sourcing of Agricultural Materials - Principles and Procedures Policy.

Engagement process

Currently, our engagement with workers in our value chain follows a project-based approach. We are currently refining our due diligence approach to clearly outline our engagement strategy with workers in our value chain and to make it more robust and systemic. This includes specifying the stages, frequency, governance and methods for assessing effectiveness. Our focus will also include how we address the needs of vulnerable groups. We anticipate implementing this strategy in a phased manner over the next few years.

Remediating negative impacts and enabling workers in our value chain to raise concerns

Description of processes and channels

Speak Up Policy

At HEINEKEN, we encourage our suppliers, including their employees, to share any concerns regarding a potential violation of our Code of Business Conduct and policies, including our Supplier Code. We encourage them to raise any grievances as an opportunity to identify and repair potential misconduct.

In the same way as our employees, suppliers can share their concerns either anonymously (if permitted by the laws of their country) by going to http://speakup.heineken.com and filing a report online or by phone or by sending an email to our HEINEKEN Global Business Conduct Office at businessconduct@heineken.com.

Please refer to the 'Own workforce – Policies' section on page 209 for more details on the Speak Up Policy.

Should a negative impact be identified and/or reported, we would assess the situation and establish measures to remediate and prevent reoccurrence. HEINEKEN addresses these negative impacts on a case-by-case basis.

We encourage our suppliers to implement their own grievance mechanisms as part of their Supplier Code. All suppliers in scope are expected to sign and adhere to HEINEKEN's Supplier Code, which fosters access to our dedicated grievance mechanism, Speak Up, for both employees and suppliers.

The Global Integrity Committee oversees our Speak Up programme. This Committee is chaired by the Chief People Officer, who is responsible for any issues related to people and human rights. She actively collaborates with the Social Sustainability and Human Rights team on such issues.

Multiple channels are available to employees and people outside the Company to communicate and raise concerns in confidence and without fear of retaliation. It includes an external Speak Up service, run by an independent service provider, and is available 24 hours a day, 365 days a year.

Requests for advice and concerns shared are treated confidentially and people have the option to make reports anonymously.

The information is available on our global company's website. The Speak Up platform is available in multiple languages, is open and can be used by anyone.

Please refer to the 'Own workforce – Speak Up Framework' section on page 213 for more details on the Speak Up platform.

Protecting the human rights of workers in our value chain

We rely on the agricultural value chain, consisting of many suppliers and farmers worldwide, to deliver our crop inputs. Working conditions for farm workers can vary significantly. To help prevent negative human rights impacts, we raise awareness and encourage our suppliers to adopt SAI principles and incorporate sustainable practices into their value chains.

With regard to our solar panels suppliers, our Renewable Electricity Policy helps establish a common understanding of expectations, with a particular focus on addressing the risk of forced labour.

Identification process

Throughout 2024, we have reviewed and refined our overall due diligence approach, including third-party risk management, to enhance our ability to identify risks that may impact workers in our value chain, within agriculture and other sectors. Additionally, we have developed and tested a targeted risk assessment approach to use at the farm level, where we directly source agricultural raw materials. This will be expended next year, with the findings addressed, in collaboration with the farm owners.

In 2025, we will also conduct additional in-depth assessments within a selection of key global raw material value chains to better identify the specific risks involved and develop effective strategies to mitigate them. See the section 'Statement on due diligence' (pages 154-155) and the General information section for more details on our risks identification process.

Our approach to taking action

Each action plan resulting from an assessment or audit is tailored to address the specific risks encountered.

To prevent forced labour and child labour, HEINEKEN provides capacity-building programmes at the farm level in Africa, where we source directly from farmers, via a dedicated tailor-made toolkit. Launched in 2023, the toolkit was rolled out in 2024 across a couple of markets and will continue to be implemented throughout 2025. To ensure its effectiveness and the proper implementation of expected labour conditions at the farm level, we conducted a series of assessment in the countries where the toolkit was introduced. We will focus on addressing the findings over the course of 2025.

Ensuring effective remediation

HEINEKEN's respect for people's rights includes preventing human rights issues, addressing them at an early stage or seeking to adequately remedy in cases where human rights may be violated.

Addressing material risks and opportunities

The following steps are followed in relation to material risks and opportunities:

Mitigating material risks

With regard to farms where we source directly from, the toolkit helps us to mitigate risks by providing farmers with knowledge and tools.

Pursuing material opportunities

Our current focus within the value chain is on preventing, mitigating and addressing risks. Should any opportunities arise from this work, we will also report on them in the Sustainability Report.

Preventing negative human rights impacts

We regularly review our policies and standards to ensure our way of doing business is fit for purpose and to avoid, to the best extent possible, an unintended adverse impact on workers in the value chain.

For example, audits conducted at the farm level,help to identity potential negative impacts, their root causes and implement corrective actions to ensure such issues do not reoccur.

Reporting severe human rights issues

No severe human rights cases were reported in 2024.

Allocating resources to manage material impacts

At HEINEKEN, our human rights efforts are overseen by the Chief People Officer. As part of our governance structure, the Executive Board, S&R Steering Committee and Supervisory Board receive regular updates to align on strategy and report on progress and challenges.

A dedicated team within our People function focuses on the global human rights strategy and its implementation. This team works closely with different departments, such as Procurement, and the regional and local teams.

We allocate budgets based on each function's scope of responsibilities and identified needs and priorities. We are continuously building our capacity to act and have established governance processes to review strategy and progress. We evaluate these elements regularly, allocating a specific budget to due diligence.

Workers in the value chain – **Impacts, risks and opportunities – Actions and resources**

Actions taken to prevent or mitigate material negative impacts and initiatives for positive impacts

We strive to prevent, mitigate and remediate actual impacts, and address risks and opportunities relevant for workers in the value chain.

Key actions	Related activities	Value chain scope	Affected stakeholder groups	Expected outcome	Time horizon
Increase understanding and transparency on human rights risks	Preventing or mitigating material negative impacts: – Supplier screening for regulatory findings and adverse media through our current compliance screening tool. Should risks be identified, HEINEKEN either addresses these through targeted supplier engagement or, in certain cases where the saliency of the potential human rights risk is high, through social audits that assess whether labour and human rights are respected. – Training toolkit to support farmers (including farmers' self-assessment and tools and templates) from whom we source directly in Africa to raise awareness of local regulation and HEINEKEN's expectation on working conditions to foster proper labour conditions. – The Renewable Electricity Policy aims to address the risk of forced labour in our renewable energy procurement process. This requires the identification of risks deeper in our value chain.	Upstream value chain	– Workers in the value chain – Workers at farm level in the AME region – Workers at solar production sites	– Increase visibility of impacts and risks that support implementation of corrective actions – Improve labour practices and human rights at farm level – Prevent lack of decent working conditions at solar production site	Continuous activities

Remedial actions

See dedicated 'Remediating negative impacts and enabling workers in our value chain to raise concerns' section on page 228.

Tracking and assessing effectiveness

The programmes stated above are at an early stage and we will assess how impact measurement can be embedded in the Company's processes.

Metrics and targets

We recognise the importance of creating a positive impact on workers in the value chain while simultaneously managing material risks and opportunities. To reach these desired outcomes, it is essential to involve value chain workers, their representatives and credible proxies in setting, tracking and learning from relevant sustainability goals.

Leveraging our enhanced value chain due diligence framework, we will develop and implement a method to measure progress, focusing on specific outcome-oriented ambitions and goals for future deployment.

Introduction

Report of the Executive Board

Report of the Supervisory Board

Financial Statements

Sustainability Statements

Other Information

Responsible

In the responsible section of the sustainability statements we focus on the topic:

S4 Consumers and end-users

S4 Consumers and end-users

Strategy

HEINEKEN's EverGreen strategy and Brew a Better World goals underscore our long-standing dedication to sustainability and responsibility, while creating value for our stakeholders. Our efforts to act responsibly towards our consumers cover three strategic areas: Always a choice, Address harmful use and Make moderation cool. These topics also address our material topics as part of our work on responsible marketing and consumption.

Key 2030 ambition areas behind responsible

Always a choice

By leveraging our category leadership and expanding our 0.0% beer and cider portfolio, we empower consumers to make informed choices for any occasion, whether they prefer alcoholic or non-alcoholic beverages.

We prioritise transparency and consumer information on all our products. Since 2016, we have helped to advance clear labelling standards in our industry. In line with our new global standard for labels, we provide comprehensive details (on pack or online) on ingredients, nutrition, calories, alcohol content, allergens and more, along with QR codes for further information on alcohol and health.

Address harmful use

Since the inception of BaBW in 2014, we have established global partnerships to address issues such as drink driving, underage drinking, excessive consumption and drinking during pregnancy.

In 2021, we set the goal that 100% of our markets have active partnerships addressing alcohol-related harm annually.

Make moderation cool

Our strategy harnesses the power of our brands, particularly the global Heineken brand, to promote responsible consumption. Through innovative campaigns, we make moderate drinking appealing, and help lead the conversation on responsible alcohol use.

Interest and views of stakeholders

For interests and views of stakeholders, see the General information section, pages 158-159.

Material impact, risks and opportunities and their interaction with strategy and business model

When it comes to our strategy, consumer and market insights play a crucial role. Consumers are providing important feedback through research when it comes to their attitudes and behaviour related to our products and brands. The information consumers provide is used to enhance the experience, anticipate future consumer needs, and therefore enhance customer satisfaction and drive sustainable business growth.

Our intended audience for all HEINEKEN owned alcohol brands as well as for no-alcohol variations of alcohol mother brands is consumers above legal drinking age. We will actively restrict exposure to minors and will take care that our commercial communications appeal primarily to an adult audience.

For further information regarding material impacts, risks and opportunities and their interaction with strategy and business model, see the General information section on pages 160-163.

Policies

HEINEKEN has several internal policies in place to guide how we address impacts, risks and opportunities relevant to consumers and end-users.

Responsible Marketing Code

Background	Key content	Scope	Accountability
The HEINEKEN Responsible Marketing Code (RMC) aims to ensure that our commercial communications adhere to the highest standards of responsible marketing, helping to make moderate drinking aspirational and demonstrating respect and truthfulness in all our activations.	The HEINEKEN RMC incorporates a set of principles that governs all our commercial communications. It's intended to support our core beliefs that the moderate consumption of alcohol can be part of a balanced lifestyle, that responsible drinking is not only cool, but aspirational and that truthful, compliant and respectful marketing is the HEINEKEN way. It is translated into all major languages, with a mandatory RMC e-learning course for employees who work on commercial communications (Commerce, Legal, Corporate Affairs etc).	Applies to all HEINEKEN operating companies.	The Chief Commercial Officer, Chief Corporate Affairs Officer and Executive Director Global Legal Affairs are responsible for the approval of this policy. We review and update the HEINEKEN RMC every 12-18 months to ensure it still embodies our values and aligns with our Company strategy.

Green Claims Policy

Background	Key content	Scope	Accountability
The HEINEKEN Green Claims Policy aims to ensure that our communication about environmental sustainability benefits is compliant with applicable laws, truthful and evidence-based.	The Policy provides the fundamental principles to avoid greenwashing as well as a governance process for reviewing communication about environmental sustainability.	Applies to all HEINEKEN operating companies: – All Global Teams, all operating companies, all brands. – All green claims and external communications made.	The Chief Commercial Officer, Chief Corporate Affairs Officer and Executive Director Global Legal Affairs are responsible for the approval of this policy. We regularly evaluate the Green Claims Policy to ensure it still embodies our values and aligns with our Company strategy.

Labelling Policy

Background	Key content	Scope	Accountability
The HEINEKEN Global Labelling Policy aims to provide consumers and end-users with transparent product information so they can make informed choices.	The Policy prescribes that our products should contain information (on pack or online) on ingredients, nutrition, calories, alcohol by volume and allergens, alcohol warning symbols, packaging recycling symbols and a QR code linking to further information on alcohol and health.	Applies to all HEINEKEN operating companies.	Chief Commercial Officer and Chief Global Corporate Affairs. We regularly evaluate the Global Labelling Policy to ensure it still embodies our values and aligns with our Company strategy.

Human Rights Policy principles relevant to consumers

As a global brewer, we strive to connect positively with consumers around the world. Our Code of Business Conduct, which includes our Human Rights Policy, ensures that in every country where we operate, we act according to a common framework designed to promote integrity and respect for people. Please refer to the 'Own workforce – Policies' (pages 208-211) section for more details on our Human Rights Policy.

Engaging with consumers and end-users

General processes for engagement

All HEINEKEN owned operating companies use the HEINEKEN Global Standard Business Insights Complaints Policy for consumers and customers in order to develop their own local complaints procedure.

We prioritise consumer needs and strive to connect and engage with our consumers, seeking their feedback. We also collaborate with trusted third-party agencies to gather insights on specific consumer groups.

Integrating consumer and end-user perspectives in decision-making

Mode of engagement

Our Global Standard Business Insights Complaints Policy provides clear guidance on the process for dealing with relevant consumers and end-users for all operating companies.

We seek to connect directly with them, particularly during product development and consumer activation efforts. Leveraging these insights, we strive to ensure we meet their needs, address their concerns and provide a high-quality experience by improving our products.

HEINEKEN also engages with key stakeholders such as NGOs, academic experts, customers, investors, government representatives and industry peers to learn and gather feedback on our strategy, ambitions and progress. This dialogue is an opportunity to share experiences and challenges, and discuss industry trends and opportunities for innovation and collaboration.

Engagement details

We collect feedback from our consumers and end-users primarily during the product development stage and after the product is launched. These engagements vary from online surveys to in-person meetings, often supported by third-party entities.

Stakeholder discussions cover HEINEKEN's sustainability performance, overall agenda and future plans. We cover key issues such as responsible consumption, carbon, water, human rights, local sourcing and the opportunities and challenges of doing business in developing countries.

We attended the United Nations Framework Convention on Climate Change (UNFCCC) COP27, where we joined panels and met with civil society and government officials. We have also participated in advocacy initiatives through the Alliance of CEO Climate Leaders, the World Economic Forum, UN Global Compact, the Water Resilience Coalition, RE100, the RE-Source Platform and the Dutch Sustainable Growth Coalition. We hold regular meetings with NGOs like Human Rights Watch. Although not directly engaging with consumers, these activities help us get a deeper understanding of consumers and end-users.

There is no formal frequency of engagement with consumers as this depends on the nature of the engagement and when it takes place.

Operational responsibility

In order to engage with consumers and end-users about impacts, our operating companies follow a procedure for customer complaints. This includes a clear responsibility process, depending on the nature or definition of the complaint, with responsibility shared accordingly between Commerce and Supply Chain teams within each operating company.

Effectiveness assessment

To assess the effectiveness of our efforts, we conduct follow-up surveys and evaluations. Additionally, we provide locally managed consumer services to address any concerns or issues that may arise.

Engaging with vulnerable or marginalised consumers

We include these groups within our overall consumer engagement efforts.

Remediating negative impacts for consumers and end-users

How we address negative impacts for consumers and end-users

Process to provide for or cooperate in the remediation of negative impacts

HEINEKEN aims for an inclusive approach to safeguarding the interests of our consumers and end-users. Each operating company has a dedicated customer complaints procedure to handle and address negative impacts associated with our products and services.

Description of our approach

Remedy for negative impacts

Should a negative impact be identified, our approach (at an operating company level) is to first ascertain the root cause, and address the incident as rapidly as possible. We also follow up with affected consumers to help ensure they are satisfied with the solution we provide.

Specific channels for consumers and for business relationships

Each operating company has its own feedback system in place for consumers, business partners and vendors to directly raise concerns or communicate needs.

Tracking and monitoring

Local consumer services monitor requests and concerns received and share status updates with operating companies on a regular basis, so that they can take action as appropriate. This is in line with the Global HEINEKEN Standard Business Insights Complaints Policy.

Awareness and trust

We help to ensure that consumers are aware of how to reach out to us by displaying our contact information on packaging and on our Company website. Once a complaint is addressed, we try to ensure that the consumer is satisfied with the resolution.

Trust in our Company is accessed through reputational research, which is conducted annually across 10+ top markets globally. The target audience of this consumer research programme is influential consumers – an audience identified by behaviours that show their high level of engagement with their communities and issues facing society. The analytical approach is designed to guide investment and track the impact of HEINEKEN programmes.

Actions and resources

The table below highlights the key actions taken and planned to prevent, mitigate and remediate actual and potential impacts, and to address risks and opportunities relevant for consumers and end-users. The activities relevant to many of these actions play a critical role in achieving our goals and policy objectives.

Key actions	Related activities	Value chain scope	Affected stakeholder groups	Expected outcome	Time horizon
Empowering consumers to make responsible choices	– Building the category and investing in developing outstanding 0.0% beverages so that a non-alcoholic alternative is available wherever we sell beverages. – Increasing transparency in our labels and communication.	Downstream value chain	Consumers	– Increase the number of markets where 0.0% beverages are available. – Increase the number of products with fully compliant labels. – Put commercial communications standards in place. – Deliver updated and relevant training to employees.	– 90% of our markets have a 0.0% alcohol option for one strategic brand by 2025. – Clear and transparent consumer information on our products in scope by 2024. – All Marketing and Trade Marketing, Non-Frontline Sales, Corporate Affairs and Legal employees within HEINEKEN's top 20 operating companies must have completed annual training on the HEINEKEN Responsible Marketing Code in the last 12 months.
Addressing harmful use	– Engaging with diverse stakeholders including industry peers, public sector, NGOs, consumer groups, police forces, legislators, retailers, hospitality venues, communities and consumers to understand the issues related to harmful use of alcohol in our communities and how best to address them. – Investing in campaigns dedicated to responsible consumption.	Downstream value chain	Consumers, communities	– Establish local partnerships to contribute to reducing harmful drinking in response to local needs and cultures. – Invest in responsible consumption campaigns to reach consumers across the globe. – While we are committed to addressing alcohol-related harm through our partnerships and media spend investment, we recognise that claiming direct behaviour change among our consumers and end-users is not feasible due to the complexity of influencing individual actions.	– 100% of markets with a partnership to address alcohol-related harm every year until 2030. – 10% media spend (Heineken®) invested in responsible marketing campaigns every year until 2030. – Responsible marketing campaigns reaching 1 billion unique consumers annually until 2030. – 95% compliance with the International Alliance for Responsible Drinking (IARD) Digital Guiding Principles by 2024.

Action on consumer and end-user material impacts

HEINEKEN has a cross-functional Global Responsible Consumption and Moderation working group that meets on a monthly basis. The group has been running for over three years to ensure that issues are discussed and resolved in a timely manner. This includes senior stakeholders from Global Commerce, Global Legal and Global Corporate Affairs.

Additional actions

HEINEKEN works closely with IARD (which works to raise standards in addressing alcohol-related harms across society) and other member companies to ensure we are responsible leaders in the sector while building on our work with other sectors – from retailers and hospitality to digital platforms and advertising agencies – by sharing best practices as part of IARD's Global Standards Coalition.

Our key areas of focus are:

- Raising standards for the online delivery and sales of alcohol
- Raising standards in digital marketing
- Enhancing our consumer information

As an IARD member company, HEINEKEN meets regularly with other members to share best practices and contribute to addressing alcohol-related harms. Our collective work includes the launch of a new free online training tool for servers and bar staff to help equip them with knowledge and practices on how consumers can enjoy alcohol responsibly.

Effectiveness assessment

In each country we operate in, there are advertising regulation bodies in place to maintain standards by enforcing guidelines on truthfulness, fairness and decency. They review advertisements for misleading claims, ensure transparency and protect vulnerable audiences. Regular audits, consumer feedback and penalties for non-compliance help uphold these standards, fostering trust and integrity in advertising.

Additionally, HEINEKEN assesses and tracks the effectiveness of its actions in relation to compliance with the five key safeguards of the Digital Guiding Principles, through third-party audits (via the World Federation of Advertisers and IARD). This industry governance makes sure that all digital marketing is only targeted at consumers and end-users who are above the legal-drinking age. During the most recent monitoring in 2024, HEINEKEN achieved 98% compliance.

Practices avoiding negative impacts

HEINEKEN has a long history of encouraging responsible consumption through its brands and its aim to make moderate, responsible consumption socially acceptable. We use the strength of our brands – particularly our global Heineken® – to help ensure that this message resonates with consumers by creating campaigns that encourage debate. Our ambition is to be a leader in responsible alcohol communication and activation.

Heineken® campaigns are designed to connect with target audiences and reflect different contexts by using digital media platforms, advertising assets and digital activations to drive awareness at scale. With campaigns like 'Sunrise Belongs to Moderate Drinkers', 'Moderate Drinkers Wanted', 'Dance More, Drink Slow' and 'When You Drive, Never Drink', we aim to change habits by advocating responsible behaviour.

Resource allocation for impact management

Dedicated teams across Global Commerce and Global Corporate Affairs aim to fulfil our Brew a Better World ambitions, which impact consumers and end-users.

Metrics and targets

We recognise the importance of having a positive impact on consumers and end-users while managing material risks and opportunities. As such, we have set specific, outcome-oriented goals and targets.

The following table outlines HEINEKEN's goals and targets to meet our ambitions as well as metrics to track progress on those goals and targets.

BaBW ambition	BaBW goal	Target	Time horizon target	Metric	Progress 2024	Progress 2023[1]
Always a choice	A zero alcohol option for one strategic brand in the majority of our markets (accounting for 90% of our business) by 2025	90% of total sales volume of operating companies with a zero alcohol option for at least one strategic brand	2025	% of total sales volume of operating companies with a zero alcohol option for at least one strategic brand	91%	—
	Clear and transparent consumer information on 100% of our products by 2024	Clear and transparent consumer information on 100% of our products	2024	% of products in scope with fully compliant labels	83%	53%
Address harmful use	A partnership to address alcohol-related harm in 100% of markets every year	A partnership to address alcohol-related harm in 100% of markets.	–	% of operating companies in scope with partnership to address alcohol-related harm	100%	100%
Make moderation cool	10% of Heineken media spend invested every year in responsible consumption campaigns, reaching 1 billion consumers	10% of Heineken® media spend invested every year in responsible consumption campaigns, reaching 1 billion consumers	2024	% media spend invested in responsible consumption campaigns	15%	14%
			2024	Unique consumers reached with responsible consumption campaigns	1.1 billion	0.9 billion

[1] The goal for a zero alcohol option was amended in 2024; therefore, no 2023 results are reported.

Always a choice

As society evolves, the trend towards moderation continues to grow in markets around the world. Research shows that 79% of drinkers are moderating consumption (HEINEKEN Moderation Pulse Tracker 2024). Our goal to ensure that consumers have a choice to drink non-alcoholic beverages directly addresses that societal shift – with a timeline defined for implementation that is both ambitious and sustainable. Our aim in 2021 was to offer zero alcohol options for at least two strategic brands in the majority of our markets. We made progress, but we also learned that focusing on seeding one strategic brand, rather than two, is more impactful for operating companies without an established non-alcoholic beer category. Therefore, in 2024 we updated the goal to have a zero alcohol option for one strategic brand in the majority of markets (accounting for 90% of our business) by 2025.

In 2024, operating companies with a zero alcohol option for one strategic brand represented 91% of our total beer and cider volume.

We advocate for transparency so that our consumers can make an informed choice about our products. Our Global Labelling Policy and related goal and target directly reflect this, ensuring that our consumers have the right information in an accessible way.

By the end of 2024, all markets except HEINEKEN Brazil had clear and transparent consumer information on their products in scope. As a result, 83% of our products had labels that fully meet our criteria (up from 53% in 2023). By the first quarter of 2025, HEINEKEN Brazil's labelling stock will have been used and their products will contain all required information.

Address harmful use

Harmful patterns of alcohol consumption pose substantial health and social risks, making responsible drinking practices essential to our approach. Which is why our goal is to engage in partnerships that contribute to reducing the harmful use of alcohol across every market in which we operate.

In 2024, 100% of our markets in scope had a partnership to address harmful use of alcohol making this the third consecutive year where we have met our goal.

Make moderation cool

We have a long history of using our brands to make moderation and responsible consumption cool. We use the strength of our brands – particularly Heineken® – to ensure this message resonates with consumers through campaigns that lead the debate. As an important element of our BaBW strategy, the specific goal and target was defined to ensure that we invest at least 10% of Heineken® media spend into responsible consumption campaigns each year, aiming to reach 1 billion consumers.

In 2024, 15% of Heineken® media spend was invested by our operating companies and 1.1 billion unique consumers worldwide were reached through responsible consumption campaigns.

Process for setting ambitions, goals and targets

The process for setting and monitoring ambitions, goals and targets is included in the General information section.

Metrics

Data reported in this section represents metrics in accordance with ESRS requirements. These metrics are additional to our goals and targets (included in the previous section).

Responsible Marketing Code

In line with our defined ambitions, we prioritise equipping our Commerce employees with comprehensive training on our HEINEKEN Responsible Marketing Code. This code outlines the internal principles that guide all our commercial communications. To ensure adherence, employees complete this mandatory training annually, gaining the knowledge necessary to develop responsible commercial content. We actively monitor training completion each year to uphold our commitment to high standards of responsible marketing.

In 2024, 82% of our employees in Commerce were trained on the Responsible Marketing Code.

Sustainability Statements **Appendices**

Appendix 1 – **Incorporation by reference**

Incorporation by reference

Disclosure requirement (incl related datapoint, if applicable)	Section in the annual report	Page
Experience of the Executive Board and Supervisory Board relevant to the sectors, products and geographic locations of the undertaking (ESRS 2-21c)	Executive Board profiles, Supervisory Board profiles and Supervisory Board composition and skills matrix as included in the Corporate Governance statement	50, 60-61
Material impacts, risks and opportunities addressed by the Supervisory Board, or their relevant committees during the reporting period (ESRS 2-26c)	Paragraph 'Sustainability and Responsibility Committee' as included in the Corporate Governance statement	64
Compatibility of climate scenarios used with the critical climate-related assumptions made in the financial statements (ESRS E1, AR15)	Note 3(b) of the financial statements	85
Reconciliation of Net revenue with the financial statements (ESRS E1-43; ESRS E1-55)	Note 6.1 of the financial statements	88

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Appendix 2 – **Linking impacts, risks and opportunities to policies and actions**

Linking impacts, risks and opportunities to policies and actions

Topic	Type	Impacts, risks and opportunities description	Related policy	Related key action	Related target
Climate change	Risk	– Carbon pricing, taxation, and emissions trading schemes are expected to be the primary levers through which governments regulate emissions and incentivise decarbonisation. This may potentially increase the price of raw materials, energy, equipment, and other related inputs.	– Renewable Electricity Policy – Biomass Policy – Internal Carbon Pricing Policy	– Reduce energy consumption and replace fossil fuels with renewables – Strengthen supplier engagement – Focus on agriculture initiatives FLAG (forest, land and agriculture) – Focus on packaging initiatives and circularity (non-FLAG) – Carbon removals	– Reach net zero in Scope 1 and 2 – 100% renewable electricity in Scope 1 and 2 – Reach net zero across our value chain – Reduce Scope 3
	Impact	– The use of fossil energy across the value chain continues to release carbon emissions into the atmosphere, which contributes to global warming.			
	Impact	– HEINEKEN's net zero ambition is motivating value chain partners to set targets and reduce carbon emissions.			
Water security	Risk	– Changes in water availability due to climate change, population growth, or regulatory shifts may lead to production interruptions and loss of revenue.	– Environmental Policy	– Improve our understanding of our water risks in our supply chain – Increase internal and external water reuse and recycling – Wastewater treatment – Reduce average water usage	– Reduce average water usage to 2.9 hl/hl worldwide
	Impact	– Through collaboration with third parties, watersheds are increasingly being protected and restored.			
	Impact	– Water withdrawal in water-stressed areas reduces water availability.	– Environmental Policy	– Reduce average water usage – Fully balance water used in our products in the water stressed areas	– Reduce average water usage to 2.6 hl/hl in water-stressed areas – Reach 100% water balancing in our products in water-stressed areas

Appendix 2 – Linking impacts, risks and opportunities to policies and actions

Topic	Type	Impacts, risks and opportunities description	Related policy	Related key action	Related target
Responsible consumption	Risk	– Debates on alcohol consumption may result in increased excise duties, minimum unit pricing, reduced commercial freedoms - including availability and visibility - sponsorship bans, health warnings, reputational damage, and a negative impact on revenues and profits.	– Responsible Marketing Code – Labelling policy	– Empowering consumers to make responsible choices – Address harmful use	– Clear and transparent consumer information on 100% of our products – A partnership to address alcohol-related harm in 100% of markets every year – 10% of Heineken® media spend invested every year in responsible consumption campaigns, reaching 1 billion consumers
	Impact	– Abuse and overconsumption of alcohol leading to negative health and societal impacts.			
	Opportunity	– Become a market leader in the no- and low-alcohol category.	– No policy in place	– Empowering consumers to make responsible choices	– 90% of total sales volume of operating companies with a zero alcohol option for at least one strategic brand
	Impact	– Expanding no- and low-alcohol beverage options ensures that consumers 'always have a choice'.			
Sustainable agriculture	Risk	– Disruption of sourcing continuity, such as changes in the availability, quality, or price of ingredients due to external factors like political instability and climate change, may lead to resource shortages, increased costs, production interruptions, and loss of revenue.	– Environmental Policy – Sustainable sourcing of agricultural materials – principles and procedures	– Increase sustainably sourced raw materials – Focus on agriculture initiatives (FLAG)	– 100% sustainably sourced ingredients (barley, hops) – Reduce Scope 3
	Impact	– Sourcing of raw materials, grown using conventional methods, can increase carbon emissions and impact the availability and quality of water.			
	Impact	– Collaborating with business partners and farmers to adopt innovative and sustainable agricultural practices reduces environmental impact and enhances resilience to climate change.			
Resources and circularity	Risk	– Changes in the impact, speed, and costs of new environmental regulations may affect operations and increase expenses.	– Environmental Policy	– Monitor new environmental regulation	– No target defined
	Impact	– Contributing to carbon emissions by sourcing virgin materials.	– Environmental Policy	– Increase volumes sold in reuseable packaging	– 43% of volumes sold in reusable format
	Impact	– Indirectly contributing to landfill waste through consumers.	– Environmental Policy	– Increase volume of closed-loop recycled content in primary packaging – Create packaging that is recyclable by design – Reduce waste to landfill from production sites	– 50% recycled content in bottles and cans – 99% of all packaging is recyclable by design
	Impact	– Investing in return systems for reusable packaging fosters a circular economy by promoting material reuse and reducing demand for virgin resources.	– Environmental Policy	– Increase volumes sold in reuseable packaging	– 43% of volumes sold in reusable format
	Impact	– Innovating in reusing by-products in production enhances resource efficiency and minimises waste.			

Appendix 2 – **Linking impacts, risks and opportunities to policies and actions**

Topic	Type	Impacts, risks and opportunities description	Related policy	Related key action	Related target
Responsible Marketing	Risk	– Commercial campaigns that do not align with HEINEKEN's Responsible Marketing Code, such as those seemingly targeting minors or promoting excessive alcohol consumption, may result in fines, litigation, and damage to the brand's reputation.	– Responsible Marketing Code – Green Claims Policy	– Address harmful use	– 10% of Heineken® media spend invested every year in responsible consumption campaigns, reaching 1 billion consumers
	Impact	– Positively influencing consumer behaviour through Responsible Consumption and 0.0% campaigns.			
	Impact	– Providing transparent, easily accessible information on labels beyond local legal requirements empowers consumers to make informed choices.	– Labelling policy	– Empowering consumers to make responsible choices	– Clear and transparent consumer information on 100% of our products
Labour practices and human rights	Risk	– Significant alleged or actual non-compliance with the Human Rights Policy or Supplier Code within our operations or value chain may lead to claims, fines, and reputational damage.	– Human Rights Policy – Code of Business Conduct – Supplier Code – Speak Up Policy – Non-Discrimination Policy – Brand Promoters Policy – Non-Retaliation Policy – Sustainable sourcing of agricultural materials – principles and procedures	– Embrace diversity, equity and inclusion – Ensure a fair and safe workplace – Increase understanding and transparency on human rights risks	– 100% of in scope operating companies assessed for fair living and working standards for third party employees and Brand Promoters by 2030
	Impact	– Raising labour and human rights standards globally due to HEINEKEN's operational footprint.			
Diversity, equity & inclusion (DEI)	Risk	– Failure to achieve our DEI ambitions and unlock the full potential of our people and organisation may result in lost business opportunities.	– Human Rights Policy – Code of Business Conduct – Speak Up Policy – Non-Discrimination Policy – Non-Retaliation Policy	– Embrace diversity, equity and inclusion	– Gender balance across senior management: 30% women by 2025, 40% women by 2030
	Impact	– Promoting inclusivity and actively adopting DEI practices within the organisation fosters a diverse workplace culture.			

Appendix 3 – **Datapoints that derive from other EU legislation**

The table below includes datapoints that derive from other EU legislation (as listed in ESRS 2 Appendix B) and where these can be found in the Sustainability Statements.

Disclosure requirement	Par.	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material: Yes/No	Section in Sustainability Statements	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Mandatory	Composition of the Executive Board and Supervisory Board	151-152
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Mandatory	Composition of the Executive Board and Supervisory Board	151-152
ESRS 2 GOV-4	30	Statement on due diligence	x				Mandatory	Statement on due diligence	154-155
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Mandatory	N/A, HEINEKEN is not involved in these activities	N/A
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Mandatory	N/A, HEINEKEN is not involved in these activities	N/A
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Mandatory	N/A, HEINEKEN is not involved in these activities	N/A
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Mandatory	N/A, HEINEKEN is not involved in these activities	N/A
ESRS E1-1	14	Transition plan for climate change mitigation				x	Yes	Our net zero strategy	168-172
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Yes	Metrics and targets	179
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Yes	Metrics and targets	178
ESRS E1-5	37	Energy consumption and mix	x				Yes	Energy consumption and mix	181
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Yes	Energy consumption and mix	181
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	x				Yes	Energy consumption and mix	181
ESRS E1-6	44	Gross Scope 1, 2, 3, and Total GHG emissions	x	x	x		Yes	GHG emissions	180
ESRS E1-6	53 to 55	GHG Intensity based on net revenue	x	x	x		Yes	GHG emissions	181
ESRS E1-7	56	GHG removals and carbon credits				x	Yes	Actions and resources	175
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Yes	N/A, phase-in allowance applied	N/A
ESRS E1-9	66 (a) 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk		x			Yes	N/A, phase-in allowance applied	N/A
ESRS E1-9	67 (c)	Breakdown of the carrying value of real estate assets by energy-efficiency classes		x			Yes	N/A, phase-in allowance applied	N/A
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Yes	N/A, phase-in allowance applied	N/A

Appendix 3 – **Datapoints that derive from other EU legislation**

Disclosure requirement	Par.	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material: Yes/No	Section in Sustainability Statements	Page
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				No	N/A	N/A
ESRS E3-1	9	Policies related to water and marine resources	x				Yes	Policies	184
ESRS E3-1	13	Dedicated policy	x				Yes	N/A, all water-stressed sites are covered by a policy	N/A
ESRS E3-1	14	Policies related to sustainable oceans and seas	x				Yes	Policies	184
ESRS E3-4	28 (c)	Total water recycled and reused	x				Yes	Recycling and reusing water	188
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x				Yes	Water consumption	188
ESRS 2- IRO 1 – E4	16 (a) i	Activities negatively affecting biodiversity sensitive areas	x				No	N/A	N/A
ESRS 2- IRO 1 – E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing	x				No	N/A	N/A
ESRS 2- IRO 1 – E4	16 (c)	Operations that affect threatened species	x				No	N/A	N/A
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				No	N/A	N/A
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				No	N/A	N/A
ESRS E4-2	24 (d)	Policies to address deforestation	x				No	N/A	N/A
ESRS E5-5	37 (d)	Non-recycled waste	x				Yes	Production waste	196
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Yes	Production waste	196
ESRS 2- SBM3 – S1	14 (f)	Risk of incidents of forced labor	x				Yes	Material impact, risks and opportunities and their interaction with strategy and business model	207
ESRS 2- SBM3 – S1	14 (g)	Risk of incidents of child labor	x				Yes	Material impact, risks and opportunities and their interaction with strategy and business model	207
ESRS S1-1	20	Human rights policy commitments	x				Yes	Policies	211
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			x		Yes	Human Rights Policy	208
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Yes	Human Rights Policy	208
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Yes	Heineken Life Saving Commitments	209
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				Yes	Speak Up framework	213
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x		Voluntary	Fatalities and serious injuries	223
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				No	N/A	N/A
ESRS S1-16	97 (a)	Gender pay gap	x		x		Yes	Closing the gender pay gap	221

Appendix 3 – **Datapoints that derive from other EU legislation**

Disclosure requirement	Par.	Description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material: Yes/No	Section in Sustainability Statements	Page
ESRS S1-16	97 (b)	Annual total remuneration ratio	x				Yes	Understanding our remuneration ratio	222
ESRS S1-17	103 (a)	Incidents of discrimination	x				Yes	Work-related incidents and complaints	222
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	x		x		Yes	Work-related incidents and complaints	222
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Yes	Strategy	224
ESRS S2-1	17	Human rights policy commitments	x				Yes	Policies	211; 225
ESRS S2-1	18	Policies related to value chain workers	x				Yes	Policies	208; 227
ESRS S2-1	19	Non- respect of UNGPs on Business and Human Rights Principles and OECD Guidelines	x		x		Yes	Policies	225-227
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Yes	Policies	225-227
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Yes	Reporting severe human rights issues	229
ESRS S3-1	16	Human rights policy commitments	x				No	N/A	N/A
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	x		x		No	N/A	N/A
ESRS S3-4	36	Human rights issues and incidents	x				No	N/A	N/A
ESRS S4-1	16	Policies related to consumers and end-users	x				Yes	Policies	234
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Yes	Human Rights Policy principles relevant to consumers	234
ESRS S4-4	35	Human rights issues and incidents	x				Yes	N/A in 2024	N/A
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x				No	N/A	N/A
ESRS G1-1	10 (d)	Protection of whistle-blowers	x				No	N/A	N/A
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		No	N/A	N/A
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				No	N/A	N/A

Appendix 4 – **Basis of preparation**

E1 Energy consumption and mix

Metrics

E1-5.37a Energy consumption from fossil fuel
E1-5.37b Energy consumption from nuclear sources
E1-5.37c Energy consumption from renewable sources
E1-5.38 Energy consumption from fossil fuel disaggregation
E1-5.40 Energy consumption per net revenue

Definitions

Fossil fuel
Non renewable energy which includes fuels such as oils, natural gas, and coal.

Renewable energy
Energy source that can be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes such as biomass, biogas, wind energy, solar or hydropower.

Nuclear source
According to technical criteria from Renewable Energy100 (RE100), nuclear power uses radioactive fuel and is not a limitless source of energy.

Assumptions, approximations and judgements

– Production data is converted to MWh using conversion factors from the Intergovernmental Panel on Climate Change (IPCC).
– If primary data is not available for owned and operated logistics, fuel consumption is based on activity data. This is determined using the EcoTransIT platform.
– Scope 2 market-based approach is applied to split electricity, steam and heat or cooling between renewables and non-renewables.
– Lower heating value (LHV) is used to report data in mega-watt hours (MWh)

E1-5.37b Energy consumption from nuclear sources
HEINEKEN reports zero for energy consumption from nuclear sources for the following reasons:

– HEINEKEN does not have electricity acquired directly from a nuclear plant.
– HEINEKEN does not have electricity extracted from a nuclear facility on site.
– Electricity purchased from a grid that has nuclear in the mix is disclosed using location-based accounting, and the ESRS requires that the energy consumption metrics use the market-based approach.

Methodologies

– These metrics cover energy consumption within production sites (breweries, plants and wineries) and owned logistics. They exclude fuel consumption from office buildings. This is consistent with the perimeter applied for reporting Scope 1 and 2 GHG emissions.
– HEINEKEN follows CDP guidance for determining energy consumption from energy sources.
– Energy consumption is considered as derived from a renewable source only when the purchased energy is clearly defined in the contractual arrangement with its suppliers. Energy classified as renewable meets the technical criterial from RE100.
– HEINEKEN does not directly source nuclear energy or consider nuclear energy an eligible renewable technology consistent with RE100/CDP and GHG Protocol definitions.
– We disaggregated total energy consumption as HEINEKEN consolidated operations classify as high climate impact sectors outlined in Annex I section C to Regulation (EC) No 1893/2006 of the European Parliament – manufacture of beer, manufacture of wine from grape, manufacture of cider and other fruit wines, manufacture of malt, manufacture of soft drinks and production of mineral waters and other bottled waters.

Measurement uncertainty

High level of measurement uncertainty:
No

Sources of measurement uncertainty:
No

Validation of the measurement of the metric by an external body, other than the auditor:
No

Requires value chain information:

No

Appendix 4 – **Basis of preparation**

E1 Scope 1 and 2 GHG emissions

Metrics

E1-6.48a Scope 1 GHG emissions
E1-6.48b % Scope 1 GHG emissions from regulated emission trading schemes
E1-6.49a Location-based Scope 2 GHG emissions
E1-6.49b Market-based Scope 2 GHG emissions
Entity-specific: % CO_2 reduction vs. 2022 baseline in Scope 1 and 2 emissions
Entity-specific: % electricity from renewable sources in Scope 1 and 2 in production

Definitions

Scope 1

Direct emissions from sources owned or controlled by HEINEKEN.

Scope 2 – Location-based

GHG emissions, calculated with CO_2eq, from acquired and consumed electricity, steam, and heat using location-based methodology. i.e. using local grid emissions factors.

Scope 2 – Market-based

Indirect emissions from purchased electricity, heat, or steam using market-based methodology. Within this methodology, renewable energy purchases, which consist of options approved by RE100 (e.g. power purchase agreements and on-site solutions), are distinguished from non-renewable electricity purchases.

% CO_2 reduction vs. 2022 baseline in Scope 1 and 2 emissions in production

Total sum of scope 1 GHG emissions and Scope 2 GHG emissions (market-based) reported during the current year subtracted by the total sum of Scope 1 GHG emissions and scope 2 GHG emissions (market-based) reported during the baseline year (2022).

% electricity from renewable sources in Scope 1 and 2

Total sum of Scope 1 and Scope 2 renewable electricity consumption compared to the total sum of Scope 1 and Scope 2 energy consumption amount.

Methodologies

General methodology

- Scope 1 and 2 GHG emissions measurement applies to GHG emissions from entities HEINEKEN operationally controls.
- To calculate Scope 1 and 2 GHG emissions, the GHG Protocol Corporate Standard (version 2004) and Scope 2 Guidance (version 2015) methodology are applied.
- Energy consumption is considered as derived from a renewable source only when the purchased energy is clearly defined in the contractual arrangement with it suppliers. Energy classified as renewable meets the technical criteria from RE100. This includes:
  - Thermal energy coming from biomass, biogas, solar thermal and imported heat with 100% renewable and/or 0 g CO_2/MJ
  - Electricity generated from renewable resources on site such as hydro, solar and biogas
  - Imported electricity under green certificates via PPAs.

E1 metrics

- These metrics cover direct emissions from sources owned or controlled by HEINEKEN, such as combustion at production sites, logistics operations, owned transportation, warehouses, owned offices and company owned bars.
- Includes emissions of CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3.

E1-6.48b % Scope 1 GHG emissions from regulated emission trading schemes (ETS)

Considers Scope 1 emissions from the installations that are subject to regulated emission trading schemes. For HEINEKEN, the following emission schemes apply: European ETS (EU ETS), New Zealand ETS, California cap and trade programme.

Entity-specific metrics

% CO_2 reduction vs. 2022 baseline in Scope 1 and 2: covers direct emissions from sources owned or controlled by HEINEKEN, such as combustion at production sites, logistics operations, owned transportation, warehouses, owned offices and company owned bars. Includes emissions of CO_2 market-based approach is used to calculate Scope 2.

% electricity from renewable sources: covers production.

Biogenic emissions – Emissions from the combustion of biogenic materials that come from sustainable sources, and are compliant with our internal policies. In line with GHG protocol, the CO_2 emissions from combustion of bioenergy are separated from the total emissions inventory. However, other gases (CH_4 and N_2O) are included in the inventory.

E1 Scope 1 and 2 GHG emissions (continued)

Assumptions, approximations and judgements

Assumptions

Energy emission factors are used to convert energy to carbon depending on the type of energy:

Grid electricity

International Energy Agency (IEA)

Biofuels

UK Department for Environment, Food and Rural Affairs (UK DEFRA). UK DEFRA rates are released in the middle of each year. We applied the most recently available at the beginning of the reporting period, which was the 2023 DEFRA rate.

Fossil fuels

Intergovernmental Panel on Climate Change (IPCC) 5th assessment

Transportation

EcoTransIT

Residual mix factor

Association of Issuing Bodies and Green-e

Approximations

Production – If primary data is not available, an extrapolation is performed based on production volumes.

Logistics – If primary data is not available, an activity-based estimation is used. The estimate is determined by the distance, vehicle type, fuel type and EcoTransIT emission factor.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

E1 Scope 3 GHG emissions

Metrics

E1-6.51 Scope 3 GHG emissions

Definitions

Lifecycle definitions:

Agriculture

Covers all activities for land-bound inputs used for beverage production, for example, cultivation of barley, hops, sugar beets, fruits. The impact related to land use change is included in this lifecycle stage.

Packaging

Covers all activities for packaging material production, generated at the packaging suppliers. This includes input materials, energy used and the recycled material used.

Raw materials

Covers all processing of inputs before the beverage production stage, for example malting barley, concentrating hops and producing sugar syrup or fruit concentrates. Packaging material production and disposal covers all activities for packaging material production, generated at the packaging suppliers. This includes input materials, energy used and the recycled material used.

Logistics

Covers both inbound transport of raw agricultural inputs, processed inputs and packaging materials to our breweries, outbound distribution of beverages to the point of sale consumer, and warehouse energy consumption.

Cooling

Emissions from cooling the beverages. This can be cooling in draught beer installations, cooling in fridges in bars and restaurants and home cooling by consumers.

Other

Purchased goods and services (other than packaging and raw materials), capital goods, business travel, commuting, upstream leased assets and investments.

Methodologies

Significant Scope 3 categories are based on the criteria of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011).

Scope 3 categories are consistent with the GHG Protocol. For HEINEKEN, this includes:

- Indirect Scope 3 GHG emissions from the consolidated accounting group.
- Scope 1, 2 and 3 GHG emissions from associates, joint ventures, unconsolidated subsidiaries (investment entities) and joint arrangements for which the undertaking does not have operational control and when these entities are part of the undertaking's upstream and downstream value chain.

Category 1 – Purchased goods and service

Actual goods received from key raw materials and packaging are converted using emission factors. Packaging Scope 3 calculation is aligned with Product Environmental Footprint Category Rules (PEFCR) Guidance.

Category 2 – Capital goods

Actual capital expenditure (property, plant and equipment) from consolidated balance sheet converted using emission factors.

Category 3 – Fuel and energy related

Actual upstream value chain's purchased energy related to extraction, production, combustion, transportation and distribution losses converted using emission factors.

Category 4 – Upstream transportation and distribution

Land transport – wheel to wheel emissions based on actual distance travelled for inbound materials, semi and finished products between own sites and distribution to customer. Emissions are based on vehicle type, geography, and distance travelled.

Ocean transport – activity-based method applied. This is determined using distance travelled and an emission factor.

Category 5 – Waste generated from operations

Actual brewery co-products (such as yeast, grain or wastewater) that are not recycled or reused are converted using a specific emission factor.

Category 6 – Business travel

- Air travel – actual travel distance information (from travel agency) converted using emission factor
- Other business travel – estimated based on the total business spend converted using emission factor for each transportation type

E1 Scope 3 GHG emissions (continued)

Methodologies (continued)

Category 7 – Employee commuting

– Regional commuting statistics of each type of mode of transport (cycling, public transport and passenger cars) converted using each specific mode of transport emission factor

Category 8 – Upstream leased assets

– Average distance travelled for all HEINEKEN leased cars per fuel type within the reporting year, converted using emission factor

Category 9 – Downstream transport and distribution

– Transportation emissions: based on estimated transport information gathered from a sample of countries for different distribution channels measured using wheel-to-wheel methodology and extrapolated on annual basis

– Emissions from storage of products on shelves at retailers measured using PEF methodology and converted using emission factor based on IEA

Category 11 – Use of products sold

– Refrigeration: Actual goods receipts of fridges tracked for seven years converted using emission factor per country (IEA) and energy efficiency of the equipment for 80% of the total population

– Draught equipment: Actual deployment record within the reporting year converted using grid emission (IEA) factor per country and energy consumption and extrapolation for unavailable information

– We apply an average percentage of home cooling per region. We are in the process of conducting market assessments to improve our cooling assumptions.

Category 12 – End-of-life treatment of sold products

– Estimated waste that goes for recycling, incineration and landfill is estimated using (i) circular footprint formula, (ii) incineration rate per country and (iii) assumption that the remaining will be sent to landfill. This approach is aligned with PEFCR

– The estimated amount is converted using emission factor

Category 14 – Franchises

– Assumed to be 80% of its UK pubs, estimated using Scope 1 and 2 GHG emission reported for UK pubs

Category 15 – Investments

– Amount of investment from joint ventures and associates in the annual financial statement, and applying an economic intensity factor

Biogenic emissions are not included in the disclosure of Scope 3 emissions. The identification of biogenic emission sources, biogenic emission factors and the specific approach to model biogenic emissions of Scope 3 is complex. We will wait until there is further guidance from EFRAG to disclose biogenic emissions.

Assumptions, approximations and judgements

Assumptions

Category 1 – Purchased good & services

– Packaging material – Supplier-specific emission factors (PEFCR)

– Raw materials (other than barley) – FLAG land management and land use change emission factor from BLONK Sustainability

– Barley – FLAG land use change emission factor (UK DEFRA)

Category 2 – Capital goods

– UK DEFRA emission factor

Category 3 – Fuel and energy related

– Production – grid emission factors (IEA)

– Land transport emission factors – EcoTransIT

Category 4 – Upstream transportation and distribution

– Land transport emission factors–– EcoTransIT

– Ocean transport – Clean Cargo Working Group

Category 5 – Waste generated from operations

– Yeast and grain emission factors – BLONK Sustainability

– Wastewater – IPCC 5th assessment (2006)

Category 6 – Business travel

– UK DEFRA emission factor

Category 7 – Employee commuting

– Assumption that employees commute to the office three days a week.

– UK DEFRA emission factor

Category 8 – Upstream leased assets

– UK DEFRA emission factor

Category 9 – Downstream transport and distribution

– Land transport – EcoTransIT emission factors

– Energy consumption – IEA emission factors

Category 11 – Use of products sold

– Local grid factors – IEA emission factors

– Energy consumption – based on HEINEKEN supplier data

– Draught equipment – Re/genT lab

E1 Scope 3 GHG emissions (continued)

Assumptions, approximations and judgements (continued)

Category 12 – End-of-life treatment of sold products

– Emission factor – PEFCR

– Recycling and incineration rates – dependent on the country. Published by government or credible third parties

Category 14 – End-of-life treatment of sold products

– Assumed life of a cooler is 7 years

Category 15 – Investments

– UK DEFRA emission factor

UK DEFRA rates are released in the middle of each year. We applied the most recently available at the beginning of the reporting period, which was the 2023 DEFRA rate.

Scope 3 processing of sold products (category 10) and downstream leased assets (category 13) does not apply to HEINEKEN, as we sell final, not intermediate, products.

Approximations

We calculate GHG emissions using primary data for operating companies in scope and perform an extrapolation for the remaining results. In 2024, the coverage of operating companies in scope based on volumes produced was:

Raw materials: 95%
Processing: 95%
Beverage production: 100%
Packaging: 90%
Logistics: 84%
Cooling: 91%

Judgements

– The selection of proxies (activity data) for each scope 3 GHG emission category

– Sources of emission factor used to convert activity data to carbon emission measurement unit

Measurement uncertainty

High level of measurement uncertainty:

Yes

Sources of measurement uncertainty:

HEINEKEN strives to report the carbon footprint as accurately and completely as possible. Due to inherent limitations in relation to the uncertainty of measurement equipment and/or availability of actual data, we apply extrapolations, use estimates, assumptions and judgements in our reporting. Estimates, assumptions and judgements are based on historical data. As such, emissions reporting provides inherent limitations to the accuracy of information.

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

Yes

Appendix 4 – **Basis of preparation**

E1 Total GHG emissions

Metrics

E1-6.52a Total GHG emissions – location based

E1-6.52b Total GHG emissions – market based

E1-6.53 Total GHG emissions per net revenue

Entity-specific: % CO_2 reduction vs. 2022 baseline in Scope 1, 2 and 3 emissions

Definitions

N/A

Assumptions, approximations and judgements

– See Scope 1, 2 and 3 GHG emissions basis of preparation

Methodologies

– To sum Scope 1, 2 and 3 GHG emissions measured using the location- and market-based methods (for Scope 2 GHG emissions).

E1-6.53 Total GHG emissions per net revenue

To sum Scope 1, 2 and 3 GHG emissions measured using the location and market based method divided by the total net revenue reported during the year.

Consolidated net revenue was used, as HEINEKEN consolidated operations relate to the following high climate impact sectors outlined in Annex I Section C to Regulation (EC) No. 1893/2006 of the European Parliament – manufacture of beer, manufacture of wine from grape, manufacture of cider and other fruit wines, manufacture of malt, manufacture of soft drinks and production of mineral waters and other bottled waters.

% CO_2 reduction vs. baseline 2022 in scope 1, 2 and 3 emissions

Sum of all Scope 1, 2 and 3 GHG emissions reported during the current year measured using the market-based method (for Scope 2 GHG emissions) subtracted by the sum of all Scope 1, 2 and 3 GHG emissions reported during the baseline year (2022) measured using the market-based method. This total is divided by the sum of all Scope 1,2 and 3 GHG emissions reported during the baseline year (2022).

For this metric, the SBTi approved target boundary is applied. The SBTI target boundary includes the following exclusions approved by SBTi:

– Scope 1 & 2- CH_4 and N_2O gases and refrigerants ('HFCs'), exported energy energy and the heating of own warehouses.

– Scope 3 FLAG – sorghum crop, rice crop from all sourcing countries except Vietnam and other local crops used in local recipes (will differ depending on the country).

– Scope 3 non-FLAG – capital goods (category 2), other logistic activities, e.g., inbound logistics of secondary packaging materials, commercial merchandise, and spare parts (part of category 4), downstream transport and distribution (category 9), home cooling of our products (Category 11), franchises (category 14), investments (category 15).

Measurement uncertainty

High level of measurement uncertainty:

See Scope 1, 2 and 3 GHG emissions basis of preparation

Sources of measurement uncertainty:

See Scope 1, 2 and 3 GHG emissions basis of preparation

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

Yes, see Scope 3 GHG emissions basis of preparation

Appendix 4 – Basis of preparation

E3 Water

Metrics

E3-4.29 Water consumption/revenue ratio
E3-4.28a Water consumption
E3-4.28b Water consumption in areas at water risk, including areas of high water stress
E3-4.28c Water recycling/reusage
Entity-specific: Average water usage
Entity-specific: Average water usage in water-stressed areas
Entity-specific: % of sites in water-stressed areas > 100% water balanced

Definitions

Water-stressed area

HEINEKEN identifies water-stressed areas through our three-step screening approach.

Areas at water risk, including areas of high water stress

For the purpose of disclosing in line with E3-4.28b, high water-stress areas are those where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) according to the WRI's Water Risk Atlas tool Aqueduct. If a region does not meet this criteria, but it is identified by our three-step screening approach as an area of water risk, it will also be included.

Water balancing

Redressing the amount of water we source from the watershed, water that is not returned because it is put into our products and/or water lost through evaporation. Fully water balanced means 1.5 litres of water replenished for every 1 litre put into our products.

Water recycling and reuse

Water and wastewater (treated or untreated) that has been used more than once before being discharged from HEINEKEN's boundary, so that water demand is reduced. This may be in the same process (recycled) or used in a different process with the same HEINEKEN facility or another HEINEKEN facility (reuse).

Water withdrawal

Production sites can obtain water from various sources, such as: groundwater or well water abstraction, water purchased from a public or private water company, surface water from rivers, lakes or sea and collected rainwater. Withdrawal does not include water use from non-production activities.

Assumptions, approximations and judgements

- Area of high water stress and area at water risk are production sites with water stress score of => 3 based on WRI Aqueduct tool
- If a site is identified as water-stressed using the source water vulnerability assessment, it is added as water-stressed in the following year.

Methodologies

Water consumption

Determined as the amount of water withdrawn into the boundaries of HEINEKEN production sites and not discharged back to the water environment or a third party.

Water-stressed areas

Determining water-stressed areas uses the three step approach:

1. Water security self-assessment
2. Global Water Risk Screening
3. Source water vulnerability assessment

Average water usage

- Actual water withdrawal divided by the actual beverages volumes produced
- Actual water withdrawal divided by the actual beverages volumes produced in water-stressed areas

Water balance

Number of in-scope water-stressed sites that are fully balanced divided by the total number of water-stressed sites. Fully balanced means 1.5 litre of water replenished for every 1 litre put into our products. This is quantified using WRI VWBA methodology.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

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Appendix 4 – **Basis of preparation**

E5 Resource use and circular economy – resource inflows

Metrics

E5-4.31a Weight of products and technical and biological materials used
E5-4.31c Reused/recycled input material weight and %
Entity-specific: % of recycled content in bottles and cans

Definitions

Products and technical materials
Materials that are not derived from biological sources. For HEINEKEN, this consists of packaging but excludes paper and cardboard, as these are bio-based materials.

Biological materials
Bio-based materials from biological resources. For HEINEKEN, this consists of raw materials, paper and cardboard packaging.

Primary packaging
The packaging used to protect the content (e.g. glass bottles to hold beer).

Secondary packaging
Packaging that directly touches the primary packaging and is included when the product is sold (e.g. label, shrink wrap).

Tertiary packaging
Outermost layer(s) of packaging that protect the products during delivery (e.g. plastic film to wrap pallets).

Methodologies

General
- These metrics do not include reusable packaging that is in use in the market. They include newly purchased reusable packaging.
- Resource inflow metrics are measured using a conversion factor to arrive at the weight in kilograms (original state) of raw materials.
- To avoid double counting, materials are classified as either biological or technical and reused or recycled. We also reduce the risk of double counting by excluding reusable packaging that is in use in the market.

E5-4.31a and c
Products and materials included within the metrics are:
- Raw materials (e.g. barley, hops, malt and yeast)
- Auxiliary materials (e.g. cleaning solutions)
- Primary and secondary packaging (e.g. glass bottle, label, shrink wrap etc.).

Excluded from the metrics are:
- Property, plant and equipment used for production.
- Tertiary packaging (e.g. plastic film to wrap the pallets, crates etc.).

Entity-specific
- The scope of the recycled content metric covers bottles and cans only.

Assumptions, approximations and judgements

- Conversion factors for material types used to measure the weight of resource inflows material.
- Primary data is obtained from approximately 90% of suppliers through supplier surveys. In instances when we do not obtain primary data, we use the suppliers' prior year rate. If the prior year rate is not available, a worst-case industry average is applied. These industry averages are calculated using our own data within HEINEKEN.
- These metrics do not include property, plant and equipment or tertiary packaging.
- These metrics use the latest available recycled content rate from suppliers, as the assessment is performed on an annual basis.

Measurement uncertainty

High level of measurement uncertainty:
No

Sources of measurement uncertainty:
Data used relies on information obtained from third parties (suppliers).

Validation of the measurement of the metric by an external body, other than the auditor:
No

Requires value chain information

Yes

The rates of reused and recycled content are obtained from suppliers.

Appendix 4 – **Basis of preparation**

E5 Resource use and circular economy – resource inflows

Metrics

E5-4.31b Biological materials sustainably sourced %
Entity-specific: % sustainable ingredients (hops and barley)

Definitions

Biological materials
Bio-based materials from biological resources. For HEINEKEN, this consists of agricultural raw materials, paper and cardboard packaging.

Sustainable Agriculture Initiative (SAI)
Membership platform to accelerate the widespread adoption of sustainable agriculture practices and the transformation of sustainable food systems.

Assumptions, approximations and judgements

- We currently do not classify any paper or cardboard as sustainably sourced because we have not yet published a sustainable sourcing strategy for paper-based materials. We are working to develop this strategy that will address our FLAG targets and upcoming EU deforestation regulation.
- Only volumes received during the reporting period with evidence of SAI certification are included. Volumes are reported as 'sustainably sourced' when they comply with Farm Sustainability Assessment (FSA)-SAI bronze level or higher.

Methodologies

Sustainable ingredients are sourced from FSA-SAI certified sources. Compliance is monitored via a third party. On-site supplier verifications are performed on a number of suppliers and their farmers annually.

In 2024, we updated our methodology to improve accuracy. Instead of using contracted volumes, suppliers provide confirmation of the % of sustainably cultivated crops within their total delivered volumes to HEINEKEN during the reporting period.

The following approaches were taken to measure these metrics:
- Biological materials sustainably sourced % all crops: all sustainable volumes of agricultural raw materials received divided by total volume of agricultural raw materials received.
- Entity-specific: % sustainable volume (hops and barley): sustainable volumes received of hops and barley divided by total volume of hops and barley received.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:
Data used relies on information obtained from third parties (suppliers).

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

Yes
The delivered megatons of sustainably sourced agricultural raw materials is confirmed by suppliers.

Appendix 4 – Basis of preparation

E5 Resource use and circular economy – resource outflows

Metrics

E5-5.36c Recyclable content rate
Entity-specific: % of packaging recyclable by design

Methodologies

- The metrics are based on materials purchased during the year.
- The criteria to determine whether packaging is recyclable by design is based on the latest guidance from the EU Packaging and Packaging Waste Directive (EU PPWD).

Definitions

Recyclable by design/ recyclable content

Packaging is considered recyclable if it meets specific criteria:

- It can be recycled at scale: proven by effective recycling at 30% at a representative country level.
- It does not negatively affect other recycling streams.
- To achieve full recyclability for multi-materials, at least 90% of total weight needs to be recyclable.

'Recyclable by design' does not guarantee that the packaging will be recycled in practice.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Assumptions, approximations and judgements

- Given the nature of the majority of our products (packaged beverages), these metrics only relate to packaging. They do not include other products such as coolers.
- These metrics include primary and secondary packaging and exclude tertiary packaging.

Requires value chain information

No

E5 Resource use and circular economy – resource outflows

Metrics

E5-5.37d.1 Non-recycled waste and %
E5-5.39 Hazardous and radioactive waste
E5-5.37a Waste amount
E5-5.37b.1 Non- hazardous and hazardous waste weight diverted from disposal – Preparation for reuse
E5-5.37b.2 Non-hazardous and hazardous waste weight diverted from disposal – Recycling
E5-5.37b.3 Non-hazardous and hazardous waste weight diverted from disposal – Other recovery operations
E5-5.37c.1 Non-hazardous and hazardous waste weight directed to disposal – Incineration
E5-5.37c.2 Non-hazardous and hazardous waste weight directed to disposal – Landfilling and other disposal operations

Methodologies

- These metrics cover waste from HEINEKEN production sites. The metrics do not include waste generated by consumers in the downstream value chain.
- Actual weight of hazardous and non-hazardous waste leaving HEINEKEN's production site measured in kilograms, classified based on EU Directive 2008/98/EC.
- Waste included within these metrics includes: sludge waste, packaging waste (within the production site), co-products waste, hazardous waste, other waste (industrial).
- Other recovery operations that are relevant for HEINEKEN are: recovery of biogas, combustion and incineration with energy recovery.

Definitions

Non-recycled waste

Includes waste that has not been recycled or reused. This includes waste weight diverted from disposal through other recovery operations, and waste weight directed to disposal through incineration, landfilling and other disposal operations.

Assumptions, approximations and judgements

- If waste is not reused, recycled, recovered or incinerated, it is assumed landfilled.
- We do not separate waste sent to landfill from other disposal operations. We use contracted parties for landfill that may use other disposal operations (e.g., deep injection).

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

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E5 Volumes sold in reusable format

Metrics

Entity-specific: % of volumes sold in reusable format

Definitions

Reusable format

Packaging that can be used for its original purpose more than once. HEINEKEN defines packaging as reusable when there is a commitment, agreement or common practice that the customer returns the packaging item to HEINEKEN and there is an intention from HEINEKEN to reuse the packaging item.

Methodologies

Cumulative year-to-date actual volume of product sold by HEINEKEN in returnable format divided by cumulative year-to-date actual of total volume of product sold by HEINEKEN in all formats.

Reusable formats include returnable glass bottles, returnable PET bottles, returnable kegs, casks, jugs, orions, pre-mix kegs, post-mix kegs and buy-back bottles.

Assumptions, approximations and judgements

N/A

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of estimation uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – **Basis of preparation**

S1 Characteristics of the undertaking's employees

Metrics

S1-6.50a Employees per country
S1-6.50b.1 Permanent employees by gender
S1-6.50b.2 Temporary employees by gender

Methodologies

HEINEKEN reports employee headcount as at the end of each reporting period.

Definitions

Employee

An individual with a contract of employment issued by a consolidated entity

Permanent employee

An individual with an indefinite contract of employment issued by a consolidated entity

Temporary employee

An individual with a fixed-period contract of employment issued by a consolidated entity

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Assumptions, approximations and judgements

N/A

Requires value chain information

No

Appendix 4 – Basis of preparation

S1 Collective bargaining coverage and social dialogue

Metrics

S1-8.60a.1 Employees covered by collective bargaining agreements
S1-8.63 Employees covered by workers' representatives

Definitions

Significant employment

Significant employment is defined as at least 50 employees in a consolidated entity, and where the total number of employees in a country represents at least 10% of the total consolidated number of employees.

Methodologies

- S1-8.60a1: Actual headcount of HEINEKEN employees covered by collective bargaining agreement at the end of reporting period divided by the actual headcount of HEINEKEN employees, presented in %.
- S1-8.63: Number of employees covered by workers' representatives (per country) divided by total number of employees (per country) x 100
- We assessed the collective bargaining agreements as per the third quarter of 2024.

Assumptions, approximations and judgements

N/A

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – Basis of preparation

S1 Diversity indicators

Metrics

S1-9.66a.1 Gender distribution top management level
S1-9.66a.2 Gender distribution % top management level
Entity-specific: % women in senior management positions
S1-9.66b Employees age group distribution

Definitions

Employee

An individual with a contract of employment issued by a consolidated entity.

Top management

Senior manager level within HEINEKEN, e.g. employees who are subject to the Senior Management Reward Policy.

Assumptions, approximations and judgements

Senior managers who are seconded to a non-consolidated Joint Venture, but still formally employed with a consolidated HEINEKEN entity, are included in the reporting.

Methodologies

– HEINEKEN reports employee headcount as at the end of each reporting period.
– S1-9.66a.1: Actual headcount of HEINEKEN senior management at the end of reporting period disclosed by gender
– S1-9.66a.2 / Entity-specific: % women in senior management positions: Gender distribution is calculated dividing the actual number of female employees as numerator and total senior management headcount as denominator, presented as percentage
– S1-9.66b: Age distribution is calculated by grouping the actual ages of the employees as at the end of the reporting period into three separate categories

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

S1 Adequate wages

Metrics

S1-10.69 Employees below adequate wage benchmark
Entity-specific: % of operating companies assessed for fair wages
Entity-specific: % of employees earning a fair wage according to Fair Wage Network

Definitions

Fair wage

A wage that supports a decent standard of living for an employee and his/her family and is reasonable for the type of work done and sufficient to meet an employee's basic needs for food, shelter, education for their children and some discretionary income. Fair wages also take into account factors such as family size, number of individuals employed per family and hours worked. Fair wage is not structurally dependent on variable factors, such as working overtime or incentive pay.

Fair Wage Network (FWN)

- The FWN is our data source to determine the level of fair wages in different countries.
- The FWN is an independent NGO with 15+ years of experience and with data available for 200+ countries, which is updated annually.
- Data based on synthesis of available fair wage data and supplemented by FWN own assessments.
- Fair wage threshold per individual country is defined by using the Fair Wage Network assessment tool.

Assumptions, approximations and judgements

- The FWN collects all possible and reliable living wage thresholds, complemented by legal minimum wage levels. FWN harmonises the methods to make those thresholds more comparable and calculates an average mean of all thresholds. The FWN tool is in ongoing progression, as the FWN monitors constantly on a global basis the actors of Living Wage and evaluates their data samples, methodologies and results.
- The fair wage assessment is based on the tools and methodology of the FWN.

Methodologies

- Consolidated entities with less than 50 FTEs are not included in the assessment.

S1-10.69 Employees below adequate wage benchmark and % of employees earning a fair wage according to Fair Wage Network

- Number of employees (in headcount) earning a fair wage according to Fair Wage Network divided by the total headcount of employees within consolidated entities, presented in %.

% of operating companies assessed for fair wages

- Actual number of HEINEKEN operating companies assessed for 'Fair wage for employees' divided by the actual total number of HEINEKEN's operating companies, presented in % basis in the reporting year.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

Fair wage assessment methodology is subject to assumptions

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

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Appendix 4 – **Basis of preparation**

S1 Social protection

Metric

S1-11.72.1 Employees not covered by social protection against loss of income

Definitions

Social protection is defined as state-provided or HEINEKEN-provided social protection against loss of income due to: parental leave, unemployment, employment injury, acquired disability, sickness, retirement

Assumptions, approximations and judgements

- Eligibility criteria, such as age and minimum work history, may apply according to local regulations and market practices. These criteria may exclude broadly defined groups such as temporary workers or seasonal workers.
- The extent to which HEINEKEN employees meet these criteria has not been assessed.

Methodologies

Social protection coverage is assessed in two parts:

- Initial assessment and inventory of public programs providing social protection for each of the major life events defined by ESRS per country. This assessment was performed by third-party experts.
- If local regulation does not provide social protection, then an assessment of additional programs offered by HEINEKEN is performed.
- If neither statutory coverage nor additional programs provided by the Company are available, this is disclosed.
- The assessment was performed for the 15 countries with the highest employees number.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information:

No

S1 Work-life balance indicators

Metric

S1-15.93a Employee entitlement to family-related leave

Definitions

Family-related leave includes maternity, paternity, parental, and carer's leave

Assumptions, approximations and judgements

Specific conditions for family-related leave may vary depending on the country. The extent to which HEINEKEN employees meet these conditions has not been assessed.

Methodologies

Family-related leave coverage is assessed in two parts:

- Assessment and inventory of public programs offering family-related leave as defined by ESRS per country. This assessment was performed by an external party experts.
- If statutory coverage is found to be insufficient, inventory and assessment of additional programs offered by HEINEKEN.
- If neither statutory coverage nor additional programs provided by the Company are available, this is disclosed.
- The assessment was performed for the 15 countries with the highest employees number.
- Employees are counted as part of the total number reported for family-related leave only when all four types of family-related leave are available in the respective country

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – **Basis of preparation**

S1 Compensation indicators (pay gap and total compensation)

Metrics

S1-16.97a Male-female pay gap
S1-16.97b Compensation ratio highest-paid individual vs. median paid employees
Entity-specific: % of operating companies assessed for equal pay for equal work
Entity-specific: % of operating companies with action plans to close any gaps relating to equal pay for equal work
Entity-specific: Equal pay for equal work gender pay gap

Definitions

Total annual compensation: Employee annual base salary multiplied by a compensation factor specific to country and job grade to estimate total annual compensation.

Total compensation factor: The average difference, expressed as a factor, between annual base pay, excluding any allowances, and total annual compensation including annual base pay, position-related and benefits-like allowances, short-term variable pay, long-term incentives, benefits, and overtime allowances, as calculated for each job grade per country.

Equal pay: Comparing the pay between women and men on the same salary grade, on similar type of jobs in an operating company.

Equal work: Positions in HEINEKEN that are comparable to each other.

Equal pay to equal work gender pay gap: Weighted gap on relative salary position (RSP) % between male and female employees per salary grade per operating company.

Equal pay for equal work assessment: The analysis to review the current state of equal pay for equal work in an operating company. This analysis includes five measurement drivers related to equal pay and is based on the actual employee population and salary details in an operating company. The full assessments are performed every two years, except in cases with a larger gap where more frequent monitoring and additional assessment takes place.

Action plans to close gaps: A list of commitments, actions and timelines aiming to improve the results of the various drivers of equal pay, based on the outcomes of the equal pay assessment for the operating company.

Relative Salary Position (RSP): The percentage of an employee's annual base salary compared to the 100% reference salary of their salary grade.

Assumptions, approximations and judgements

- Compensation factor is applied to employees' base salary to estimate the total compensation for each employee.
- Judgement is applied in the methodology used to estimate the total compensation for all employees.

Methodologies

S1-16.97a & S1-16.97b:

- Applying total compensation factor to the actual base salaries of employees to estimate the total annual compensation figure for each employee.
- Using the total compensation estimate for employees to define the (i) median (excluding highest-paid individual) and (ii) the highest-paid individual.
- Male-female pay gap: Calculated by using the difference between average gross annual total compensation estimate between male and female employees as numerator and the average gross annual total compensation estimate of male employees as denominator.
- Ratio of highest-paid individual to median-paid employees: Calculated by using the total annual compensation of the highest-paid individual as numerator and the total annual compensation of the median-paid employee as the denominator, presented as a ratio.

Equal pay for equal work:

- Actual year to date cumulative number of HEINEKEN operating companies that are assessed for 'Equal pay for equal work' divided by the total number of HEINEKEN operating companies presented in % basis.
- Actual year to date cumulative number of HEINEKEN's operating companies with action plan to close any gap related to 'Equal pay for equal work'-assessment divided by the total number of operating companies presented in % basis.
- First, determining the difference in average RSP levels between female and male employees for each salary grade in each operating company, expressed as a percentage of the average RSP level of female employees in that grade. Then, combining these differences in a weighted manner to derive the overall, company-wide Equal pay for equal work gender pay gap.

All:

- Consolidated entities with less than 50 FTEs are not included in the assessment.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

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Appendix 4 – Basis of preparation

S1 Grievances and complaints related to other work-related rights

Metrics

S1-17.103a Discrimination incidents
S1-17.103b Social and human rights complaints
S1-17.103c Social and human rights penalties
S1-17.104a Severe human rights issues and incidents
S1-17.104b Severe human rights issues and incidents-related penalties

Definitions

Discrimination incidents

All cases reported and substantiated or partially substantiated via Speak Up with the following issue types:

- Discrimination
- Harassment

Social and human rights complaints

All cases reported and substantiated or partially substantiated via Speak Up with the following issue types:

- Labour rights
- Other human rights
- Retaliation

Severe human rights issue

All cases reported and substantiated or partially substantiated via Speak Up with the following issue types:

- Other human rights – Labour rights – Child protection
- Other human rights – Labour rights – No forced labour

Social and human rights penalties

The total irrevocable monetary amount of fines, penalties and compensation paid for damages for social and human rights issues (amount in Euro) imposed on a consolidated HEINEKEN operating company by government bodies or legislative bodies during the full calendar year.

Severe human rights issues and incidents-related penalties

The total irrevocable monetary amount of fines and penalties for severe human rights issues (amount in Euro) imposed on a consolidated HEINEKEN operating company by government bodies or legislative bodies during the full calendar year.

Assumptions, approximations and judgements

- The metrics only includes incidents reported that are substantiated and partially substantiated
- Professional judgement applied in classifying incident type and severity

Methodologies

- Actual number of harassment and discrimination incidents that are substantiated or partially substantiated.
- Actual number of substantiated or partially substantiated (i) child labour and (ii) forced labour cases.
- Actual amount of fines, penalties and compensation paid for damages imposed by a third party related to 'social and human right incidents' and 'severe human rights incidents' based on HEINEKEN assessment.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – **Basis of preparation**

S1 Fair living and working standards

Metric

Entity-specific: % of operating companies assessed for fair living and working standards for third-party employees and Brand Promoters

Definitions

Living and working standards are assessed based on third-party employees' and Brand Promoters' legal entitlements and basic conditions of employment.

Legal entitlements

Salaries, pensions, holiday allowance, overtime pay, etc. as required by local law.

Basic conditions of employment

Third-party employees should be paid fair wages and work reasonable hours, above minimum requirements where applicable; work in a decent work environment; and operate under an appropriate and effective health and safety management system.

Assessments

Social assessments are based on third-party assessments as per the 'ERSA' and/or 'SMETA' methodology and are used to assess at least one HEINEKEN facility per operating company, and a sample of outsourced service providers against standards outlined in the assessment methodology.

Assumptions, approximations and judgements

Reliance on third-party assessment providers and assessors.

Methodologies

- Actual number of HEINEKEN operating companies with production that are assessed for 'Fair living and working standards' divided by the total number of HEINEKEN operating companies with production, presented in % basis.
- Consolidated entities with less than 50 FTEs are not included in the assessment.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

Third-party assessment providers and assessors

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

Yes

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S1 Fatalities (voluntary disclosure)

Metric

Voluntary: Number of work-related fatalities as a result of work-related accidents in a calendar year

Definitions

Work-related fatal accident

- Occupational accident leading to death. All work-related fatal accidents of permanent or temporary personnel occurred on the premises owned or rented by the HEINEKEN Company (e.g. headquarters, the production or warehousing site) and HORECA (hotels, restaurants and cafés). Additionally includes work-related fatal accidents occurring outside the premises owned or rented by HEINEKEN, such as during outlet visits, business travel, participation in courses or visits to conferences and fairs.
- Any fatal accidents when occurring with HEINEKEN Company assets (e.g. trucks), HEINEKEN materials (e.g. promotion materials), HEINEKEN Company products or HEINEKEN Company services (e.g. events), including such fatal accidents involving contractor personnel when work was carried out as ordered by or on behalf of HEINEKEN. Excluded are fatal accidents of members of the public due to use of HEINEKEN products.

Assumptions, approximations and judgements

- We are following a prudent approach in disclosure of fatalities. In case we do not have sufficient information on the causes or circumstances of a fatality (e.g. lack of witnesses) and the conclusion of the local authorities is not clear, we consider the case as work-related and disclose it accordingly.

Methodologies

Total number of fatalities as a result of work-related accidents in a calendar year

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

Overstatement of work-related accidents due to conservative approach

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – **Basis of preparation**

S1 Permanent disabilities and injuries (voluntary disclosure)

Metrics

Voluntary: Number of work-related permanent disabilities of employees as a result of work-related accidents
Voluntary: Number of work-related total recordable injuries of employees and temporary workers as a result of work-related accidents
Voluntary: Number of work-related total recordable injuries of contractors as a result of work-related accidents
Voluntary: Total reportable injury rate per 200.000 hours worked for employees and temporary workers
Voluntary: Lost time injury rate per 200.000 hours worked for employees and temporary workers

Definitions

For all of the below categories the following is applicable: all work-related accidents of permanent or temporary personnel occurred on the premises owned or rented by the HEINEKEN Company (e.g. headquarters, the production or warehousing site) and HORECA (hotels, restaurants and cafés). Additionally includes work-related accidents of permanent or temporary personnel occurring outside the premises owned or rented by HEINEKEN, such as during outlet visits, business travel, participation in courses or visits to conferences and fairs.

- Work-related permanent disability: Any effect that would not allow the person to return to the state of health he/she had before the accident. Or that diminishes a worker's ability to perform the duties or normal activities performed before the accident.
- Number of work-related total recordable injuries of employees and temporary workers is the sum of all medical treatment cases (MTC), restricted work cases (RWC), lost time injuries (LTI), and fatalities involving HEINEKEN employees and temporary worker that result from instantaneous events or exposures.
- An accident is classified and reported as a lost time injury when an injury involves one or more days away from work (it does not include the day of the injury itself) that result from instantaneous events or exposures.
- The total hours worked is the total number of hours worked by employees or temporary workers in a reporting entity (location) during the reporting period (including overtime and excluding illness)

The number of all work-related recordable injuries of contracted personnel when work was carried out as ordered by or on behalf of HEINEKEN that result from instantaneous events or exposures, is the sum of all medical treatment cases (MTC), restricted work cases (RWC), lost time injuries (LTI), and fatalities, occurred on the premises owned or rented by the HEINEKEN Company (e.g. headquarters, the production or warehousing site) and HORECA (hotels, restaurants and cafés). Additionally, it includes work-related accidents occurring outside the premises owned or rented by HEINEKEN, such as during outlet visits, business travel, participation in courses or visits to conferences and fairs. Excluded are accidents involving service providers, Franchisee/Tenant, visitors or members of the public.

Methodologies

- Total number of permanent disabilities of Employees as a result of work-related accidents in a calendar year
- Total number of work-related total recordable injuries of Employees and Temporary workers as a result of work-related accidents in a calendar year
- The total number of work-related total recordable injuries of Contractors as a result of work-related accidents in a calendar year
- The ratio of the total number of work-related total recordable injuries of Employees and Temporary workers as a result of work-related accidents in a calendar year per 200.000 hours worked
- The ratio of the total number of work-related total lost time injuries of Employees and Temporary workers as a result of work-related accidents in a calendar year per 200.000 hours worked

Measurement uncertainty

High level of measurement uncertainty:
No

Sources of measurement uncertainty:
Overstatement of work-related accidents due to conservative approach

Validation of the measurement of the metric by an external body, other than the auditor:
No

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Appendix 4 – **Basis of preparation**

S1 Permanent disabilities and injuries (voluntary disclosure) (continued)

Assumptions, approximations and judgements

- All safety accidents that occur during commuting activities are excluded from the numbers. Commuting is when the worker is travelling between a place of private activity (e.g., residence) and a place of work or workplace, using his/her regular route.
- Accidents as a result of physical assault and violence/ intimidation are excluded for the reported numbers
- Professional (medical) judgement applied in classifying incident type and severity

Requires value chain information

No

Appendix 4 – Basis of preparation

Social – Affected communities (voluntary disclosure)

Metric

Voluntary: % of operating companies with social impact project

Definitions

Social impact initiatives defined as initiatives which address a social issue within a community with a relevant focus area, a valid partner and a clear agreement:

Valid partner
A third-party organisation which has a well-known and credible interest in bringing people together and help tackle the problems raised by the community.

Relevant focus area
A social issue within a community which is linked to HEINEKEN's business and BaBW pillars, and which contributes to one (or more) of the UN Global Goals.

Clear agreement
Operating company and the relevant third party have agreed objectives, actions and (financial) contribution.

Assumptions, approximations and judgements

N/A

Methodologies

– Actual number of HEINEKEN production operating companies with social impact initiatives in place divided by the total number of HEINEKEN production operating companies, presented in % basis.
– Consolidated entities with less than 50 FTEs are not included.
– Derogations may be granted, for example in case of external circumstances, such as civil unrest and high volatility, which hamper or delay the process.

Measurement uncertainty

High level of measurement uncertainty:
No

Sources of measurement uncertainty:
N/A

Validation of the measurement of the metric by an external body, other than the auditor:
No

Requires value chain information

No

S4 0.0 alcohol options

Metric

Entity-specific: % of total sales volume of operating companies with a zero alcohol option for at least one strategic brand

Definitions

Strategic brand
A brand in our portfolio where we invest in.

Assumptions, approximations and judgements

N/A

Methodologies

– Actual sales volume of beer and cider from HEINEKEN operating companies with zero-alcohol option divided by the total sales volume of beer and cider of all HEINEKEN operating companies.

Measurement uncertainty

High level of measurement uncertainty:
No

Sources of measurement uncertainty:
N/A

Validation of the measurement of the metric by an external body, other than the auditor:
No

Requires value chain information

No

Appendix 4 – **Basis of preparation**

S4 Clear and transparent consumer information

Metric

Entity-specific: % of products in scope with fully compliant labels

Definitions

Line extension

A line extension is a different beverage within an established brand name. While the products have distinct differences, the extension is very dependent initially on customer recognition of the parent brand name. For example, Heineken® 0.0 is a line extension of Heineken® Original.

Compliant line extension

A line extension is compliant if all consumer facing stock-keeping units (SKUs) reported under the line extension are compliant. A SKU is compliant if the consumer information is included on the label of that SKU or online in particular cases due to local market circumstances.

Consumer information

Required consumer information on the labels includes information on alcohol by volume, ingredients, allergens, energy values, full nutritional values, responsible consumption symbols, recycling symbols, QR code (not required for soft drinks) with a link to an online alcohol and health message. If the full nutritional values do not fit on the label, they may alternatively be put online, on the brand's webpage. Energy values (Kcal) should always be presented on the pack.

Methodologies

- Actual product line extension volume sold, produced by HEINEKEN operating companies, that are compliant with the required consumer information as per HEINEKEN's policy or/and local laws divided by the total product line extension volume sold, produced by HEINEKEN operating companies, presented in %.
- Line extensions with a prior year volume below 50 khl are not assessed.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Assumptions, approximations and judgements

Timing of compliance: all SKUs leaving the breweries during the reporting year.

Requires value chain information

No

Appendix 4 – Basis of preparation

S4 Partnerships to address alcohol-related harm

Metric

Entity-specific: % of operating companies in scope with partnership to address alcohol-related harm

Definitions

Active partnership

An initiative qualifies as an active partnership when having a relevant focus area, a valid partner and a clear agreement.

Relevant alcohol-related harms focus

A relevant partnership should address one of the following alcohol-related harms: drink driving, underage drinking, excessive consumption and drinking during pregnant.

Valid partner

A third-party organisation which has a well-known and credible interest in bringing people together and helping to tackle the problems raised by the community. Examples are an NGO, foundation (including HEINEKEN's own foundations), charity, governmental body, public agency, social enterprise, co-operative, etc. In case there is no suitable third party to address the issue the operating company may take direct action itself after approval from Global Corporate Affairs.

A clear agreement

The operating company and the relevant third party have agreed objectives, actions and (financial) contribution. Evidence of this can include a Memorandum of Understanding, a contract signed by both parties, an exchange of letters or mails. The agreement should be valid for the reporting year. Only one initiative is required per country.

Market

A country in which we have an operating company (consolidated entity) with production.

Assumptions, approximations and judgements

N/A

Methodologies

- Actual number of HEINEKEN operating companies with active partnership divided by the total of HEINEKEN operating companies presented in %.
- Consolidated entities with less than 50 FTEs are not included.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – Basis of preparation

S4 Responsible consumption campaigns

Metric

Entity-specific: % Heineken® media spend invested in responsible consumption campaigns

Definitions

Media spend:

- Expenses incurred for placing and broadcasting Heineken® brand dedicated campaigns
- Media: TV, out-of-home, cinema, digital, radio, print (e.g. newspapers)
- Media spend includes costs for broadcasting

Responsible consumption campaign:

- Enjoy Heineken® Responsibly (EHR) campaign: Media spend for placing and broadcasting Heineken® brand dedicated responsible consumption campaigns (e.g., supporting 'Enjoy Heineken® Responsibly' or 'When You Drive, Never Drink', or other responsible consumption initiatives)

Assumptions, approximations and judgements

Assumptions and approximations:

N/A

Judgements:

We obtain API (Application Programming Interfaces) and TV data from external media vendors

Methodologies

- Actual expenses incurred on Enjoy Heineken® Responsibly campaign divided by the actual total expenses incurred for placing and broadcasting Heineken® brand dedicated campaigns, presented in % basis.

Measurement uncertainty

High level of measurement uncertainty:

Yes

Sources of measurement uncertainty:

The use of data from third-party providers

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

Yes

Appendix 4 – Basis of preparation

S4 Responsible consumption campaigns

Metric

Entity-specific: Unique consumers reached with responsible consumption campaigns

Definitions

Number of consumers reached with Enjoy Heineken® Responsibly campaigns in market where HEINEKEN's operating companies operate.

Assumptions, approximations and judgements

- Estimated number of unique consumers reached using the Sainsbury formula
- We obtain API (Application Programming Interfaces) and TV data from external media vendors

Methodologies

- Estimated number of unique consumers reached across multiple markets and digital media platforms using the Sainsbury formula.

Measurement uncertainty

High level of measurement uncertainty:

Yes

Sources of measurement uncertainty:

- Estimated unique number of consumers reached using Sainsbury methodology
- The use of data from third-party providers

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

Yes

Appendix 4 – **Basis of preparation**

S4 Training on Responsible Marketing Code

Metric

Entity-specific: % of HEINEKEN employees who are directly involved in developing marketing communications who have completed the annual training on the HEINEKEN Responsible Marketing Code

Definitions

Marketing communication

Marketing communications are any materials, assets, promotions or advertising that are used to promote our brands to consumers and shoppers.

Assumptions, approximations and judgements

N/A

Methodologies

– Total number of employees assigned to the training that have completed the Responsible Marketing Code training during the reporting period divided by the total number of employees assigned to the Responsible Marketing Code training during the reporting period, presented in % basis

– We assessed the consolidated entities representing in total 80% of our marketing communication investment.

– Excludes new joiners from 1 October from the calculation to ensure employees have sufficient time before year-end to perform the training.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 4 – Basis of preparation

Zero tolerance to bribery and corruption (voluntary disclosure)

Metrics

Voluntary: Number of employees that completed the Code of Business Conduct (CoBC) training
Voluntary: Number of employees from the pre-selected targeted employees that completed the Anti-Bribery & Anti-Corruption (ABAC) training

Definitions

CoBC training

Assigned to every HEINEKEN employee

ABAC training

Assigned based on risk-based approach depending on specific roles

Assumptions, approximations and judgements

Not applicable

Methodologies

- CoBC training: Actual number of employees that completed the CoBC training during the reporting year.
- ABAC training: Actual number of employees that completed ABAC training during the reporting year.
- Units of measurement: Number of employees in headcount.

Measurement uncertainty

High level of measurement uncertainty:

No

Sources of measurement uncertainty:

N/A

Validation of the measurement of the metric by an external body, other than the auditor:

No

Requires value chain information

No

Appendix 5 – **Reference table**

The table below presents the progress made on implementing the provisions of the European Sustainability Reporting Standards as published by the European Commission on 31 July 2023.

ESRS	#	Description	Reference	Page	Explanation
ESRS 2	BP-1	General basis for preparation of the sustainability statements	General basis of preparation of the sustainability statements	149	
	BP-2	Disclosures in relation to specific circumstances	Disclosures in relation to specific circumstances	150	
	GOV-1	The role of the administrative, management and supervisory bodies	Role of the Executive Board and Supervisory Board in sustainability matters	151-152	
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Role of the Executive Board and Supervisory Board in sustainability matters	151-152	
	GOV-3	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes	153	
	GOV-4	Statement on due diligence	Statement on due diligence	154-155	
	GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting	156	
	SBM-1	Strategy, business model and value chain	Strategy, business model and value chain	157	
	SBM-2	Interests and views of stakeholders	Interests and views of stakeholders	158-159	
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model	160-163	Phased-in option applied for DR48e and AR22 (anticipated financial effects), in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Description of the process to identify and assess material impacts, risks and opportunities	164-165	
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Appendix 5 – Reference table	282-285	
	MDR-P	Policies adopted to manage material sustainability matters			Minimum disclosure requirements on policies are included in the policies sections of the topics; see below.
	MDR-A	Actions and resources in relation to material sustainability matters			Minimum disclosure requirements on actions and resources are included in the actions and resources sections of the topics; see below.
	MDR-M	Metrics in relation to material sustainability matters	Appendix 4 – Basis of preparation	250-281	
	MDR-T	Tracking effectiveness of policies and actions through targets			Minimum disclosure requirements on targets are included in the metrics and targets sections of the topics; see below.
ESRS E1	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes	153	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Understanding our material impacts, risks and opportunities	169	
	E1-1	Transition plan for climate change mitigation	Our net zero strategy	168-172	

Appendix 5 – **Reference table**

ESRS	#	Description	Reference	Page	Explanation
	E1-2	Policies related to climate change mitigation and adaptation	Policies	173	
	E1-3	Actions and resources in relation to climate change policies	Actions and resources	174-176	
	E1-4	Targets related to climate change mitigation and adaptation	Metrics and targets	178-179	
	E1-5	Energy consumption and mix	Energy consumption and mix	181	
	E1-6	Gross Scope 1, 2, 3 and total GHG emissions	Our carbon footprint; GHG emissions	170; 180-181	
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Actions and resources	175	
	E1-8	Internal carbon pricing	Internal carbon pricing	176	
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities			Phased-in option applied for E1-9 (anticipated financial effects) in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
ESRS E3	ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Understanding our material impacts, risks and opportunities	183	
	E3-1	Policies related to water and marine resources	Policies	184	
	E3-2	Actions and resources related to water and marine resources	Actions and resources	185-186	
	E3-3	Targets related to water and marine resources	Metrics and targets	185	
	E3-4	Water consumption	Water consumption	187	
	E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities			Phased-in option applied for E3-5 (anticipated financial effects) in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
ESRS E5	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Understanding our material impacts, risks and opportunities	190	
	E5-1	Policies related to resource use and circular economy	Policies	190	
	E5-2	Actions and resources related to resource use and circular economy	Actions and resources	191-192	
	E5-3	Targets related to resource use and circular economy	Metrics and targets	193-194	
	E5-4	Resource inflows	Resource inflows	195	
	E5-5	Resource outflows	Products and waste	196	Value chain exemption applied for entity-specific post-consumer packaging waste metrics.
	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities			Phased-in option applied for E5-6 (anticipated financial effects) in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.

Appendix 5 – Reference table

ESRS	#	Description	Reference	Page	Explanation
ESRS S1	ESRS 2 SBM-2	Interests and views of stakeholders	Interest and views of stakeholders	207	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impact, risks and opportunities and their interaction with strategy and business model	207	
	S1-1	Policies related to own workforce	Policies	208-211	
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	Engaging with own workforce	212	
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Remediating negative impacts and providing channels for our own workforce to raise concerns	213	
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Actions and resources	214-216	
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Metrics and targets	217-218	
	S1-6	Characteristics of the undertaking's employees	Employee characteristics	219	
	S1-7	Characteristics of non-employees in the undertaking's own workforce			Phased-in option applied for S1-7 in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
	S1-8	Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue	219	Phased-in option applied for DR60c and 61, and AR 66-68 and 70, with regards to employees based in non-EEA countries in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
	S1-9	Diversity metrics	Diversity	220	
	S1-10	Adequate wages	Adequate wages	220	
	S1-11	Social protection	Social protection	221	
	S1-12	Persons with disabilities			Phased-in option applied for S1-12 in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
	S1-13	Training and skills development metrics		N/A	Determined not to be linked to a material topic for HEINEKEN based on DMA outcome, therefore not applicable.
	S1-14	Health and safety metrics		N/A	Determined not to be linked to a material topic for HEINEKEN based on DMA outcome, therefore not applicable. Voluntary disclosure on Health and safety is included on pages 223.
	S1-15	Work-life balance metrics	Work-life balance	221	Phased-in option applied for DR 93b (usage of family-related leave) in line with ESRS 1 Appendix C: List of phased-in Disclosure Requirements.
	S1-16	Compensation metrics (pay gap and total compensation)	Remuneration	221-222	

Appendix 5 – **Reference table**

ESRS	#	Description	Reference	Page	Explanation
ESRS S1	S1-17	Incidents, complaints and severe human rights impacts	Incidents, complaints and severe human rights impacts	222	
ESRS S2	ESRS 2 SBM-2	Interests and views of stakeholders	Interest and views of stakeholders	224	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impact, risks and opportunities and their interaction with strategy and business model	224	
	S2-1	Policies related to value chain workers	Policies	225-227	
	S2-2	Processes for engaging with value chain workers about impacts	Processes for engaging with workers in the value chain about impacts	227	
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Remediating negative impacts and enabling workers in our value chain to raise concerns	228	
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Protecting the human rights of workers in our value chain	229-230	
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Metrics and targets	231	
ESRS S4	ESRS 2 SBM-2	Interests and views of stakeholders	Interest and views of stakeholders	233	
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode	Material impact, risks and opportunities and their interaction with strategy and business model	233	
	S4-1	Policies related to consumers and end-users	Policies	234	
	S4-2	Processes for engaging with consumers and end-users about impacts	Engaging with consumers and end-users	235	
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Remediating negative impacts for consumers and end-users	236	
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Actions and resources; Action on consumer and end-user material impacts	237; 238	
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Metrics and targets	239-241	

Other information

Appropriation of Results

Article 12, paragraph 7, of the Articles of Association stipulates:

"Of the profits, payment shall first be made, if possible, of a dividend of six % of the issued part of the authorised share capital. The amount remaining shall be at the disposal of the General Meeting of Shareholders."

Civil Code

Heineken N.V. is not a 'structuurvennootschap' within the meaning of Section 2:152-164 of the Dutch Civil Code. Heineken Holding N.V., a company listed on Euronext Amsterdam, holds 50.005% of the issued shares of Heineken N.V.

Authorised capital

The Company's authorised capital amounts to €2,500 million.

Independent Auditor's Report

To the Shareholders and the Supervisory Board of Heineken N.V.

Report on the audit of the financial statements for the year ended December 31, 2024 included in the annual report

Our opinion

We have audited the financial statements for the year ended December 31, 2024 of Heineken N.V. ("the Company"), based in Amsterdam, the Netherlands. The financial statements comprise the Consolidated Financial Statements and the Company Financial Statements.

In our opinion:

- The accompanying Consolidated Financial Statements give a true and fair view of the financial position of Heineken N.V. as at December 31, 2024, and of its result and its cash flows for the year ended December 31, 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying Company Financial Statements give a true and fair view of the financial position of Heineken N.V. as at December 31, 2024, and of its result for the year ended December 31, 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Consolidated Financial Statements comprise:

- The Consolidated Statement of Financial Position as at December 31, 2024.
- The following statements for 2024: the Consolidated Income Statement, the Consolidated Statements of Other Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity
- The Notes to the Consolidated Financial Statements comprising material accounting policy information and other explanatory information.

The Company Financial Statements comprise:

- The Company Balance Sheet as at December 31, 2024.
- The Company Income Statement for the year ended December 31, 2024.
- The Notes to the Company Financial Statements comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Heineken N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 240 million (2023: EUR 220 million). The materiality is based on 7% of normalized profit before tax (2023: 6,5%). In this respect, profit before tax was normalized for restructuring provisions, losses on disposals and impairments, including the EUR 874 million impairment recognized against investments in associates and joint ventures (Note 10.3). We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Audits of group entities (components) were performed using materiality levels determined by the judgement of the group audit team, having regard to the materiality of the Consolidated Financial Statements. Component materiality for our two largest components was EUR 84 million (2023: EUR 77 million), and our materiality for the other components did not exceed EUR 75 million (2023: EUR 69 million).
We agreed with the Supervisory Board that misstatements in excess of EUR 12 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Heineken N.V. is at the head of a group of entities. The financial information of this group is included in the Consolidated Financial Statements of Heineken N.V.

Because we are ultimately responsible for the opinion, we are responsible for directing, supervising, and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out on the entities. Our group audit is mainly focused on significant group entities in terms of size and financial interest or where significant risks or complex activities were present, leading to full audits performed for 27 (2023: 27 components) components, including 2 non-consolidated components.

We have:

- Performed audit procedures ourselves at group entities and.
- Used the work of other auditors when auditing Click here to enter text.
- Performed review procedures or specific audit procedures at other group entities.

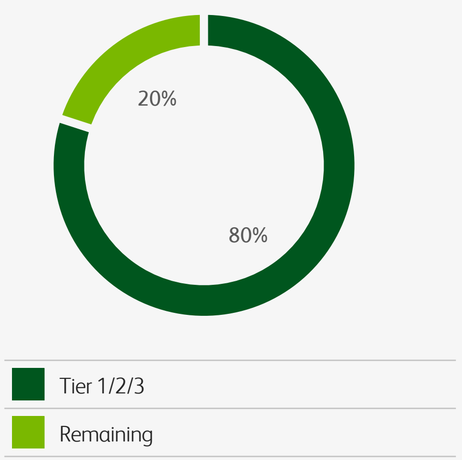
We have performed audit procedures ourselves at Heineken N.V., corporate entities, and certain operations in the Netherlands. Furthermore, we performed audit procedures at group level on areas such as c onsolidation, disclosures, impairment testing for intangible assets (including goodwill) and non-current assets held for sale, joint ventures, financial instruments, acquisitions, and divestments. Specialists were involved amongst others in the areas of treasury, information technology, forensics, tax, accounting, pensions, and valuations. For the selected component audit teams, the group audit team provided detailed written instructions, which, in addition to communicating our requirements of component audit teams, also detailed significant audit areas and information obtained centrally relevant to the audit of individual components, including awareness for risks related to management override of controls.

Heineken N.V. Annual Report 2024
Introduction
Report of the Executive Board
Report of the Supervisory Board
Financial Statements
Sustainability Statements
Other Information

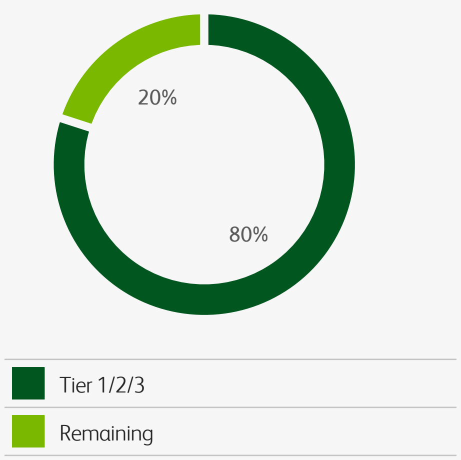
Furthermore, we developed a plan for directing, supervising and reviewing each component audit team based on its relative significance and specific risk characteristics. Our directing, supervising and reviewing procedures included (virtual) meetings with the component auditor and component management and physical or remote working paper reviews for The Netherlands, United Kingdom, France, Spain, Italy, Austria, Poland, Brazil, Mexico, USA, Nigeria, Vietnam, South Africa (Heineken Beverages), India (UBL), Greece, Ethiopia, Burundi, DRC, Indonesia, Portugal, Jamaica and Malaysia. We also reviewed component audit team deliverables for the countries listed above and the additional countries in scope to gain a sufficient understanding of the work performed based on our instructions. The nature, timing and extent of our directing, supervising and reviewing procedures varied based on both quantitative and qualitative considerations. For smaller components, we have performed review procedures or specific audit procedures.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the Consolidated Financial Statements.

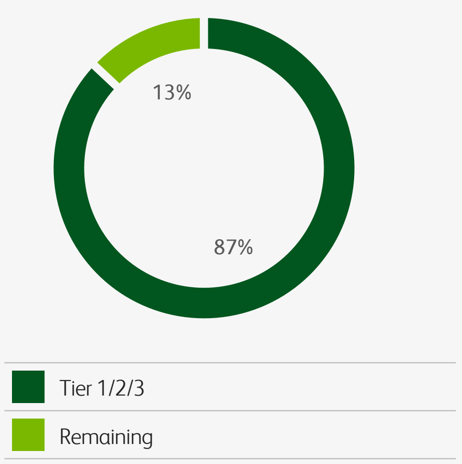
Net Revenue



Profit before income tax



Assets



Audit approach fraud risks

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-depth character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section Risk Management of the Executive Board report for the Executive Board's fraud risk assessment and section To the Shareholders (paragraph Audit Committee) of the Supervisory Board report in which the Supervisory Board reflects on this fraud risk assessment. We note that management regularly updates its risk assessment including fraud and updates its risk and control framework.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Code of Business Conduct, Speak Up policy, third party screening and incident registrations. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks. Further for certain selected speak up cases, we evaluated management's response and remedial actions and measures.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

Following these procedures, and the presumed risks under the prevailing audit standards, we considered fraud risks related to management override of controls and the occurrence of revenue recognition for specific components. Our audit procedures to respond to fraud risks include, amongst others, an evaluation of relevant internal controls, supplementary substantive audit procedures, detailed testing of journal entries and post-closing adjustments based on supporting documentation. Data analytics, including selection of journal entries based on risk-based characteristics, form part of our audit approach to address the identified fraud risk.

Independent Auditor's Report

Additionally, we performed further procedures including, among others, the following:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
- We considered available information and made enquiries of relevant key management personnel, the Executive Board and the Supervisory Board.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- We evaluated whether the judgments and decisions made by the Executive Board in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. The Executive Board's insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 3 of the Consolidated Financial Statements.
- We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.
- We performed direction, supervision and review procedures on the instructed procedures performed by the component audit team on revenue recognition.

Certain management estimates and judgements are considered most significant to our audit. Reference is made to the section 'Our key audit matters' for further details on those estimates and judgements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with , amongst others, the Executive Board, Group Legal Counsel, and those charged with governance, reading minutes of board meetings and reports of internal audit.

We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax laws and financial reporting regulations, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements from a quantitative and qualitative perspective.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Heineken N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature and complexity of Heineken N.V.'s business, we considered the risk of non-compliance in the areas of competition, data protection, human rights, tax and other applicable laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Heineken N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations, anti-competition laws, sanctions and trade laws) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Our procedures are limited to (i) inquiry of key management personnel, the Supervisory Board, the Executive Board and others within Heineken N.V. as to whether Heineken N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the Executive Board and the Supervisory Board, related to going concern under the prevailing standards are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed procedures including evaluating management's assessment of the Company's ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

Independent Auditor's Report

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

The below identified key audit matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing for intangible assets, property, plant and equipment and investments in associates and joint ventures – Refer to Notes 8.1, 8.2 and 10.3 to the financial statements

Key audit matter

Intangible assets (including goodwill), property, plant and equipment and investments in associates and joint ventures amounted to EUR 39,878 million on 31 December 2024 and represented 74 percent of the consolidated total assets.

For purposes of impairment testing, goodwill is allocated and monitored on a (group of) Cash Generating Unit ('CGU') level. Other intangibles and property, plant, and equipment, are grouped to CGUs. For goodwill, management is required to assess the recoverable amount of the respective CGUs (or groups of CGUs). Recoverable amounts of other non-current assets are assessed upon the existence of a triggering event.

Investments in associates are accounted for using the equity method of accounting, meaning they are initially recognized at cost. Subsequently the Consolidated Financial Statements include HEINEKEN's share of the net profit or loss of the associates and joint ventures whereby the result is determined using the accounting policies of HEINEKEN. Triggers for the impairment of investments in associates, are amongst others, a prolonged or significant decline in fair value of the equity instrument. If triggered, the net investments are tested as a single asset by comparing the carrying amount to the recoverable amount.

As a result of impairment testing for the current year, management concluded on impairment losses of EUR 1,224 million, of which EUR 874 million is related to the impairment loss recorded for the investment in CR Beer following a significant and prolonged decline in the quoted share price. Further details on the accounting and disclosure of (goodwill) impairment losses are included in notes 8.1 and 8.2 to the financial statements. Further details on the accounting and disclosure of Associates and Joint Ventures are included in note 10.3 to the financial statements.

Given the high level of judgement made by management to estimate the recoverable amounts used in management's impairment tests, procedures to evaluate the reasonableness of projected sales volumes, revenue and discount rates required a high degree of auditor judgement and an increased extent of effort, including the need to involve our valuation specialists.

How the scope of our audit responded to the key audit matter

Our audit procedures related to the projection of sales volumes, revenue, margins, and discount rates used by management included the following, amongst others:

- For investments in associates, we assessed whether a decline in available quoted market price is either prolonged or significant and any impairment loss should be recognized.
- We obtained an understanding of management's process over the impairment trigger tests and the resulting impairment tests.
- We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.
- We evaluated sensitivities in management's projections, which could cause a substantial change to the impairments recorded, and or cause headroom to change in an impairment.
- We evaluated projected cash flows by:
  - comparing the projections to historical forecasts, historical growth rates, including assessing the effects of the current macro-economic and geopolitical climate, and information included in HEINEKEN's internal communications to the management and the Executive Board; and
  - challenging management's ability to price adjust for expected inflation rates and comparing projected sales volumes, revenue, and margins to, for example, external economic outlook data, analyst reports and external market data on the beer market.
- With the assistance of our valuation specialists, we evaluated the reasonableness of discount rates, including testing the source information underlying the determination of the discount rates, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rates selected by management.

Observation

Applying the aforementioned materiality, we did not identify any reportable findings in management's assessment of the recoverability of intangible assets, property, plant and equipment and investments in associates and joint ventures, the impairments recorded and the disclosures in Notes 8.1, 8.2 and 10.3.

Independent Auditor's Report

Management judgement related to the provisions for uncertain tax positions and the recoverability of deferred tax assets – Refer to Notes 9.2 and 12 to the financial statements

Key audit matter	HEINEKEN operates across several tax jurisdictions and is subject to periodic challenges by local tax authorities during the normal course of business. In those cases where the amount of tax payable is uncertain, management establishes provisions based on its judgement of the probable amount of the related tax liability. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be available, against which unused tax losses can be utilized. This assessment is performed annually and based on budgets and business plans for the coming years, including planned commercial initiatives and the impact of macro-economic uncertainties. HEINEKEN reported provisions for uncertain tax positions and deferred tax assets for an amount of EUR 416 million and EUR 1,264 million, respectively, as of 31 December 2024. The accounting for uncertain tax positions and deferred tax assets, as detailed in Notes 9.2 and 12 to the financial statements, inherently requires management to apply judgement in quantifying appropriate provisions (including assessing probable outcomes) for uncertain tax positions, and in determining the recoverability of deferred tax assets. Given the significant judgement applied by management, performing procedures to evaluate the reasonableness of probable outcomes for uncertain tax positions and the recoverability of deferred tax assets based on budgets and business plans, required a higher degree of auditor judgement, an increased extent of effort and a need to involve our in-country tax specialists.
How the scope of our audit responded to the key audit matter	Our audit procedures to address management's judgements related to the provisions for uncertain tax positions and recoverability of deferred tax assets included the following, amongst others: – We obtained an understanding of management's tax process related to the assessment of uncertain tax positions and the recoverability of deferred tax assets. – We involved our in-country tax specialists to assess tax risks, tax carry forward facilities, legislative developments, and the status of ongoing local tax authority audits. – We challenged, with the help of our tax specialists, management's judgement applied in quantifying provisions for tax uncertainties and assessing probable outcomes based on correspondence with tax authorities, case law and opinions from management's tax experts. – We evaluated management's ability to forecast taxable income accurately by comparing prior forecasts on future taxable income with the actual income for the year. – We evaluated management's recoverability assessment, including the likelihood of generating sufficient future taxable income based on budgets, business plans, and tax losses carry forward facilities in the various tax jurisdictions (including expiry dates). – We challenged, with the support of our tax specialist and local component team, management's judgement applied in the timing of deferred tax recognition, the underlying profit forecast, and the effects of Pillar Two.
Observation	Applying the aforementioned materiality, we did not identify any reportable findings in the provisions for uncertain tax positions and the valuation of deferred tax assets as well as the related disclosure in Notes 9.2 and 12.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

– Report of the Executive Board (including Sustainability Statements)
– Report of the Supervisory Board
– Other Information as required by Part 9 of Book 2 of the Dutch Civil Code
– Other Information included in the Annual Report

Based on the following procedures performed, we conclude that the other information:

– Is consistent with the financial statements and does not contain material misstatements.
– Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the report of the Executive Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Independent Auditor's Report

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Supervisory Board as auditor of Heineken N.V. on April 24, 2014, as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic reporting Format (ESEF)

Heineken N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up Consolidated Financial Statements, as included in the reporting package by Heineken N.V. complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the Company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the Consolidated Financial Statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Concluding on the appropriateness of Executive Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, February 11, 2025

Deloitte Accountants B.V.

C. Binkhorst

Limited Assurance Report of the Independent Auditor on Sustainability Statements

To: the shareholders and supervisory board of Heineken N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statements for 2024 of Heineken N.V. based in Amsterdam ("the company" or "HEINEKEN") in the section "Sustainability statements" and Appendices 1-5 of the accompanying management report including the information incorporated in the sustainability statements by reference (hereinafter: the sustainability statements).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statements are not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statements in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statements' of our report.

We are independent of Heineken N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section "Sources of estimation and outcome uncertainty" and disclosures included in Appendix 4 "Basis of preparation" in the sustainability statements that identify the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS. The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the use of third-party information

We draw attention to section "Sources of estimation and outcome uncertainty" and disclosures included in Appendix 4 "Basis of preparation" in the sustainability statements that indicate that certain metrics and calculations are (partly) based on assumptions and sources from third parties. The assumptions and sources ("third-party information") used are disclosed in the basis of preparation of the respective metric. Validation of such third-party information and certifications is not common market practice.

Our conclusion is not modified in respect of these matters.

Comparative information not subject to assurance procedures

No limited assurance procedures have been performed on the GHG emissions as disclosed in the "Climate change" section, Co-products and waste hierarchy as disclosed in the "Resource use and circular economy – Metrics and targets" section, and the injuries as disclosed in the "Own workforce – Voluntary disclosure" section in the years 2023 and 2022. Consequently, the respective comparative information related to these metrics have not been subject to limited assurance procedures.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

Forward-looking information

In reporting forward-looking information in accordance with the ESRS, management of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

Limited Assurance Report of the Independent Auditor on Sustainability Statements

Responsibilities of management and the supervisory board for the sustainability statements

Management is responsible for the preparation of the sustainability statements in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statements and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statements, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statements that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statements

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statements are free from material misstatements. The procedures vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statements and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statements and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without testing the operating effectiveness of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statements, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statements are free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statements made by management appears consistent with the process carried out by the company.
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive.
- Performing analytical review procedures on quantitative information in the sustainability statements, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statements.
- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statements and appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statements, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statements as a whole are free from material misstatements and prepared in accordance with the ESRS.

Amsterdam, 11 February 2025

Deloitte Accountants B.V.

C. Binkhorst

Shareholder information

Investor relations

HEINEKEN is committed to maintaining an open and constructive dialogue with shareholders and bondholders. HEINEKEN aims to keep them updated by informing clearly, accurately and in a timely manner about HEINEKEN's strategy, performance and other matters and developments that could be relevant to investors' decisions.

Ownership structure

Heading the HEINEKEN Group and pursuant to its Articles of Association, the objective of Heineken Holding N.V., is to manage or supervise the management of the HEINEKEN Group and to provide services for Heineken N.V. The role Heineken Holding N.V. has performed for the HEINEKEN Group since 1952 has been to safeguard its continuity, independence and stability and create conditions for controlled and steady growth of the activities of the HEINEKEN Group. The stability provided by this structure has enabled the HEINEKEN Group to remain independent and to rise to its present position as the brewer with the broadest international presence and one of the world's largest brewing groups.

Every Heineken N.V. share held by Heineken Holding N.V. is matched by one share issued at the level of Heineken Holding N.V. These shares are traded at a lower price due to technical factors that are market-specific. Heineken Holding N.V. holds 50.005% of the Heineken N.V. issued shares. L'Arche Green N.V. holds 53.171% of the issued share capital of Heineken Holding N.V. The Heineken family holds 88.98% of L'Arche Green N.V. The remaining 11.02% of L'Arche Green N.V. is held by the Hoyer family. Mrs. de Carvalho-Heineken also owns a direct 0.03% stake in Heineken Holding N.V.

Heineken N.V. shares and options

Heineken N.V. shares are traded on Euronext Amsterdam, where the Company is included in the main AEX Index. The shares are listed under ISIN code NL0000009165. Prices for the shares may be accessed on Bloomberg under the symbol HEIA.NA and on the Reuters Equities 2000 Service under HEIA. AS. Options on Heineken N.V. shares are listed on Euronext Amsterdam.

In 2024, the average daily trading volume of Heineken N.V. shares was 614,811 shares.

Market capitalisation Heineken N.V.

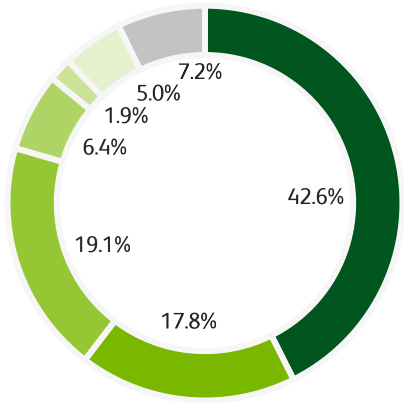
Shares outstanding as at 31 December 2024: 565,138,630 shares of €1.60 nominal value (excluding own shares held by the Company)

At a year-end price of €68,70 on 31 December 2024, the market capitalisation of Heineken N.V. on the balance sheet date was €38.8 billion.

Year-end price	€68,70	31 December 2024
Highest closing price	€96,70	20 May 2024
Lowest closing price	€68,24	23 December 2024

Share distribution by geography Heineken N.V. shares*

Based on 277.1 million shares in free float (excluding the holding of Heineken Holding N.V. and shares held by Treasury)

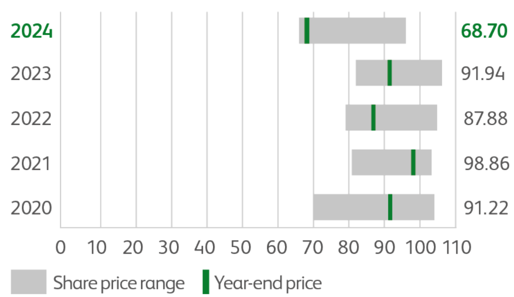


Americas	42.6
UK/Ireland	17.8
Rest of Europe	19.1
Rest of World	6.4
Retail	1.9
Netherlands	5.0
Unidentified	7.2

* Source Cmi2i based on available information December 2024.

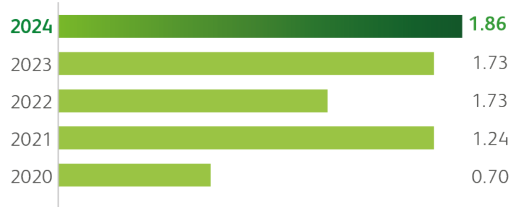
Heineken N.V. share price

In €, Euronext Amsterdam



Average trade in 2024: 614,811 shares per day

Dividend per share



Shareholder information

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Report of the Supervisory Board
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Heineken Holding N.V. shares

The shares of Heineken Holding N.V. are traded on Euronext Amsterdam. The shares are listed under ISIN code NL0000008977. Prices for the shares may be accessed on Bloomberg under the symbol HEIO.NA and on the Reuters Equities 2000 Service under HEIO.AS.

In 2024, the average daily trading volume of Heineken Holding N.V. shares was 123,270 shares.

Market capitalisation Heineken Holding N.V.

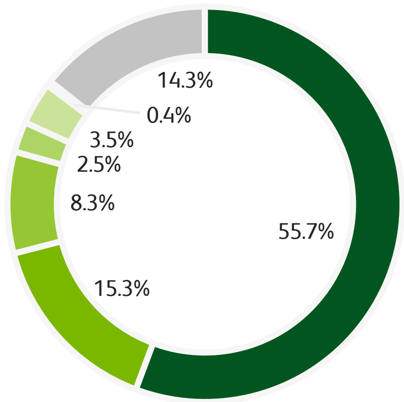
Shares outstanding as at 31 December 2024: 282,873,387 shares of €1.60 nominal value (excluding Heineken Holding N.V. shares held by Heineken N.V.).

At a year-end price of €57,85 on 31 December 2024, the market capitalisation of Heineken N.V. on the balance sheet date was €16.4 billion.

Year-end price	€57,85	31 December 2024
Highest closing price	€79,15	8 February 2024
Lowest closing price	€57,35	23 December 2024

Share distribution by geography Heineken Holding N.V. shares*

Based on 129.7 million shares in free float (excluding Heineken Holding shares held by L'Arche Green N.V. and Heineken N.V.)

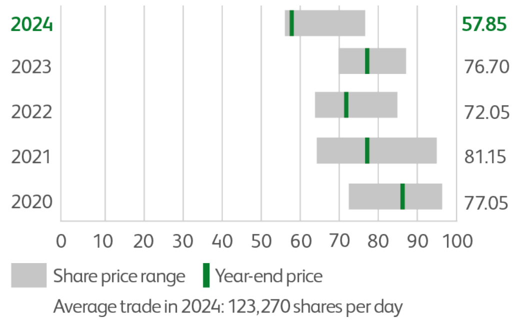


Americas	55.7
UK/Ireland	15.3
Rest of Europe	8.3
Rest of World	2.5
Retail	3.5
Netherlands	0.4
Unidentified	14.3

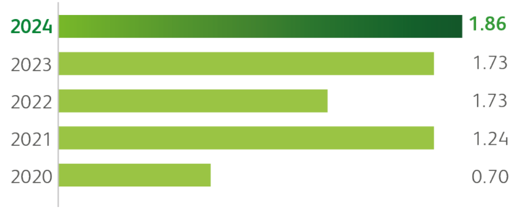
* Source Cmi2i based on available information December 2024.

Heineken N.V. share price

In €, Euronext Amsterdam



Dividend per share



Shareholder information

American Depositary Receipts (ADRs)

HEINEKEN's shares are trading Over-the-Counter (OTC) in the US as American Depositary Receipts (ADRs). There are two separate HEINEKEN ADR programmes representing ownership respectively in: 1) Heineken N.V. and 2) Heineken Holding N.V. For both programmes, the ratio between HEINEKEN ADRs and the ordinary Dutch (€ denominated) shares is 2:1, i.e. two ADRs represent one HEINEKEN ordinary share. Deutsche Bank Trust Company Americas acts as depositary bank for HEINEKEN's ADR programmes.

Heineken N.V.	Heineken Holding N.V.
Ticker: HEINY	Ticker: HKHHY
ISIN: US4230123014	ISIN: US4230081014
CUSIP: 423012301	CUSIP: 423008101
Structure: Sponsored Level I ADR	Structure: Sponsored Level I ADR
Exchange: OTCQX	Exchange: OTCQX
Ratio (DR:ORD): 2:1	Ratio (DR:ORD): 2:1

ADR contact information

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Shareholder Service (international) Tel. +1 718 921 8137
www.equiniti.com

Financial calendar in 2025 for both Heineken N.V. and Heineken Holding N.V.

Announcement of 2024 result	12 February
Publication of Annual Report 2024	20 February
Trading update first quarter 2025	16 April
Annual General Meeting of Shareholders	17 April
Quotation ex-final dividend 2024	23 April
Final dividend 2024 payable	2 May
Announcement of half year results 2025	28 July
Quotation ex-interim dividend 2025	30 July
Interim dividend 2025 payable	7 August
Trading update third quarter 2025	22 October
Capital Markets Event	23 - 24 October

Dividend policy

The dividend policy of Heineken N.V. intends to preserve the independence of the Company, to maintain a healthy financial structure and to retain sufficient earnings in order to grow the business both organically and through acquisitions.

The dividend payments are related to the annual development of the net profit before exceptional items and amortisation of brands (net profit beia), which translates in a dividend payout of 30–40%.

Dividends are paid in the form of an interim dividend and a final dividend. The interim dividend is fixed at 40% of the total dividend of the previous year. Annual dividend proposals will remain subject to shareholder approval.

Contact Heineken N.V. and Heineken Holding N.V.

Further information on Heineken N.V. and Heineken Holding N.V. is available from the Investor Relations department, telephone + 31 20 523 95 90 or by email: investors@heineken.com.

Further shareholder information is available on the Company's website: www.theHEINEKENcompany.com/investors.

Bondholder information

HEINEKEN has a Euro Medium Term Note (EMTN) Programme which was last updated in April 2024. The programme allows Heineken N.V. to issue Notes for a total amount of up to €20 billion. Approximately €11.7 billion is outstanding under the programme as at 31 December 2024.

Traded Heineken N.V. Notes	Issue date		Total face value	Interest rate	Maturity	ISIN code
EUR EMTN 2025	25 Mar 2020	CHF	100 million	0.638%	25 Mar 2025	XS2145099201
EUR EMTN 2025	30 Mar 2020	EUR	600 million	1.625%	30 Mar 2025	XS2147977479
EUR EMTN 2025	2 Aug 2012	EUR	750 million	2.875%	4 Aug 2025	XS0811555183
EUR EMTN 2025	20 Oct 2015	EUR	225 million	2.000%	20 Oct 2025	XS1309072020
EUR EMTN 2026	4 May 2016	EUR	1,000 million[1]	1.000%	4 May 2026	XS1401174633
EUR EMTN 2026	15 Nov 2023	EUR	600 million	3.625%	15 Nov 2026	XS2719096831
EUR EMTN 2027	29 Nov 2016	EUR	500 million	1.375%	29 Jan 2027	XS1527192485
EUR EMTN 2027	17 Sep 2018	EUR	600 million	1.250%	17 Mar 2027	XS1877595444
144A/RegS 2028	29 Mar 2017	USD	1,100 million	3.500%	29 Jan 2028	US423012AF03
EUR EMTN 2029	30 Jan 2014	EUR	200 million	3.500%	30 Jul 2029	XS1024136282
EUR EMTN 2029	3 Oct 2017	EUR	800 million	1.500%	3 Oct 2029	XS1691781865
EUR EMTN 2030	30 Mar 2020	EUR	800 million	2.250%	30 Mar 2030	XS2147977636
EUR EMTN 2030	23 Mar 2023	EUR	750 million	3.875%	23 Sept 2030	XS2599730822
EUR EMTN 2031	17 Sep 2018	EUR	750 million[2]	1.750%	17 Mar 2031	XS1877595014
EUR EMTN 2032	12 May 2017	EUR	500 million	2.020%	12 May 2032	XS1611855237
EUR EMTN 2033	15 Apr 2013	EUR	180 million	3.250%	15 Apr 2033	XS0916345621
EUR EMTN 2033	19 Apr 2013	EUR	100 million	2.562%	19 Apr 2033	XS0920838371
EUR EMTN 2033	7 May 2020	EUR	650 million	1.250%	7 May 2033	XS2168629967
EUR EMTN 2035	23 Mar 2023	EUR	750 million	4.125%	23 Mar 2035	XS2599169922
EUR EMTN 2036	4 July 2024	EUR	900 million	0.03812	4 July 2036	XS2852894679
EUR EMTN 2040	7 May 2020	EUR	850 million	0.0175	7 May 2040	XS2168630205
144A/RegS 2042	10 Oct 2012	USD	500 million	4.000%	1 Oct 2042	US423012AE38
144A/RegS 2047	29 Mar 2017	USD	650 million	4.350%	29 Mar 2047	US423012AG85

1 Includes EUR 200 million tap issued on 15 July 2019.
2 Includes EUR 100 million tap issued on 5 June 2019.

The EMTN programme and the above Heineken N.V. Notes issued thereunder are listed on the Luxembourg Stock Exchange.

HEINEKEN has a €3.0 billion Euro Commercial Paper (ECP) programme to facilitate its cash management operations and to further diversify its funding sources. There was no ECP in issue per 31 December 2024.

Historical Summary

	2024	2023	2022	2021	2020
Revenue and profit					
In millions of €					
Revenue	35,955	36,375	34,676	26,583	23,770
Net revenue	29,821	30,362	28,719	21,941	19,715
Net revenue (beia)	29,964	30,308	28,694	21,901	19,724
Operating profit	3,517	3,229	4,283	4,483	778
Operating profit (beia)	4,512	4,443	4,502	3,414	2,421
as % of net revenue	15.1	14.6	15.7	15.6	12.3
as % of total assets	8.4	8.1	8.6	7.0	5.7
Net profit/(loss)	978	2,304	2,682	3,324	(204)
Net profit (beia)	2,739	2,632	2,836	2,041	1,154
as % of shareholders' equity	14.0	13.1	14.5	11.8	8.6
Dividend (proposed)	1,042	978	995	714	403
as % of net profit (beia)	38.0	37.2	35.1	35.0	34.9
Per share					
In €					
Cash flow from operating activities	9.82	7.86	7.81	7.26	5.45
Net profit (beia) – basic	4.89	4.67	4.93	3.55	2.00
Net profit (beia) – diluted	4.89	4.67	4.92	3.54	2.00
Dividend (proposed)	1.86	1.73	1.73	1.24	0.70
Shareholders' equity	34.95	35.60	33.97	30.15	23.27

	2024	2023	2022	2021	2020
Cash flow statement					
In millions of €					
Cash flow from operations	6,903	5,949	5,660	5,127	4,232
Cash flow related to interest, dividend and income tax	(1,400)	(1,519)	(1,164)	(946)	(1,096)
Cash flow from operating activities	**5,503**	4,430	4,496	4,181	3,136
Cash flow used in operational investing activities	(2,445)	(2,671)	(2,087)	(1,667)	(1,623)
Free operating cash flow	**3,058**	1,759	2,409	2,514	1,513
Cash flow (used in)/from acquisitions and disposals	10	(905)	(199)	(610)	185
Dividends paid	(1,199)	(1,335)	(1,099)	(796)	(811)
Cash flow (used in)/from financing activities, excluding dividend	(1,375)	519	(2,028)	(2,087)	2,049
Net cash flow	**494**	38	(917)	(979)	2,936
Cash conversion ratio	102.6%	61.4%	75.3%	110.0%	111.3%
Financing ratios					
Net debt/EBITDA (beia)	2.2	2.4	2.1	2.6	3.4

Historical Summary

	2024	2023	2022	2021	2020
Operating profit (beia)/net interest expense (beia)	8.3	8.0	11.8	8.5	5.2
Free operating cash flow/net debt	20.9%	11.1%	17.8%	18.4%	11.0%
Net debt/shareholders' equity	0.75	0.79	0.69	0.79	1.06

Financing

In millions of €

	2024	2023	2022	2021	2020
Share capital	922	922	922	922	922
Reserves and retained earnings	18,659	19,134	18,629	16,434	12,470
Shareholders' equity	19,581	**20,056**	**19,551**	**17,356**	**13,392**
Non-controlling interest	2,821	2,733	2,369	2,344	1,000
Total equity	22,402	22,789	21,920	19,700	14,392
Post-retirement obligations	519	586	568	668	938
Provisions (including deferred tax liabilities)	2,917	3,046	2,936	2,908	2,103
Non-current borrowings	13,783	14,046	12,893	13,640	14,616
Other liabilities (excluding provisions)	14,152	14,686	14,089	11,934	10,583
Liabilities (excluding provisions and post-retirement obligations)	**27,935**	**28,732**	**26,982**	**25,574**	**25,199**
Total equity and liabilities	**53,773**	**55,153**	**52,406**	**48,850**	**42,632**
Shareholders' equity/ Total liabilities	**0.62**	**0.62**	**0.64**	**0.60**	**0.47**

Employment of capital

In millions of €

	2024	2023	2022	2021	2020
Property, plant and equipment	14,677	14,772	13,623	12,401	11,551
Intangible assets	21,701	21,781	21,408	20,762	15,767
Other non-current assets	6,496	7,200	6,360	6,109	6,294
Total non-current assets	**42,874**	**43,753**	**41,391**	**39,272**	**33,612**
Inventories	3,572	3,721	3,250	2,438	1,958
Trade and other current assets	4,977	5,301	5,000	3,892	3,062
Cash, cash equivalents and current other investments	2,350	2,377	2,765	3,248	4,000
Total current assets	**10,899**	**11,399**	**11,015**	**9,578**	**9,020**
Total assets	**53,773**	**55,153**	**52,406**	**48,850**	**42,632**
Total equity/total non-current assets	**0.52**	**0.52**	**0.53**	**0.50**	**0.43**
Current assets/current liabilities (excluding provisions)	**0.78**	**0.78**	**0.79**	**0.81**	**0.86**

Historical Summary

Key figures[1]

(in € million unless otherwise stated)	2022			2023							
	Reported	Eia	Beia	Reported	Total growth %	Eia	Beia	Currency translation	Consolidation impact	Organic growth	Organic growth %
Revenue	**34,676**	**(33)**	**34,643**	**36,375**	**4.9 %**	**(65)**	**36,310**	**(1,168)**	**1,253**	**1,582**	**4.6 %**
Excise tax expense	(5,957)	8	(5,949)	(6,013)	(0.9)%	12	(6,001)	305	(366)	9	0.1 %
Net revenue	**28,719**	**(25)**	**28,694**	**30,362**	**5.7 %**	**(54)**	**30,308**	**(864)**	**887**	**1,591**	**5.5 %**
Variable cost	(11,260)	56	(11,204)	(12,028)	(6.8)%	73	(11,955)	463	(409)	(805)	(7.2)%
Marketing and selling expenses	(2,692)	(43)	(2,735)	(2,767)	(2.8)%	1	(2,766)	76	(52)	(54)	(2.0)%
Personnel expenses	(4,079)	74	(4,005)	(4,353)	(6.7)%	139	(4,214)	69	(150)	(128)	(3.2)%
Amortisation, depreciation and impairments	(1,886)	207	(1,679)	(3,096)	(64.2)%	1,268	(1,828)	41	(64)	(126)	(7.5)%
Other net (expenses)/income	(4,519)	(50)	(4,569)	(4,888)	(8.2)%	(215)	(5,103)	112	(247)	(399)	(8.7)%
Total net other (expenses)/income	(24,436)	244	(24,192)	(27,133)	(11.0)%	1,268	(25,865)	762	(922)	(1,513)	(6.3)%
Operating profit	**4,283**	**219**	**4,502**	**3,229**	**(24.6)%**	**1,214**	**4,443**	**(102)**	**(35)**	**78**	**1.7 %**
Interest income	74	(1)	73	90	21.6 %	0	90	(6)	0	23	31.8 %
Interest expense	(458)	6	(452)	(640)	(39.7)%	(4)	(644)	57	(55)	(193)	(42.7)%
Net interest income/(expenses)	**(384)**	**5**	**(380)**	**(550)**	**(43.2)%**	**(4)**	**(554)**	**51**	**(55)**	**(170)**	**(44.8)%**
Other net finance income/(expenses)	48	(111)	(63)	(375)	(881.3)%	34	(343)	68	(12)	(336)	(537.3)%
Share of profit of associates and joint ventures	223	40	263	218	(2.2)%	52	270	(7)	3	11	4.3 %
Income tax expense	(1,131)	8	(1,124)	(121)	89.3 %	(831)	(952)	(2)	26	148	13.2 %
Non-controlling interests	(357)	(6)	(363)	(97)	72.8 %	(136)	(233)	(2)	(14)	146	40.2 %
Net profit	**2,682**	**155**	**2,836**	**2,304**	**(14.1)%**	**329**	**2,632**	**6**	**(87)**	**(123)**	**(4.3)%**
EBITDA[2]	**6,392**	**52**	**6,444**	**6,543**	**2.4 %**	**(2)**	**6,541**				

1 This table will not always cast due to rounding.
2 EBITDA is derived from 'Operating profit' less 'Amortisation, depreciation and impairments' plus 'Share of profit of associates and joint ventures'.

Glossary

Acquisition-related intangible assets

Acquisition-related intangible assets are assets that HEINEKEN only recognises as part of a purchase price allocation following an acquisition. This includes, among others, brands, customer-related and certain contract-based intangibles.

Average effective interest rate

Net interest income and expenses related to the net debt position divided by the average net debt position calculated on a quarterly basis.

Beia

Before exceptional items and amortisation of acquisition-related intangible assets.
Whenever used in this report, the term "beia" refers to performance measures (EBITDA, net profit, effective tax rate, etc) before exceptional items and amortisation of acquisition related intangible assets. Next to the reported figures, management evaluates the performance of the business on a beia basis across several performance measures as it considers this enhances their understanding of the underlying performance. Managerial incentives are set mostly on beia performance measures and the dividend is set relative to the net profit (beia).

Beyond Beer

Alcoholic and non-alcoholic beverage propositions beyond core beer, which leverage natural ingredients and/or beer production process. This includes for example flavoured beer, Ciders, RTDs (Ready-To-Drinks) and malt based drinks.

Capital expenditure related to PP&E and intangible assets (capex)

Sum of 'Purchase of property, plant and equipment' and 'Purchase of intangible assets' as included in the consolidated statement of cash flows.

Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests, calculated on an annual basis.

Cash flow (used in)/from operational investing activities

This represents the total of cash flow from sale and purchase of Property, plant and equipment and Intangible assets, proceeds and receipts of Loans to customers and Other investments.

Centrally available cash

Represents cash after the deduction of overdraft balances in the group cash pooling structure and other cash and cash equivalents owned at group level.

Centrally available financing headroom

This consists of the undrawn part of the committed €3.5 billion revolving credit facility and centrally available cash, minus centrally issued commercial paper and short-term bank borrowings at group level.

Consolidation changes

Changes as a result of acquisitions and disposals.

Depletions

Sales by distributors to the retail trade.

Dividend payout

Proposed dividend as percentage of net profit (beia).

Earnings per share (EPS)

Basic

Net profit/(loss) divided by the weighted average number of shares – basic – during the year.

Diluted

Net profit/(loss) divided by the weighted average number of shares – diluted – during the year.

EBITDA

Earnings before interest, taxes, net finance expenses, depreciation, amortisation and impairment. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

Effective tax rate

Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

Eia

Exceptional items and amortisation of acquisition-related intangible assets.

Exceptional items

Items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period.

Free operating cash flow

Total of cash flow from operating activities and cash flow from operational investing activities.

Gross merchandise value

Value of all products sold via our eB2B platforms. This includes our own and third-party products, including all duties and taxes. As part of its objective to become the best connected brewer, management has set as a key priority to scale up its eB2B platforms to better serve customers and improve sales force productivity. External stakeholders can assess the progress relative to this ambition and to the scale of other eB2B platforms.

Gross savings

Structural cost reductions resulting from targeted initiatives to improve efficiency and productivity, relative to the baseline of expenses of a previous period adjusted for inflation. The gross savings exclude cost-to-achieve, consolidation changes and decisions to reinvest. Gross savings is the leading metric used by management to measure productivity gains across the business in line with one of the top priorities of the EverGreen strategy and provide evidence to our external stakeholders of the progress at HEINEKEN to build a cost-conscious capability

Group net revenue (beia)

Consolidated net revenue (beia) plus attributable share of net revenue (beia) from joint ventures and associates.

Group operating profit (beia)

Consolidated operating profit (beia) plus attributable share of operating profit (beia) from joint ventures and associates, excluding Head Office and eliminations.

Group operating profit margin

Operating profit represented as a percentage of net revenue.

Net debt

Non-current and current interest-bearing borrowings (incl. lease liabilities), bank overdrafts and market value of cross-currency interest rate swaps less cash, cash equivalents and other investments.

Net interest expense

Total interest expense incurred minus interest income earned.

Net profit

Profit after deduction of non-controlling interests (profit attributable to shareholders' of the Company).

Net revenue

Revenue as defined in IFRS 15 (after discounts) minus the excise tax expense for those countries where the excise is borne by HEINEKEN.

Net revenue per hectolitre

Net revenue divided by total consolidated volume.

Glossary

Organic growth

Growth excluding the effect of foreign currency translational effects and consolidation changes. Whenever used in this report, the term refers to the organic growth of the related performance measures (revenue, operating profit, net profit etc.). Management evaluates the organic performance of operating companies as it reflects their performance in local currency. External stakeholders can separately assess the performance in local currency, the translational effects into euros and the consolidation changes.

Organic Growth %

Organic growth divided by the related prior year beia amount. Whenever used in this report, the term "organically" refers to the organic growth % of the related performance measures (revenue, operating profit, net profit etc.).

Organic volume growth

Growth in volume, excluding the effect of consolidation changes.

Other net expenses

Includes other income, goods for resale, inventory movements (fixed), repair and maintenance and other expenses.

Price mix on a constant geographic basis

Refers to the different components that influence net revenue per hectolitre, namely the changes in the absolute price of each individual SKU and their weight in the portfolio. The weight of the countries in the total revenue in the base year is kept constant. The metric allows management and external stakeholders a clearer understanding of the underlying development of price-mix, a lever of value creation, which can be affected at a segment-level when combining operations that have structurally different net revenue per hectolitre, due to differences in value chains, business models and economic conditions.

Profit

Total profit of HEINEKEN before deduction of non-controlling interests.

Pro-forma 12-month rolling net debt/EBITDA (beia) ratio

Net debt divided by the 12-month rolling pro-forma EBITDA (beia), which includes acquisitions and excludes disposals on a 12-month pro-forma basis. Reconciliations of net debt and EBITDA (beia) are provided separately in the release, but it's impracticable to reconcile the ratio since it's calculated on a 12 month pro-forma basis. Management uses this ratio to assess the overall levels of net debt in respect to the cash generation potential from the business, with the objective to be below 2.5x. The ratio is useful to external stakeholders to assess the financial profile of the business.

®

All brand names mentioned in this report, including those brand names not marked by an ®, represent registered trademarks and are legally protected.

Region

A region is defined as HEINEKEN's managerial classification of countries into geographical units.

Total borrowings

Sum of 'non-current borrowings' and 'current borrowings' as included in the consolidated statement of financial position.

Total net other expenses

The sum of variable cost, marketing and selling expenses, personnel expenses, amortisation, depreciation and impairments and other net expenses.

Variable cost

Includes input costs (raw material, packaging material and inventory movements (variable)), transport and energy & water.

Volume

Beer volume

Beer volume produced and sold by consolidated companies.

Brand specific volume (Heineken® volume, Amstel® volume etc.)

Brand volume produced and sold by consolidated companies plus 100% of brand volume sold under licence agreements by joint ventures, associates and third parties.

Group beer volume

The sum of beer volume, licensed beer volume and attributable share of beer volume from joint ventures and associates.

Licensed volume

100% of volume from HEINEKEN's beer brands sold under licence agreements by joint ventures, associates and third parties.

LONO

Low- and non-alcoholic beer, cider & brewed soft drinks with an ABV <=3.5%.

Mainstream beer

Beer sold at a price index between 85 and 114 relative to the average market price of beer.

Non-beer volume

Cider, soft drinks and other non-beer volume produced and sold by consolidated companies.

Premium beer

Beer sold at a price index equal or greater than 115 relative to the average market price of beer.

Third-party products volume

Volume of third-party products (beer and non-beer) resold by consolidated companies.

Total consolidated volume

The sum of beer volume, non-beer volume and third-party products volume.

Weighted average number of shares

Basic

Weighted average number of outstanding shares.

Diluted

Weighted average number of outstanding shares and the weighted average number of shares that would be issued on conversion of the dilutive potential shares into shares as a result of HEINEKEN's share-based payment plans.

Working capital

The sum of inventories and trade and other receivables less trade and other payables and returnable packaging deposits.

Disclaimer and Reference Information

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The PDF and iXBRL viewer copy of the Annual Report of Heineken N.V. for the year 2024 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package is available at http://www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations.

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