

Protecting Our Planet

HEINEKEN's Brewing a Better World sustainability strategy ensures that our operations support the United Nations Sustainable Development Goals (UN SDG) 6, 7, 12, 13 and 15, which cover responsible use and management of water, energy and resources for the benefit of our planet. The Brewing a Better World sustainability strategy ensures we go beyond our immediate operations in identifying areas where we can contribute as a responsible and progressive corporate citizen. For 2019, we are pleased to report that we have recorded good progress in our environmental performance in all areas as compared to 2018, and a double-digit improvement as compared to 2014.

PROTECTING WATER RESOURCES

Heineken N.V. launched the 2030 Every Drop strategy in 2019, with the ultimate goal to work together towards a healthy watershed in water stressed-areas for the benefit of the surrounding communities. The triangular approach is in line with the UN SDG 6: Clean Water and Sanitation, and to be achieved by 2030:



WATER STEWARDSHIP

Fully balance the water we use for our products in water stressed areas, by working collectively with other stakeholders.



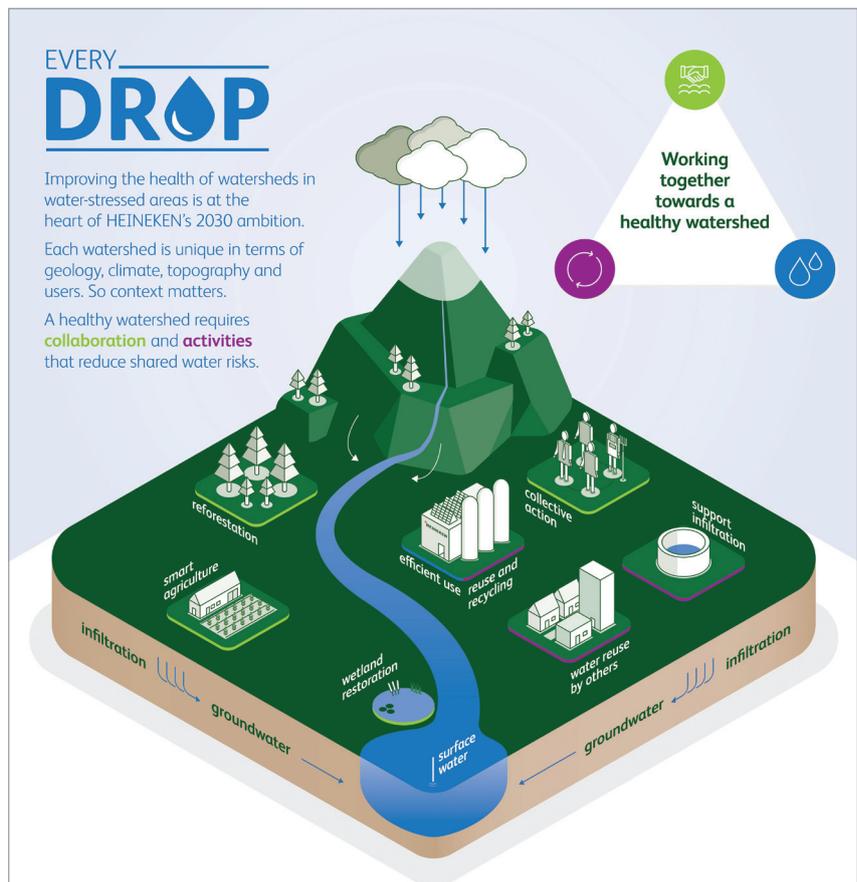
WATER CIRCULARITY

Treat 100% of wastewater of all breweries, and maximise reuse and recycling of water for non-potable purposes i.e. irrigation and cleaning



WATER EFFICIENCY

To reach water target of 2.80 litre per litre of beer produced in water stressed areas



HEINEKEN's ambition for 2030

Water Stewardship

Fully balance the water that is used in our products, in water-stressed areas

Work collectively with other stakeholders

Water Circularity

Maximise reuse & recycling in water-stressed areas

Treat **100%** of wastewater of all breweries

Water Efficiency

2.8 litre per litre beer produced, for breweries in water-stressed areas

3.2 litre per litre for all breweries worldwide

Contributes to UN Sustainable Development Goal 6



Protecting Our Planet

In 2019, for every 1 litre of beer we brewed, 3.67 litres of water was used. Measuring the outcomes and impacts of water balancing through our water stewardship programmes is essential and complex. We use the Volumetric Benefit Accounting (VBA) standard by the World Resources Institute. By doing this, we will be able to map out our water stewardship programmes backed by data to manage our impact in a holistic manner and be 100% water balanced before 2030.

The positive improvements in water efficiency and circularity is attributed to the upgrading efforts that took place to optimise our brewery efficiencies, and greater focus on energy saving practices such as investment in leak detection tools and review of existing processes that are water intensive. On water circularity, we ensure that the quality of treated wastewater was above the standard set by the Department of a Environment. Overall, we recorded a reduction of 15% for water usage when compared to 2014.

REDUCING CO₂ EMISSIONS

In line with our commitment to Drop the C, we undertook several measures and invested in innovations to manage

our energy consumption, including thermal insulations, boiler pressure reduction in addition to cooling plant assessment and steam trap audit. These initiatives led to reduction in total energy consumption, electricity, thermal and CO₂ emissions. We continue to reduce CO₂ emissions by increasing the utilisation of renewable energy through biogas optimisation.

ZERO WASTE TO LANDFILL

We continued to manage waste responsibly by investing in recycling and upcycling initiatives through licensed waste management vendors. In 2019, we generated close to 30,260 tonnes of waste, of which 100% was recycled and generated RM 1.41 million in revenue. This has enabled us to bear the cost of managing our waste materials, whilst allowing us to channel the revenue into other environment improvement projects at our brewery.

ENVIRONMENTALLY FRIENDLY REFRIGERATORS

HEINEKEN Malaysia has purchased 709 environmental friendly fridges since 2016. In 2019 alone, 284 environmentally friendly fridges were procured. We continue to ensure that

100% of our fridges purchased are in this category, using hydrocarbon natural refrigerant and cyclopentane insulation for minimal environmental impact and enhanced effectiveness. In addition, the fridges are equipped with energy efficient LED lighting.

RETURNABLE PACKAGING

Our packaging material represents the largest components of HEINEKEN's global footprint. In Malaysia, we apply the reduce, reuse and recycle method in managing our bottles, kegs and crates. We work with our trade partners through a deposit system and ensure reusable kegs, bottles and crates are returned to the brewery.

MATERIAL RETURN RATE (12-MONTH MOVING AVERAGE)



KEGS
2018 (%) - 95.8
2019 (%) - 101.3

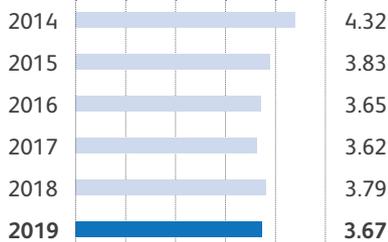


BOTTLES
2018 (%) - 81.1
2019 (%) - 90.2

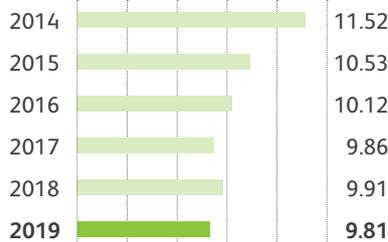


PLASTIC CRATES
2018 (%) - 100.1
2019 (%) - 99.5

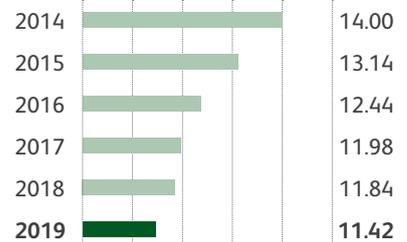
Water Consumption (hl/hl)



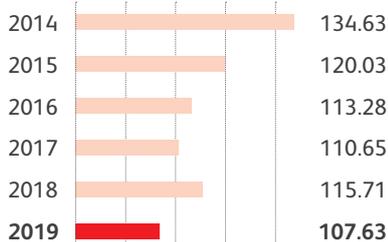
Electricity Consumption (kWh/hl)



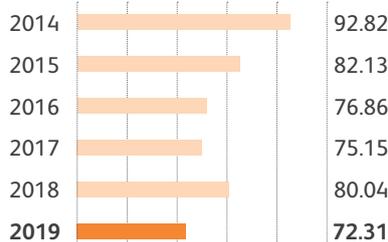
CO₂ Emissions (kg CO₂eq/hl)



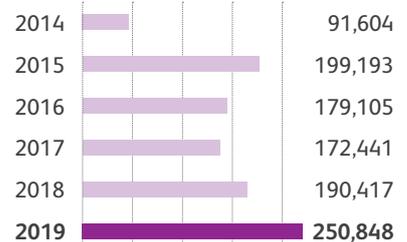
Total Energy Consumption (MJ/hl)



Thermal Energy (MJ/hl)



Bio Gas (m³)



Protecting Our Planet

SOURCING SUSTAINABLY

We are committed to conduct business with integrity and fairness, with the respect for people and for the planet. And we expect our suppliers to share the same values and commitment to responsible business conduct. In partnership with our suppliers, we maximise our positive impact and grow together in a responsible way. We also encourage our suppliers to report any violations of HEINEKEN Malaysia policies through the independent reporting platform Speak Up. We are pleased to report that 100% of our suppliers are compliant to the HEINEKEN Supplier Code. More information on the relevant policies can be read on <https://www.heinekenmalaysia.com/corporate-governance/> and <https://www.heinekenmalaysia.com/procurement/>



GROWING WITH COMMUNITIES THROUGH ENVIRONMENTAL PROTECTION

HEINEKEN Malaysia’s efforts to protect the planet extends beyond its immediate operations. Our community programmes are carried out by SPARK Foundation, the corporate social responsibility arm of HEINEKEN Malaysia. SPARK Foundation was established in 2007 to support initiatives in the areas of environmental protection and education enrichment. Today, we continue to spark change in the three key areas of Environment, Education and Partnerships.

SPARK Foundation Milestones

	<p>RM19.5Mil invested in river rehabilitation, watershed health protection initiatives, education and partnership programmes</p>		<p>Engaged 46,000 Malaysians and 158 communities</p>		<p>Rehabilitated 5 Rivers in Selangor and Perak</p>
	<p>Built 19 alternative water solutions in Selangor and Sabah</p>		<p>Reforested 1 Hectare of degraded peatland at Raja Musa Forest Reserve</p>		<p>Built a 305-metre clay dyke at Raja Musa Forest Reserve</p>

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Working Actively Through Education and Rehabilitation (W.A.T.E.R Project)

W.A.T.E.R Project is the flagship initiative by the SPARK Foundation, in collaboration with Global Environment Centre, government agencies and local communities. Our purpose is to educate the public on the importance of conserving and protecting water resources.

In 2018, we shifted our strategy from river rehabilitation to watershed health protection in line with the HEINEKEN Every Drop strategy, to safeguard our water withdrawal area and to manage the impact where our treated wastewater is channeled. Our water stewardship roadmap through 2030 is being built based on data points collected from high-impact projects under the three-year Water Stewardship Agenda 2018 to 2020, which we launched to balance the water we do not return to the environment by investing in nature based solutions. Our aim is to reduce stress on local water resource and ensure watershed security through strategic partnerships and projects, in line with the UN SDG 6: Clean Water and Sanitation.

Reforestation degraded peatland forest

The protection and rehabilitation of peatland will help sustain water supply in the long run, besides functioning as an efficient carbon storage to regulate earth temperature. Through SPARK Foundation, we collaborated with the Global Environment Centre and worked together with the Sungai Selangor communities to plant over 600 trees on one hectare of peat swamp forest in the Raja Musa Forest Reserve. One hectare of fully developed peatland forest offsets 2,000 tonnes of carbon, which is equivalent to the annual emissions from 1,400 cars.



HEINEKEN MALAYSIA

WATER STEWARDSHIP AGENDA 2018-2020

We aim to reduce stress on local water resource and ensure watershed security through strategic partnerships and projects.



WATER SOURCE
Sungai Selangor
Phase 1 Water
Treatment Plant



TREATED WASTEWATER RELEASED TO
Sungai Way
Sungai Penchala

OUR PRIORITIES

WATER FOR WATER
Reduce or offset water consumption



Rainwater Systems



Water Thimble Tech



Reforestation



Clay Bund Dike

WATER FOR QUALITY WATER
Improve water quality



Source Protection



Wetland Cell

#EveryDropMatters

Brought to you by:    

Constructing clay dyke to increase water storage capacity

It takes holistic efforts when it comes to water source protection. In 2019, we worked with our partner, Global Environment Centre, to support its work with the Selangor State Forestry Department to build a 305-metre clay dyke at the Raja Musa Forest Reserve. Clay dyke is an innovative method as it helps prevent water drainage and maintains an optimum water table during the dry season. It also acts as an effective fire prevention method as drained peatland is prone to fire occurrences. The efforts on Sungai Selangor helps to store up to 150 million litres of water annually. This peatland restoration will help maintain the long-term water supply function and reduce the risk of water shortages in Klang Valley during extreme weather conditions. HEINEKEN Malaysia is the first corporate in the country to build a clay dyke in a forest reserve.

Protecting Our Planet

Water thimble – a cost effective and innovative method to reduce water consumption

We believe that people have the power to make a difference. We embarked on a six-month study on the effectiveness of the water thimble, a ‘button-like’ innovation to manage the flow of water from faucets. We organised water conservation workshops and distributed water thimble kits to close to 1,000 people in located in the Sungai Penchala and Sungai Selangor basins. The study revealed that households that installed the water thimble on their faucets were able to reduce water consumption by an average of 18 litres per day per person. In total, 13 million litres of water was saved as a direct result of this study. We will continue our efforts educate and distribute water thimbles to our surrounding communities in 2020.

Repurposing rainwater for non-potable uses

With the aim to reduce wastage of treated water, we built rainwater-harvesting systems for Sungei Way and Sungai Selangor communities. The water from these systems are used for irrigation, cleaning and gardening. The systems benefitted 6,450 communities and led to storage of more than 4 million litres of treated water.



Every Drop Roadshow

In conjunction with the World Water Day, we conducted the Every Drop roadshows for our internal and external stakeholders. Four roadshows were conducted to increase awareness and most importantly to offer enablement programmes to galvanise stakeholders to do their part for the environment. More than 500 people participated in the roadshow, which also made visits to media companies including Star Media Group, Sin Chew Media Corporation and The Edge Media Group to raise awareness amongst media stakeholders. The roadshow presented a unique opportunity to directly engage participants on our reforestation efforts, enabled them to be part of a water conservation study, as well as take part in a fun Every Drop Squat Challenge, which allowed people to learn about the difficulties faced by communities living in water scarce areas.



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SUSTAINABILITY RECOGNITIONS

Sustainable Business Awards 2019

HEINEKEN Malaysia clinched three awards at the Sustainable Business Awards (SBA) 2019 for the second consecutive year. We received the Best Water Management award, in recognition of the company's outstanding efforts in protecting and managing water resources for production as well as beyond its business operations. It established a positive reinforcement of its efforts through its three-year water stewardship agenda as well as recognised for its commitment in driving water efficiency. The Company also received a Special Recognition under two categories, namely Sustainability in the Community and Waste & Material Productivity.

The Special Recognition for Sustainability in the Community recognises the Company's long-standing Tiger Sin Chew Chinese Education Charity Concert programme as well as the English Enrichment Training Programme. Meanwhile, the Special Recognition for Sustainability in Waste & Material Productivity is in line with HEINEKEN Malaysia's zero waste to landfill goal. The Sustainable Business Awards is organised by Global Initiatives Singapore in partnership with PricewaterhouseCoopers (PwC) Malaysia.



CSR Malaysia Award 2019

HEINEKEN Malaysia was awarded "Company of the Year" by CSR Malaysia Awards 2019 in the manufacturing sector for its water and education initiatives including alternative potable water systems in Sabah, the English Enrichment Training Programme in seven states and the Tiger Sin Chew Chinese Education Charity Concert programme. CSR Malaysia Awards 2019 is organised by CSR Malaysia Publications to honour outstanding corporations in Malaysia that have excelled as agents driving the socio-economic transformation of Malaysia.



The Edge Billion Ringgit Club 2019

HEINEKEN Malaysia was named amongst "Top 5 best CR initiatives in Malaysia – Below RM10 Billion Market Cap" for The Edge Billion Ringgit Club 2019 recognising its corporate responsibility efforts for water and education. The Edge Billion Ringgit Club is organised by The Edge Media Group to recognise Malaysia's best-performing companies that have innovated and grown, created jobs, rewarded shareholders, paid taxes and contributed to the nation's economic development.