

Heineken

Romania S.A.

Sustainability Report 2010

Brewing a Better Future



Contents

01 Foreword

IMPROVE

05 Green Brewer
07 Green Commerce

EMPOWER

09 Engaging Employees
10 Heineken Cares

IMPACT

12 Responsible Consumption
13 Partnerships for Progress

Company Profile

Heineken Romania S.A.

Heineken Romania is a proud part of the Heineken Group, which has a tradition of over 145 years in the brewing industry. It is Europe's largest brewer and the world's third largest by volume. All over the world, Heineken Group is willing to build a strong brands portfolio, made up by national and international brands and to offer its consumers quality beers and unique experiences.

Heineken Romania offers the most diversified brands portfolio, covering all segments of the Romanian beer market: Heineken, Silva, Silva Dark, Ciuc Premium, Golden Brau, Neumarkt, Bucegi, Edelweiss (import), Zipfer (import), Amstel (import), Birra Moretti (import), Krusovice (import), Foster's (import), Strongbow (import), Sol (import), Desperados (import), Gösser, Schlossgold, Gambrinus, Harghita and Hategana.

Currently, Heineken Romania has 4 breweries in Miercurea Ciuc, Constanta, Craiova, and Targu Mures.

Foreword

We can all do more to make a difference



For Heineken Romania Sustainability means a way of thinking, working and interacting with the world around us. It is about the culture of our company and about the way we approach our business, always focused on positively contributing to the society, environment and communities in which we activate.

Because Sustainability is a top priority for us, in 2010 we launched the local component of the global Sustainability Agenda, "Brewing a Better Future", which is an integrated approach, covering all areas of our business, with clear targets both at global and local level. "Brewing a Better Future" builds on and completes the local Sustainability initiatives that are already in place.

This is the second edition of the Heineken Romania Sustainability Report intended to give you an oversight on the results we achieved in 2010 in terms of Sustainability.

Regarding our contribution to the **environment**, during 2010 we managed to reduce the **specific total energy consumption** (from 176,6 MJ/hl in 2009 to 152,9 MJ/hl in 2010), the **specific thermal energy consumption** (from 103,2 MJ/hl in 2009 to 85,8 MJ/hl in 2010) and the **specific electricity consumption** (from 8,2 kWh/hl in 2009 to 7,5 kWh/hl in 2010). In all these 3 cases we achieved the target we have set for 2010.

We also decreased the **specific water consumption** from 4,22 hl/hl in 2009 to 4,08 hl/hl in 2010.

Regarding the **specific direct and indirect CO₂ emission** of Heineken Romania, it has decreased from 9,2 kg CO₂/hl in 2009 to 7,9 kgCO₂/hl in 2010.

*FTE – Full Time Equivalent

In 2010 we started to buy and place into the market **environmentally friendly fridges** that save up to 35% of the energy consumed by a regular fridge. This way we can now provide consumers with a chilled finest-quality beer with the lowest environmental impact. Also, during 2010 we have been continuously **increasing the efficiency** of our distribution system.

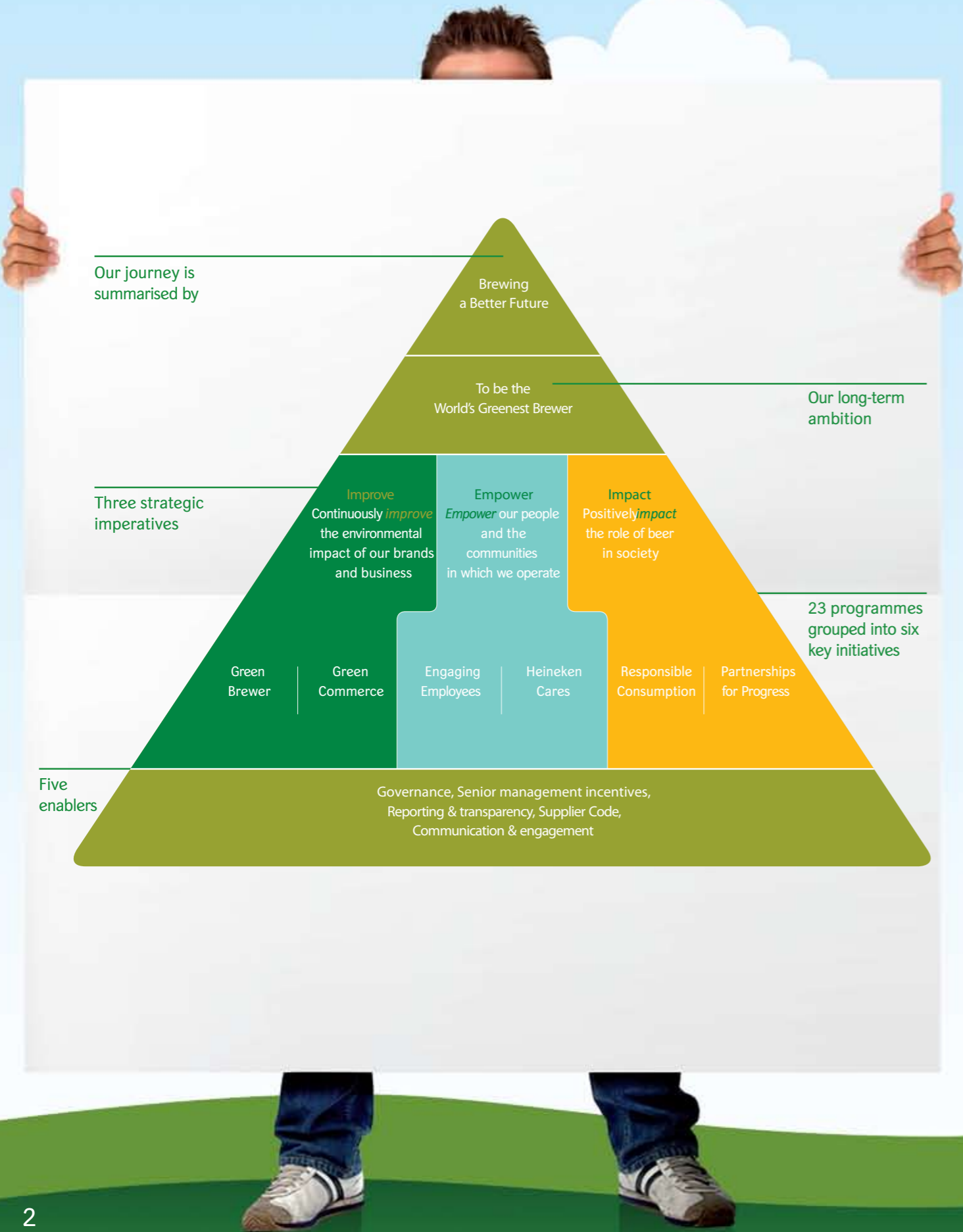
Our **employees** are extremely important to us; therefore we are permanently taking all the measures to reduce the accident frequency. In 2010 the accident frequency within our company decreased to 0,1 cases/100 FTE from 0,3 cases/100 FTE in 2009.

In what the **society** is concerned, in 2010 we maintained and developed the partnership with ALIAT, the main Romanian non-governmental organization that offers services in terms of substances addictions. The results registered within the first year of collaboration strengthen our belief that we have answered a real need of the people who deal with abusive alcohol consumption.

Even if in 2010 the Romanian economic context was not an easy one, we kept on investing in Sustainability programs, and we will continue to do the same in the future.

Since 2009 we progressed a lot, but we realize that we are still having a lot of things to improve. We, as a company, have started down the road to a Sustainable future, but Sustainability is a challenging journey that asks for the energy and engagement, good will and collaboration of all of our stakeholders. Only together we can build a sustainable world!

Jan Derck van Karnebeek,
Managing Director Heineken Romania



“Brewing a Better Future” is Heineken Group’s integrated strategy to become the worlds’ greenest brewer. Part of Heineken Group, in 2010 Heineken Romania proudly launched the local component of “Brewing a Better Future” Sustainability agenda, which is characterized by an integrated vision that stretches out in all of the company’s activity areas.

“Brewing a Better Future” is a journey that has only just begun. To achieve our goal, we will make positive and long-term investments in the **environment, communities, people and partnerships**. To make sure we reach our destination, we have focused our actions around 3 strategic imperatives:

- Continuously **Improve** the environmental impact of our brands and business
- **Empower** our people and the communities in which we operate
- Positively **Impact** the role of beer in society.

We have grouped our 23 specific programs in 6 initiatives. Thus, **Green Brewer** and **Green Commerce** describe our plan to positively contribute to the environment

in which we operate, while **Engaging Employees** and **Heineken Cares** make clear our determination to empower our people and communities in which we activate. The **Responsible consumption** and **Partnership for progress** initiatives are our straightforward and practical approaches to dealing with responsible alcohol consumption and decreasing alcohol abuse.

“Brewing a Better Future” is governed by a Steering Committee that comprises of representatives from: Supply Chain, HR, Marketing, Legal & Public Affairs, Trade Marketing, Corporate Relations, reporting to the Managing Director.

Progress and issues in relation to “Brewing a Better Future” Sustainability agenda are regularly on the Steering Committee agenda and on Management Team meetings in our company.





Improve



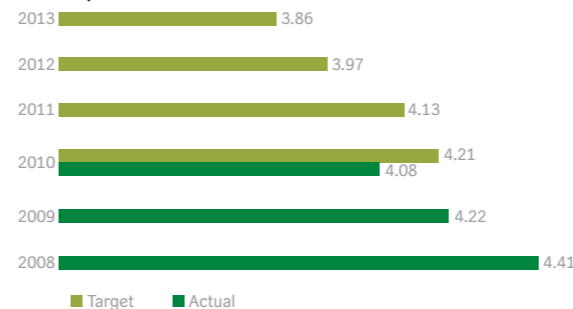
Heineken Romania has always been careful with the environment in which it activates and has dedicated it the **Green Brewer** program. The program was put in place through a series of measures meant to decrease specific water, energy and electricity consumption in breweries, warehouses, and offices while reducing the level of CO₂ emissions.

In these areas, Heineken Romania not only has met the targets set for 2010, but it reached lower levels of these targets. This applies to specific thermal energy consumption, specific electricity consumption, specific water consumption levels, and also the direct and indirect CO₂ emissions.

Green Brewer

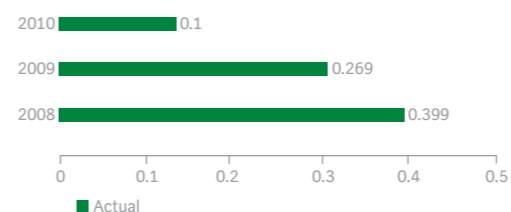
Water plays a crucial role in our activity and one of our goals is to reduce the volume of the water we use as much as possible. The **specific water consumption** (the quantity of water we use to brew one hectoliter of beer) has decreased from 4,22 hl/hl in 2009 to 4,08 hl/hl in 2010, against a target of 4,21 hl/hl set for last year. This was possible due to special water reduction consumption teams, at the Heineken Romania breweries in Constanta, Craiova and Miercurea Ciuc.

Specific water consumption breweries
hl water/hl



Next to water consumption, we pay high attention to the quality of the **wastewater** we return to the environment. In this regard, all our breweries are equipped with waste water treatment plants and we permanently aim at improving the waste water treatment plants parameters. The kgCOD/hl, meaning all effluent discharged from our production units, either to third party waste water treatment plant or directly to the surface water, decreased to 0,1 kgCOD/hl in 2010 compared to 0,269 kgCOD/hl in 2009. These values of the effluent discharged from our production units either through third party waste water treatment plant or directly to surface water are within the limits imposed by the Romanian legislation.

Effluent discharged from production units to third party waste water treatment plant or directly to surface water*
kg COD/hl



*deviates from standard Heineken reporting

Craiova brewery reduced its specific thermal energy consumption by 22% MJ/hl in 2010 vs. 2009

Reducing the energy consumption is a top priority for the entire company and we permanently take all the necessary measures in order to use the energy more efficiently every day and this way, to have a positive contribution to the environment in which we activate. All our breweries reduced their energy consumption during 2010 compared to 2009, but Craiova managed to obtain the best result in terms of reducing energy consumption, decreasing it by 22% MJ/hl.

This result was achieved by a series of activities which all had a positive influence on the thermal energy consumption, helping us increase efficiency and thus, reduce the amount of energy used. The *daily monitoring and control system for the utility department, the deployment and attack of the energy losses, the permanent analyses and immediate solving of the anomalies* were some of the activities that enabled us to decrease the thermal energy consumption in Craiova brewery. Moreover, we *improved the efficiency of the steam plant*, which enabled us to reduce the losses in the steam production. Additionally, we *insulated the steam transport pipes*.

Respecting and having a positive impact on the environment in which we activate is a priority in our Sustainability agenda, *"Brewing a Better Future"*, and we permanently put all our efforts into delivering this ambition.



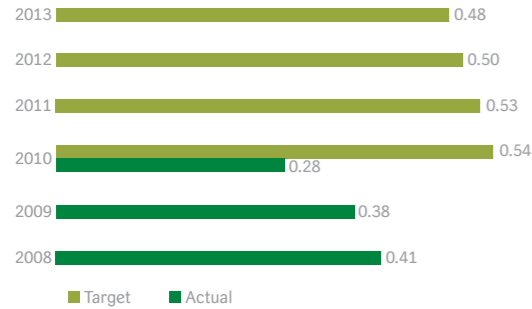
We are also taking specific measures meant to reduce the **specific industrial waste production**. In this regard, we are selling 100% of our by-products to a specialized company, called BONDA.

In 2010, the **waste re-usage** done by the **company** was of 95% for the returnable items (i.e. crates, 0,5 litres bottles, kegs), and of 81,78% for non-returnable items (i.e. foil, PETs).

During 2010, ECOROM ensured a recycling percentage of 49,68% from the total packaging put on the market by our company. ECOROM is a specialized recycling company where Heineken Romania is a founder member.

Regarding the **specific non-recycled industrial waste**, the 0,28 kg/hl levels achieved in 2010 are remarkably lower than the target set for last year: 0,54 kg/hl. For 2011, Heineken Romania has set a limit of 0,53 kg/hl.

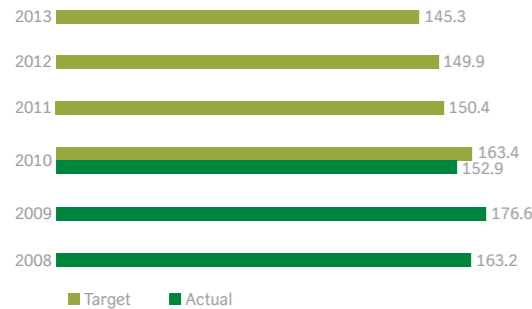
Specific non-recycled industrial waste production kg/hl



In 2010, Heineken Romania has not received any environmental and safety complaints, nor had it experienced any environmental and safety related accidents with off-site effects.

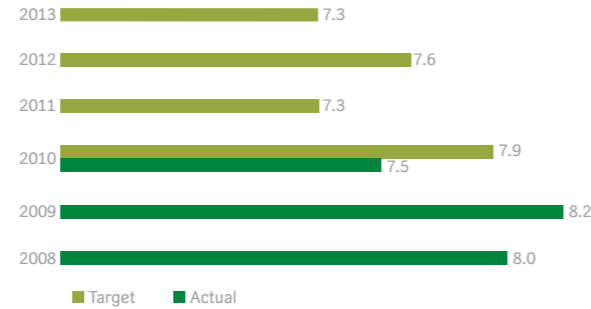
During 2010, we **reduced the total amount of energy used**. The figures show an important drop in **specific total energy use**: from 176,6 MJ/hl in 2009 to 152,9 MJ/hl in 2010. We have reached this level of efficiency mostly because of the performances achieved by our breweries in Constanta, Craiova and Miercurea Ciuc. It is here where we have implemented a series of programs intended to reduce energy consumption.

Specific total energy consumption MJ/hl



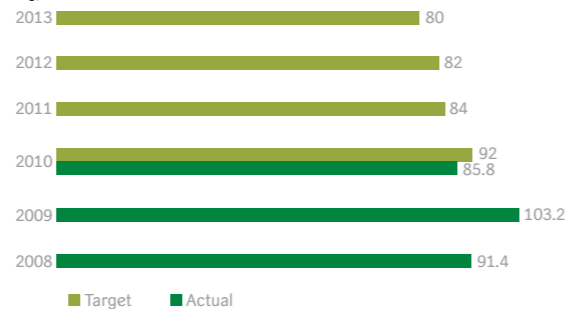
The levels of **specific electricity consumption** have dropped in 2010 to 7,5 kWh/hl against 8,2 kWh/hl in 2009. The drop comes as a direct consequence of the special electricity reduction programmes (such as improvement of cooling tower, water distribution optimization, improvement of CO2 distribution, improvement of spent grains transport and upgrade of glycol distribution) we implemented. The target of 7,9 kWh/hl for the specific electricity consumption was achieved in 2010.

Specific electricity consumption breweries kWh/hl



The permanent reduction of the **specific thermal energy** is also an on-going priority for us. Thus, Heineken Romania reduced the levels of specific thermal energy consumption as well (to 85,8 MJ/hl in 2010 from 103,2 MJ/hl in 2009). This was achieved by implementing a series of energy reduction programs at Constanta, Craiova and Miercurea Ciuc breweries. The measures taken include the insulation of the steam transport pipe and the reduction of steam consumption levels, while the employees followed a training session that addressed this particular issue.

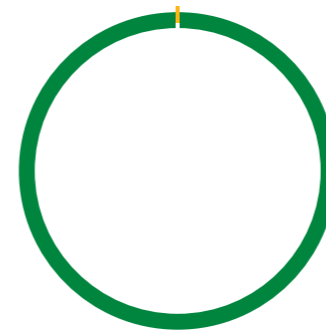
Specific thermal energy consumption breweries MJ/hl



We also pay attention to **reducing the direct and indirect CO2 emissions** of our activities. The total direct and indirect CO2 emission of Heineken Romania has decreased from 9,2 kgCO2/hl in 2009 to 7,9 kgCO2/hl in 2010.

When it comes to the **types of fuels** we use, 99,6% of all fuels used are gaseous fuels, while 0,3% of the fuel use is based on biogas from the Wastewater Treatment Plants and 0,1% is based on liquid fuel.

Types of fuel used
Calculation of MJ per type of fuel/hl water/hl



- Gaseous fuels (LPG, natural gas, propane)
- Liquid fuels (diesel, fuel oil, gasoil, kerosine)
- Biomass
- Biogas

Green Commerce

We are committed to achieving a high level of environmental efficiency also by the way we bring our products to the market. Therefore, during 2010, our company has permanently optimized its **distribution** routes. Among the measures we took in order to optimize the distribution of our products are improving the fuel consumption efficiency of our fleet and monitoring the fuel consumption of each truck. We also have a system we use to check and set the tire pressure of our fleet, as properly filled tires help to get better gas mileage on cars.

In 2010 we started to purchase and place into the market only **green fridges**, with tested and proved technical efficiency, that allow the fridge to use up to 35% less energy than a standard cooler. The temperature of our products stays the same, while using less energy.

Investments in "Green fridges"

Heineken Romania wants, by any means, to positively contribute to the environment in which it operates. Starting from 2010 we have been investing in fridges that have a low carbon print, as they use up to 35% less energy than the normal ones. They also last longer and need less maintenance.



The "green" fridges are based on a technology that uses an **energy management system (EMS)**. The EMS consists of a "smart" thermostat that saves energy allowing the fridge to stop working when it reaches the optimal cooling temperature and to start working again when the temperature inside starts to increase, which again allows the fridge to use less energy. Additionally, these fridges use the **hydrocarbon** as a cooling agent, reducing the energy consumption and thus having a lower impact on the environment, compared to a traditional cooling agent. Energy is also saved thanks to a **LED illuminating system** that replaces the neon tubes. This system has a higher energetic efficiency and it can be used for a longer period of time.

Their proven energy efficiency has determined us to invest in and further on place on the market only this type of fridges. Although they are a little bit more expensive than traditional refrigerators, they are best suited for every location and for the environment because the beer stays cold and fresh while these fridges consume less energy.

The initiative to buy and place into the market only green technology fridges is part of our Sustainability agenda, "Brewing a Better Future". This comes as a statement of our goal to carry on our activity in Romania on the long term, in an efficient and responsible manner and to positively contribute to the environment, society and communities in which we run our business.

Empower



The **people** we work with and the **communities** we get involved in through our employees and suppliers play an essential role in our business. Our **employees** are very important to us, so we've made it a priority to continue to grow, appreciate and develop their potential while providing them with a safer and more engaging working environment. With regard to the **communities** we get involved in, the imperative behind our activities continues to be that of providing an empowering environment, built on a sustainable strategy that genuinely invests in the qualities and resources of the local communities we come in contact with.

Engaging Employees

"*Brewing a Better Future*" is part of the way we think and act in our business. This means that we need all the support from our employees because they are the ones who will ultimately deliver our commitments and goals. This requires us to provide them with a *fair, safe and empowering environment* in which all of our employees can succeed.

Our workplace **safety** is a paramount priority in our business. We have a definite and steady commitment to doing our best to reduce workplace incidents through training, communication and better procedures.

In 2010 we took all the necessary precautions in order to reduce the number of accidents among our employees and our contractors.

Regarding our employees, we've registered a positive trend with **accident frequency** decreasing three times in 2010 compared to 2009. In 2010 only one accident took place in the brew house at the production unit in Miercurea Ciuc. No other accidents happened.

This positive trend was due to the increase in safety awareness at our production units. Key factors contributing to this were the company's investment in the safety trainings organized within the company, the more regular safety audits and the introduction of a tagging system.

In what our contractors are concerned, in 2010 no accidents to contractor personnel happened.

Accident severity increased from 7 lost days/100 FTE in 2009 to 23 lost days/100 FTE in 2010. This negative trend is caused by an overflow of lost days from 2009 and one serious accident in 2010, both at the production unit in Miercurea Ciuc.

In the future, we will keep our commitment to taking all the necessary measures in order to offer our employees a safe workplace, by permanently reducing the number of accidents and of the degree of accident severity.

Rights & Integrity

At Heineken, we place great emphasis on **respecting the rights and integrity** of our employees. It is important to offer them an environment where their contributions are recognized, developed and rewarded, regardless of their sex, age, political or religious views. The Code of Business Conduct remained in place in 2010, with our employees being actively trained in regard to the application of the code.

Also, Heineken Romania continues to have two designated Trustee Representatives that are available to any employee and third party willing to inform us in respect to any non-compliance to the Code, according to the Whistle-blowing procedure.

Heineken Romania subscribes to and respects the rights that stand at the basis of the Universal Declaration on Human Rights. During 2010 we have not registered any kind of claims or cases of abuse or discrimination (race, color, sex, religion, political views) in respect to our employees or partners. A clear example for this is that in 2010, 42% of the middle and senior management positions at Heineken Romania are occupied by women.



Empower

It is “Crystal Clear”: our employees got involved in protecting the water springs from Harghita County!

Engagement & Education

At Heineken Romania, we strongly and constantly encourage our employees to actively get involved in the company’s Sustainability activities. This was also the case of the “Cristal Clear” campaign, where approximately 70 employees got actively involved in this project.

Heineken Cares

Heineken Romania has a policy in place that supports local suppliers whenever possible. Thus, in 2010, 64% of the company’s total procurement costs were spent with local providers. By supporting local suppliers, Heineken Romania is also supporting the local economy.

In our purchasing processes, we have implemented the **Heineken Supplier Code**, including requirements in the areas of integrity, human rights and environmental management.

This means that we ask our suppliers to confirm their compliance with the provisions of the Supplier Code in all contracts where we issue a tender, where third party personnel is working on our premises, or where we believe there could be a risk of non-compliance with the provisions of the Supplier Code.

Heineken Romania aims to support the local communities in which it activates by investing in programs or initiatives that are relevant for those communities. Thus, in 2010, we supported local initiatives done by Miko Ferencz museum in Miercurea Ciuc, by the Hateg City Hall and our Ciuc Premium brand continued its sponsorship for Miercurea Ciuc Hockey Team.



During April-May 2010, Ciuc Premium initiated the “Crystal Clear” campaign in partnership with **MaiMultVerde Association**, a program aimed at protecting the quality of the waters in the Harghita County. During this program, we refurbished and built 7 pavilions for keeping the purity of the local waters, informed the neighboring communities’ existence and educated them about the waters’ history and importance.



The springs we selected are not just a touristic attraction – benefiting the communities - but also play a significant role in the local communities’ lifestyle and daily life. We started with the Kirulyfurdö spring in Baile Chirui and soon afterwards moved to the Lobogó spring in Homorod. Other selected springs are Festö and Kirulyfurdö in Baile Chirui, Nádastö, Szeltersz and Délöi on the Varghisului Valey, and Doboseni spring, all situated in the Vlahita - Baile Chirui - Valea Varghisului - Homorod area.

The manpower came from various areas: around 70 Heineken Romania employees, MaiMultVerde team and independent volunteers and players from Miercurea Ciuc Hockey team got actively involved in this program. The locals too assisted us when we needed manpower. We also paid attention to using ecological construction materials (wood, paint, etc.) when running the renovation projects.

Ciuc Premium beer comes from Harghita, an area renowned for the high number of water sources that have special qualities. We’ve decided to support the MaiMultVerde Association in realizing the “Clar si limpede” program because this way Ciuc Premium is rewarding its origins through the protection and preservation of its most valuable resource, water.

Involving our employees in CSR programs done by our company and our brands is part of our Sustainability agenda, as we all need to be engaged in this journey.



Impact



When consumed with moderation, beer can be part of a balanced and modern lifestyle. We believe that our products must be enjoyed responsibly. "Brewing a Better Future" includes a comprehensive strategy to continuously encourage responsible consumption and reduce alcohol abuse. This includes communication to raise awareness, self-regulation and long-term partnerships.

Responsible consumption

The approach for responsible consumption has been completely integrated into the way we market and sell our products.

As a beer company that delivers products to the end consumer, we adhere to a series of codes developed internally, as well as national rules and regulations created by the organizations we are a part of. We review our compliance with these standards on an ongoing basis and are committed to applying them in our activities.

Our membership within the Romanian Advertising Council ("RAC") and the Romanian Brewers Association are proof of our commitment to making sure we have a responsible consumption strategy integrated across all stakeholders. As a founding member of the RAC association, a self regulation body of the private industry that is a member of EASA, we ask for its opinion and advice on a regular basis.

We are also a member of the Romanian Brewers Association. Our internal rules and guidelines in terms of responsible advertising are aligned to the association's Code of Commercial Communication for beer products. Furthermore, we regularly train our marketing, sales departments and those who have decision or budget authority in the content and application of these rules.

Whenever proposing any kind new commercial communication material, be it print, radio or TV, a written procedure is used for approving and clearing the materials. To do so, those involved with developing our advertising and promotion campaigns of our extensive range of brands are trained in relation to the standards we adhere to. Our partners working in creating and implementing such advertisements must comply with our Commercial Communication Rules and Guidelines.

Heineken Romania has a firm attitude towards responsible consumption, firmly embedded in the Heineken® brand architecture. In 2010, all Heineken® bottles and cans carried the responsible consumption message, together with a link to the dedicated website www.enjoyheinenresponsibly.com.

In 2010, we continued to use www.consumaberilenoastreresponsabil.ro as an online platform for educating and informing consumers about responsible beer consumption. Each one of our Romanian brands (Ciuc Premium, Golden Brau, Neumarkt and Bucegi) has a dedicated website integrated within the platform. All packaging and communication materials from our brands retain the "Enjoy Responsibly" message while also indicating the platform's website www.consumaberilenoastreresponsabil.ro.

Partnership for Progress

For us, long-term and healthy partnerships are extremely important. Therefore, in 2010 we maintained and developed the partnership with ALIAT, the main Romanian non-governmental organization that offers services in terms of substances addictions. After having launched Alcohel, the first Romanian on-line counselling and e-health intervention centre for persons with problematic alcohol consumption, we, together with ALIAT developed Alcohel (www.alcohel.ro) platform. www.alcohel.ro is a free, easy to use tool for the prevention, intervention and orientation towards specialized services. The service guarantees the confidentiality and anonymity of those who use it.

During the first year of existence of Alcohel program, ALIAT organization has been continuously studying the profile and the needs of the Alcohel users and continuously updated www.alcohel.ro on-line platform. In 2010, the Hungarian version of the website was launched; also, adjacent programs were developed, with the aim to increase the awareness degree among the population regarding the problematic character of alcohol abuse. In June 2010, ALIAT, with the support of Heineken Romania have started the Alcohel Caravan in 11 locations in Romania - Targoviste, Vama Veche, Mamaia, Miercurea Ciuc, Odorheiu Secuiesc, Iasi, Vaslui, Timisoara, Arad, Pitesti, Bucuresti – this being the off-line extension of the program. By developing such actions in the middle of the communities, ALIAT and its mental health specialists aimed at directly approaching those who might need specialised help, thus making possible the access of potential beneficiaries of the program to relevant information about problematic alcohol consumption and about the help offered by the on-line platform www.alcohel.ro.

The 2010 results strengthen our belief that we have answered a real need of these persons. In the future, we will keep our commitment to promote responsible consumption and we will further maintain our partnership with ALIAT, as part of our Sustainability agenda.

Alcohel program – a natural answer to a real need

The Alcohel Program – the first Romanian on-line counseling and e-health intervention center for persons with problematic alcohol consumption - was initiated in 2009 by ALIAT (the main Romanian non-governmental organization that offers services in terms of substances addictions), with support from Heineken Romania.



www.alcohel.ro is a free, easy to use tool for the prevention, intervention and orientation towards specialized services, while it guarantees the confidentiality and anonymity of those who used it.

In June 2010, we initiated an off-line extension of Alcohel program, the Alcohel Caravan. Its primary focus was to go towards and interact with those who might be in need of support regarding alcohol consumption from the communities in 11 locations from all around the country. By our presence in 11 locations we wanted to make sure that the relevant information about problematic alcohol consumption and about the help offered by www.alcohel.ro platform reached the potential beneficiaries of the program.

Alcohel Caravan reached a total number of 8.180 persons within 11 locations. Out of the total number of beneficiaries, 960 persons have evaluated their personal alcohol consumption, followed by a brief results' interpretation and counselling. Also, 7.320 brochures about problematic alcohol consumption and the risks involved (out of which 860 brochures in Hungarian) have been distributed during the program.

Regarding the online platform (www.alcohel.ro), the 2010 results for the Alcohel program consisted in:

- 17.631 persons accessed the site
- 940 out of a total of 17.631 filled in the self-evaluation questionnaire regarding alcohol consumption
- 982 persons went through the 12 steps counselling and treatment on-line program on www.alcohel.ro.

The 1.514 messages posted by the users on the www.alcohel.ro forum proved the fact that the program answered a real need of Romanians.

All these positive results encourage and motivate us to continue our collaboration with ALIAT and investing in a long-term partnership that will help Romanians in need to better deal with abusive alcohol consumption.

"Right from the beginning we believed in our partnership with ALIAT, in Alcohel program and in its power to help those who deal with abusive alcohol consumption problems. The results of this first year of collaboration strengthen our belief that we have answered a real need of these persons. In the future, we will keep our commitment to promote responsible consumption and we will further maintain our partnership with ALIAT, as part of our sustainability platform", stated Jan Derck van Karnebeek, Managing Director Heineken Romania.

The Alcohel program - which guarantees the anonymity and the confidentiality of its beneficiaries - is part of Heineken's Sustainability Agenda, "Brewing a Better Future".



www.heinekenromania.ro
www.enjoyheinekenresponsibly.com



Heineken
Romania S.A.

Heineken Romania S.A.
'S-Park' Building
Tipografilor St 11-15, 4th floor, wing A2-L
013714, Bucharest
phone: +40-21 202 77 00

