

IFC	Foreword
02	What we said – what we have done
04	Our targets and commitments for 2007 and beyond
05	About this report
07	Energy
07	General
09	Climate strategy
10	Thermal energy
11	Electricity
11	Ozone-layer depleting substances
12	Water
12	Water strategy
13	Performance
14	Safety
14	Safety in production
17	Safety data of production units
17	Safety of installations
19	Agriculture
19	Availability
20	Food safety in the supply chain
22	GMO
22	Environmental aspects
23	Supply chain responsibility
23	Activities in 2006
25	Planned activities in 2007
27	Responsible beer consumption
28	Alcohol and work
29	Commercial communication
30	Enjoy Heineken Responsibly
32	Impact on developing markets
32	Access to healthcare
34	Corporate citizenship
35	Employee rights
36	Local economic impact
38	Millennium Development Goals
40	Appendices
40	Appendix 1: Assurance Report KPMG Sustainability
42	Appendix 2: Reporting basis
46	Appendix 3: Environmental data on production units
48	Reference information



Foreword

Heineken is proud to be one of the world's leading independent brewers. We create value and enjoyment for millions of people by brewing, marketing and selling some of the highest quality beers available today.

Our success comes with a wide range of responsibilities, to many specific stakeholder groups and to society in general. Meeting our responsibilities means more than simply stating our intentions – it also leads to action.

We cannot solve every problem. Instead, we must focus our attention on areas where we can make the most significant positive impact. Selecting these areas and prioritising the issues we face are tough challenges, particularly because Heineken encourages its employees to be ambitious and to excel in everything they do. In no small part, this is why we have been a highly successful company for more than 140 years.

However, we believe that any business that sets itself high ambitions must exercise absolute focus. This attitude is central to the way we manage every aspect of our business in Heineken.

We start the process of prioritising our actions by recognising that some of our activities have an impact on the environment and the communities in which we operate. This impact can be both positive (for example our contribution to economic development) or negative (for example the abuse of our products or our consumption of scarce natural resources). At the same time, the business environment in which we operate has an impact on our company, for instance through regulatory frameworks and environmental permits.

As a responsible business, determined to achieve long-term sustainability in our business processes, we manage our impacts because we believe that

Managing our responsibilities

Jean-François van Boxmeer
Chairman Executive Board/CEO

if we do so effectively we will strengthen our licence to operate, reduce operating costs (for example by increasing energy efficiency) and also stimulate innovation (for example by producing renewable energy from spent grains).

Our high ambitions and the need to manage our impacts effectively, frequently drive us to move beyond compliance with laws and regulations – in short, to go the extra mile to achieve our aims.

We have published dedicated reports on sustainability and corporate responsibility since 2000. As part of the process involved in defining the content of our previous reports we have established strong and open dialogue with a significant number of stakeholders. Based on this dialogue, we have defined seven areas on which we believe we should focus our energy in order to maximise benefits for society, our stakeholders and our company. They are:

- Energy: consumption and CO₂ emission
- Water: our consumption and waste-water discharge
- Safety: of our employees and our installations
- Agriculture: the quality and availability of raw materials
- Supply chain responsibility
- Responsible beer consumption
- Impact on developing markets

Over the next few years our policies, investments, resources and energy will all be channelled to maximise our positive impact in these seven areas. We believe this focus will also help us fulfil our aim to report in line with one of the most important principles set out in the G3 Reporting Guidelines issued by Global Reporting Initiative (GRI) – that of materiality.

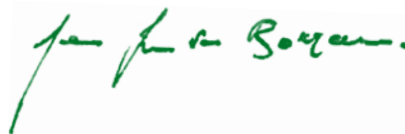
Over the past year, we have done more than simply re-define our sustainability agenda, important though this step may be. We have also recorded significant achievements in many areas of our business. I am particularly proud of the activities we have undertaken in providing good basic healthcare to our employees and their dependants, the progress we made in ensuring responsible advertising and the successful introduction of the Supplier Code.

We must also acknowledge areas where we have not fully achieved our objectives. This report records our successes and our failures in a clear and transparent way.

I would like to take this opportunity to express once again our condolences and support for the families and friends of the three colleagues lost in work-related accidents during 2006. We will continue our focus on health and safety. Further improvement of our activities is also required in some other areas, such as Alcohol & Work, energy efficiency and water consumption.

In closing, let me say that Heineken is an ambitious company, that continuously wants to improve everything it does. As far as our drive towards sustainability is concerned, we cannot achieve excellence without dialogue. We want and need your feedback and points of view. I would like to invite you to share your thoughts and ideas with us by email at: responsibility@heineken.com.

I thank you in advance for your response.



Jean-François van Boxmeer
Chairman Executive Board/CEO

Amsterdam, 31 March 2007

What we said – what we have done

This section outlines our performance against the targets and commitments as outlined on page 7 of our Sustainability Report 2004/2005. For more detailed information please refer to the relevant sections in this report. In the table on page 4, we also provide a summary of the new targets and commitments as discussed in this report.

Our promise

Specific energy consumption 15 percent lower by 2010 compared with 2002, simultaneously reducing our CO₂ emissions.

Completion of our waste-water treatment construction programme by 2012 at the latest.

Continued improvement in the recycling of our co-products.

Implementation of our World Class Manufacturing programme in the area of safety and health.

Revision of the Heineken Rules & Guidelines for Responsible Commercial Communication, providing greater clarity regarding the use of new media in advertising and marketing before the end of 2006.

Introduction of 'Enjoy Heineken Responsibly' by all operating companies that have not yet started this programme in 2004 and 2005.

Extension of our Selling Beer Safely Programme to other relevant markets in 2006 and 2007.

Increase in our efforts to reduce an accident frequency to a maximum of 2.0 cases per 100 Full-Time Equivalent (FTEs) in 2008.

A decrease in accident severity to 40 lost days per 100 FTEs by the end of 2008.

Development of reporting indicators for supply chain responsibility before 2006.

Training of purchasers in Group Purchasing and incorporation of the Supplier Code in discussions with more than 50 percent (in terms of purchasing value) of the suppliers doing business with Group Purchasing in 2006.

Development of Heineken positions on employee rights and development and testing of a self-assessment methodology in 2006.

Development and testing of a Heineken methodology for measuring economic impact in 2006.

Further development of a Heineken Base of the Pyramid strategy before the end of 2006.

In cooperation with other Dutch Multi-National Enterprises, the development of reporting criteria that provide insight into Heineken's contribution to the realisation of the Millennium Development Goals before the end of 2006.

Launch of a school awareness programme in Spain, the Czech Republic and the United Kingdom, bringing together parents, teachers and school children before the end of 2006.

By 2006, we achieved a 6 percent reduction, a rate slowed down due to the effect of acquisition of companies with a high energy consumption. We expect to compensate for this in the coming years, so that we will achieve our target.

Good progress has been made by starting the construction of the waste-water treatment plant in Lagos (Nigeria) commissioned in 2007. Further projects were launched for Bujumbura (Burundi), Kigali (Rwanda), Kinshasa and Boma (Democratic Republic of Congo) and Brazzaville (Congo). We expect to meet our target.

We have maintained our performance in this area.

Target achieved. Performance monitoring as part of the World Class Manufacturing programme has been established, including the safety and environmental KPIs.

The new Rules on Responsible Commercial Communication have been revised in the autumn of 2006.

The message 'Enjoy Heineken Responsibly' has been introduced in all markets, except those with legal constraints.

Lessons learned in Cambodia have subsequently been used in other operating companies facing similar issues.

The safety pillar (part of the Total Productive Management programme) will be started in several breweries in Europe (e.g. in France, Greece and Spain). Based on the latest estimates, the target seems achievable.

Improvements are expected in parallel with our increased efforts relating to accident frequency. Based on the latest estimates, the target seems achievable.

The indicators have been developed and where possible were used for the first time in this report.

The Supplier Code has been sent to all Group suppliers. To date 83 percent have indicated that they are in compliance. Training of purchasers took place in November 2006.

Heineken has decided to use the Human Rights Compliance Assessment Quick Check for this purpose and a vision document has been drafted. Testing has not yet taken place.

A methodology was developed and successfully tested in Sierra Leone. External presentation took place on 23 November 2006.

Apart from continuation of present initiatives (mainly in raw material growing in Nigeria, Rwanda and Sierra Leone), no further steps were taken.

Heineken participated in a project from NCDO aimed at measuring and disclosing companies' contributions to the realisation of the MDGs. The results were presented on 16 November 2006. The methodology will be further refined.

Target achieved. Programmes have been executed in the three markets mentioned.

Our targets and commitments for 2007 and beyond

Energy

- Specific energy consumption 15 percent lower by 2010 compared with 2002, while simultaneously reducing our CO₂ emission.
- Greater employee involvement in the energy saving programme.

Water

- Completion of our waste-water treatment construction programme by 2012 at the latest.

Safety

- Increase in our efforts to achieve an accident frequency of a maximum 2.0 cases per 100 FTEs in 2008.
- A decrease in accident severity to 40 lost days per 100 FTEs by the end of 2008.

Agriculture

- Review of the 'Skylark' Sustainable Barley Farming programme.

Supply chain responsibility

- Achievement of 100 percent response from suppliers that received the Supplier Code in 2006.
- Integration of supply chain responsibility in periodic quality audits and submit 20 percent of central suppliers to quality audit.
- Integration of supply chain responsibility in supplier rating system.
- Expansion of the Supplier Code to local contracts for raw materials, packaging and promotional materials and investment goods to Western Europe, Central & Eastern Europe and Africa & Middle East (to be completed in 2008).
- Development of approach for supply chain responsibility to goods other than those currently covered.

Responsible beer consumption

- Full compliance with our Cool@Work programme by all operating companies that were part of our consolidation in 2004 and adequate progress in operating companies that were acquired after 2004.
- Further improvement, renewal and implementation of our electronic learning tool for responsible commercial communication.
- Relaunch of the Enjoy Heineken Responsibly website with a more engaging visual design aimed at attracting more visitors to the valuable information on responsible beer consumption.
- Make our commitment to responsible consumption more concrete and visible than before.
- Continue our outreach to governments on the (joint) promotion of responsible beer consumption.

Impact on developing markets

- Initiate independent monitoring of the Selling Beer Safely programme aimed at beer promoters in Cambodia and encourage HIV/AIDS testing of beer promoters; facilitate free treatment to those promoters who are in need of it.
- Roll out the Community Involvement Database aimed at improving the impact of operating company spent on community involvement initiatives.
- Execution and evaluation of Employee Rights pilot project and finalisation of the preparatory phase.
- Execution of at least one more Economic Impact Assessment within Heineken.
- Participation in the Millennium Development Goals project by the Dutch National Committee for International Cooperation and Sustainable Development (NCDO) and Dutch Sustainability Research (DSR) to measure the contribution of private sector companies towards the realisation of the MDGs.



We believe that dialogue and focus are the two key elements to improving sustainability performance.

Sean O'Neill
Group Corporate Relations Director

About this report

In our last Sustainability Report we stated our intention to produce a full sustainability report every year. This is the first report to be produced as part of our new yearly reporting cycle. In order to provide more comprehensive information on the content and progress of our sustainability agenda we have made a number of choices.

First and foremost, we have chosen to improve the co-ordination between our online and printed publications. Consequently, a lot of information that remains consistent from year to year (such as policy documents, information on management systems and governance) is no longer published in the printed report, but is disclosed in the responsibility section of our international website (www.heinekeninternational.com/responsibility). In this section of the website, you will also find the Sustainability Data Sheet 2006: an instrument we introduced last year as a full reference document to the Reporting Guidelines from Global Reporting Initiative (GRI) and that we have now made interactive. The Sustainability Data Sheet contains information about our international sustainability performance that is outside the scope of this report. In redesigning our online and printed information streams, we aim to make information even more accessible and dynamic.

This report has been compiled using information sourced through our environmental, safety and social data systems. The scope of the information presented and any relevant remarks about the reliability of data are included in the introduction to every section.

In this publication we report on the priorities of our sustainability agenda. We focus on seven areas in which we have a significant impact and that are therefore material to our business and the communities in which we operate: energy consumption and CO₂ emission, water

consumption and waste-water discharge, raw material quality and availability, safety of our employees and of our installations, supply chain responsibility, responsible beer consumption, and our impact on developing markets. We present information related to these areas in seven corresponding sections.

The information in this report complements the (financial and governance) information in our Annual Report and that provided on our Company website (www.heinekeninternational.com).

Dialogue

We believe that dialogue is the basis on which we will improve our sustainability performance. This report provides an overview of our recent achievements and future plans; we also intend to use it as the starting point for further dialogue with our stakeholders. So, if you have any comments or suggestions about its content, or our wider sustainability agenda, please contact us.

Email: responsibility@heineken.com

or write to:

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We have asked our external assurance provider, KPMG Sustainability, to give assurance on all the information presented in this report. Their report can be found in Appendix 1.