



Sustainability Report 2021

We brew the joy of *true togetherness*
to inspire a better world



Brewing a Better New Zealand

- ① A message from our MD
- ② 2021 in Review
- ③ Governance
- ④ Strategy

⑤ 6 Pillars →



Brewing a safe and healthy workforce



Brewing prosperous communities



Brewing a safe and social drinking culture



Brewing lower carbon emissions



Brewing with less water



Brewing a sustainable value chain



Click pillar icons to go direct + click the DB Logo to return here



A message from our MD

Kia ora, Talofa lava, Malo e lelei, and welcome to DB's 2021 Sustainability Report!

As the new Managing Director, having taken the reins from Peter Simons in January of 2022, I am excited to continue our sustainability agenda to brew a better New Zealand and continue to pursue our ambitious sustainability targets.

Our new Global Purpose was launched late in 2021: **'We Brew the Joy of True Togetherness to Inspire a Better World'**. Words that seem particularly apt for these times where we could all do with more joy and connection following the impact of Covid and as we continue to navigate its presence in our communities.

In 2021 we made some great progress towards our sustainability ambitions, despite a disrupted year. Now, more than ever, it is time for businesses to step up and lead the way and transition to a low carbon future.

As members of the Sustainable Business Council and the Climate Leaders Coalition, we are helping to create a greener, carbon-free New Zealand. We delivered on some major carbon reduction projects at DB in 2021, including the switch to biomass-derived steam at our DB Draught Brewery in Timaru, the replacement of LPG-powered forklifts with a fully electric fleet, and our on-road Sales fleet continuing to transition away from combustion engines to hybrids. We now continue our journey to find renewable alternatives for steam supply to our Waitematā Brewery to be net zero in production emissions by 2030, and carbon neutral in our full supply chain by 2040.



In living our value of passion for consumers and customers, we have been recognised for the hard work our team puts in and received the top ranking in the Total Grocery category in Data Advantage's ranking. We were also grateful to be recognised for our responsible consumption messaging which our brand brought to life through Heineken's 'disruptive Don't Drink This' campaign in relation to drink-driving.

Looking ahead at 2022, we ensured all of our people were paid above the living wage, which goes beyond a fair wage, and we revamped our Family Support Policy to extend it to 26 weeks full paid parental leave.

We can't ignore the tough times that COVID-19 has brought to our industry, and we thank our people for their dedication in getting product out the gate and to our customers. In recognition of the fact that COVID disrupted our ability to meet our targets, we paid all eligible employees their bonus regardless, reflecting the effort put in by everyone in a difficult year.

Our friends in hospitality have been hit hardest and now that restrictions have eased and the borders are opening I encourage you to support your local venues and connect with friends and loved ones – hospitality owners will be glad to see their venues full and thriving once again.

Thank you to our staff, customers, suppliers and partners for your support and I hope you enjoy reading our sustainability journey for 2021.



*Cheers,
Matt Wilson*

Managing Director
July 2022



Our Company 2021

DB wholly owned by
HEINEKEN NV since
2013

434

People employed

2 Joint Ventures:

Joylab:
bringing joy to Auckland neighbourhoods with over 20 hospitality venues

Drinkworks:
distributing HEINEKEN beverages to quench Aussies' thirst.
Now an independent operating company under HEINEKEN APAC
which we will continue to support

\$430.3m
Economic Contribution

3 Breweries

1 Cidery

2 Experience Breweries



From Barley to Bar



DB prioritises the local sourcing of all its raw ingredients including hops, malt and fruit. 100% of our suppliers have signed up to our Supplier Code of Conduct.

DB BREWERIES INPUTS

Financial
Shareholders' equity, Capex, assets and borrowing

Natural
Land, water, energy, biodiversity and ecosystem

Human
Employees, training and benefits, safety and Code of Conduct

Manufactured
Buildings, breweries, packaging materials, transport, equipment and supply chain

Social
Communities, NGOs, customers, suppliers and trade groups

Intellectual
Brands, R&D, innovation, processes and corporate reputation

EMPLOYEES

DB Breweries Ltd employees around 430 people across New Zealand. We are committed to providing our people with fair remuneration, healthcare and insurance benefits, as well as the right support mechanisms and training. We make sure that we provide a safe workplace for our people, and enable accessible reporting platforms to speak up.

BREWING

Brewing beer and cider is a craft. We own and operate three breweries, one cidery and two brewery experience sites and are committed to reducing our environmental footprint in production, especially focusing on energy and water efficiency as well as reducing our breweries' carbon footprint.

PACKAGING

The majority of our beers, ciders and RTDs are served in recyclable glass bottles and cans placed in cardboard boxes we source locally. We also produce our products in kegs and continue to offer our returnable quartz bottles in wooden crates with our ABC partnership. We are constantly looking to innovate, finding ways to optimise the production of our packaging. Our domestic products now use only paper labels.

DISTRIBUTION

Our products are distributed by road, rail and sea freight. Partnering with key logistics suppliers and optimising our route to customers has minimised our transport greenhouse gas emissions. We continue to look for new innovations to continue reducing our footprint in the future.

CUSTOMERS

Our beverages are sold in bars, restaurants, supermarkets, liquor stores and other retailers around New Zealand. Because our products are best served cooled, we work with our hospitality partners to reduce emissions from refrigeration. We promote our moderation agenda with our customers through products, promotions and campaigns.

COMMUNITY

We strive to have a positive impact in our local communities through our core business as well as through partnerships, sponsorships and donations to not-for-profit groups that help protect our water resources, foster wellbeing in our communities, and reduce the harmful use of alcohol.

DB BREWERIES OUTPUTS

Financial:
\$430.3 million economic contribution to New Zealand

Natural:
Partnerships to restore water source catchment areas. Wastewater treated to our high standards.

Human:
All staff paid at or above living wage with no NZ gender pay gap. No fatalities or serious injuries.

Manufactured:
Four operating sites, over 1 million hectolitres produced, 98% waste diverted from landfill, 30% decrease in CO₂e production emissions since 2018

Social:
\$364,871 invested in community partnerships, recycling initiatives, and responsible consumption education

Intellectual:
Strong brand recognition and reputation among our customers and consumers.

CONSUMERS

We continue to innovate to provide beverages our consumers enjoy for any occasion, bringing people together through our products and experiences. We provide low and no alcohol beers and ciders, low carbohydrate beers, and fresh flavours with our RTDs. Our packaging includes responsible consumption messaging, nutritional information, and recycling symbols.



2021 in Review

Partnerships Started:

> Ōtara Māra Kai

> To support our locals to eat nutritious, locally grown produce, providing food to those in need

DB Shout to support our hospitality partners:

\$250 per employee

Decreasing our Gender Pay Gap:

HEINEKEN Standard:
~2.9% Gender Pay Gap

NZ Govt Standard:
0% Gender Pay Gap maintained since 2018

Partnerships Started:

> The Nature Conservancy
> To replenish the Waikato River through partnerships

Injuries /H&S:

No fatalities & serious injuries

~220 near misses

Waste Diversion from landfill for DB:

>98%

Reduced our plastic footprint by **~19%***

**from 2020 baseline*

Reduced our carbon emissions by 35% from our 2018 baseline

Equal to **498 return flights between Auckland and London**

On track with converting our fleet to hybrid cars:

21 hybrids vehicles

Supporting our communities through sponsorships, community project support and investing in industry bodies to help with recycling and education of responsible alcohol consumption

\$364,871

Waitematā site Toitū Enviromark Diamond Accredited to meet high environmental standards – exceeding the requirements of ISO 14001 for Environmental Management

> 96% of procurement spend is local

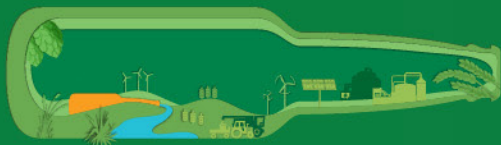
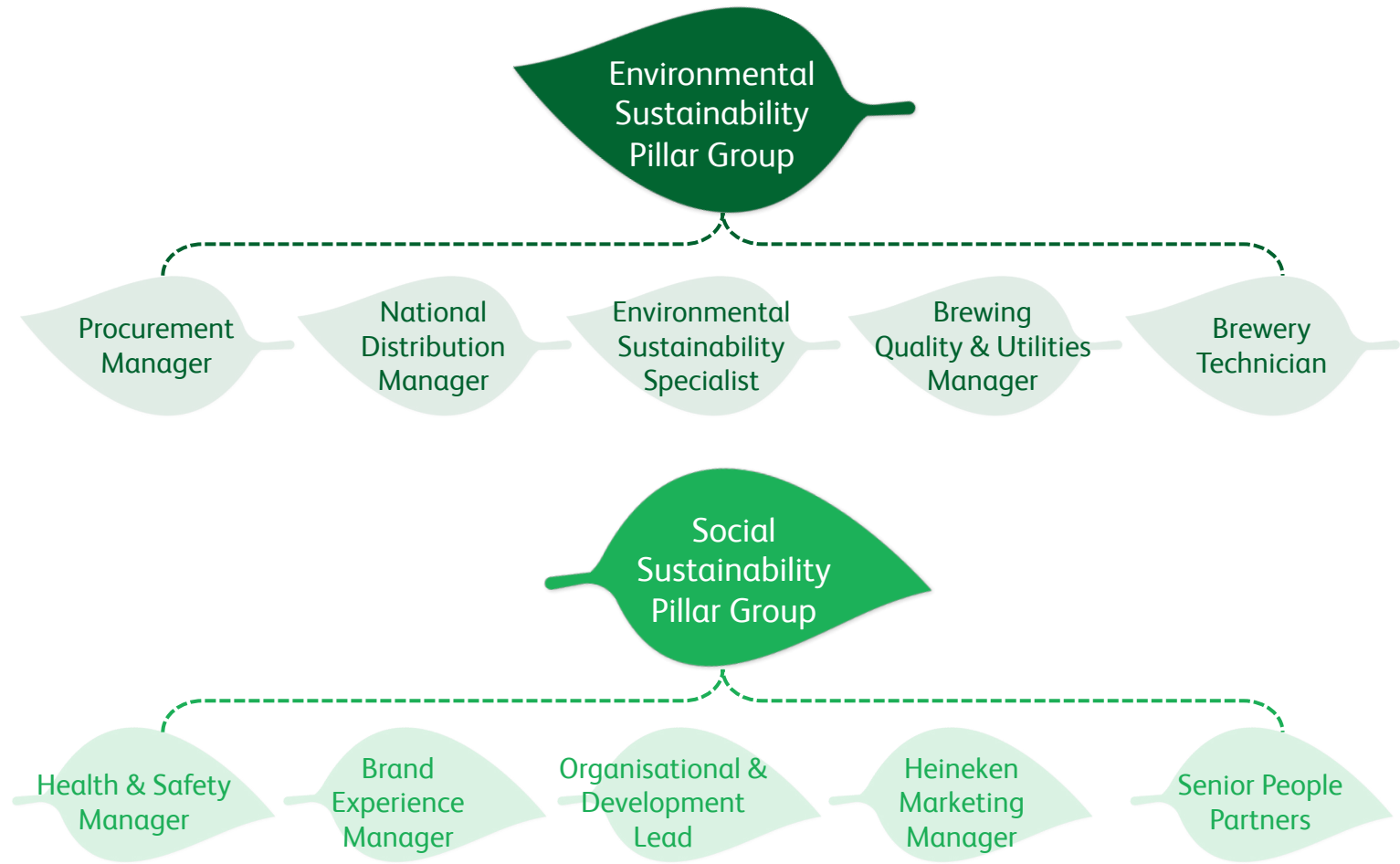
> 100% of suppliers signed up to our Supplier Code of Conduct

Timaru uses **100% biomass-derived steam** since October 2021 in a switch away from coal

Emissions saving in 2021 equates to about 4,103 flights between Auckland and Queenstown

Sustainability Governance

We brew the joy of *true togetherness* to inspire a better world



Ethics

DB is committed to operating with integrity, in an ethical and responsible manner within our company and with those in our value chain.

We roll out annual online training for our people, specifically focusing on awareness of our Code of Business Conduct as well as anti-bribery. We strive to have high completion of this training, and will continue to work on increasing our people's awareness.

When it comes to human rights and our suppliers, we make sure that all of our suppliers sign up to our Code of Conduct. During 2021 we started to assess our largest suppliers on human rights and will roll out this assessment to all of our suppliers in 2022.

The treatment of third party employees is something we take seriously and have started the process to assess their living and working conditions against fair labour principles through our SMART Outsourcing initiative. This initiative aims to map our third-party service providers and their employees, assess against our fair labour principles, close any core risks and work with service providers to start meeting commitments like paying a fair wage.

- **Code of Business Conduct:** 89.1% completion rate
2022 target: continue to have over 80% completion rate by all staff
- **Anti-bribery training:** 66.5% completion rate
2022 target: over 80% completion rate by all staff
- **Speak Up:** Had 0.42 reports per 100 FTE. 85% of our employees are comfortable to Speak Up, with 91% of our staff aware of how to Speak Up
- 100% of suppliers signed up to our **Code of Conduct**
- Started to assess our largest suppliers' **ethical integrity** and will roll this out to assess all suppliers in 2022



Passion

for consumers & customers



Courage

to dream & pioneer



Care

for people & planet



Enjoyment

of life



Material Issues

We regularly review our material topics to understand what matters most to our stakeholders. The method for assessing the materiality of each topic follows GRI's Materiality Principle. In 2019, with the help of external consultancy Proxima, our materiality assessment was informed by:

- 15 stakeholder interviews undertaken independently by Proxima with our people, customers, suppliers, industry groups, and government, media and community representatives. Unprompted stakeholder feedback was sought on DB's most material sustainability topics.
- internal and external data sources, such as our annual staff climate survey
- benchmarking against external sustainability frameworks
- review of the reporting of our industry peers
- independent expert opinion
- we also engage with our stakeholders during the year through a variety of channels and forums, such as industry group meetings and the relationships our teams have with suppliers and customers as part of day-to-day business operations



Brewing a safe and healthy workforce



Brewing prosperous communities



Brewing a safe and social drinking culture



Brewing lower carbon emissions



Brewing with less water



Brewing a sustainable value chain

The 6 key pillars that make up our sustainability strategy are guided by the material issues identified in our materiality assessments. To make sure we continue to be across our stakeholders' needs, our next materiality assessment will occur in 2022.



Materiality

SIX KEY PILLARS:

Brewing a safe and healthy workforce

Brewing prosperous communities

Brewing a safe and social drinking culture

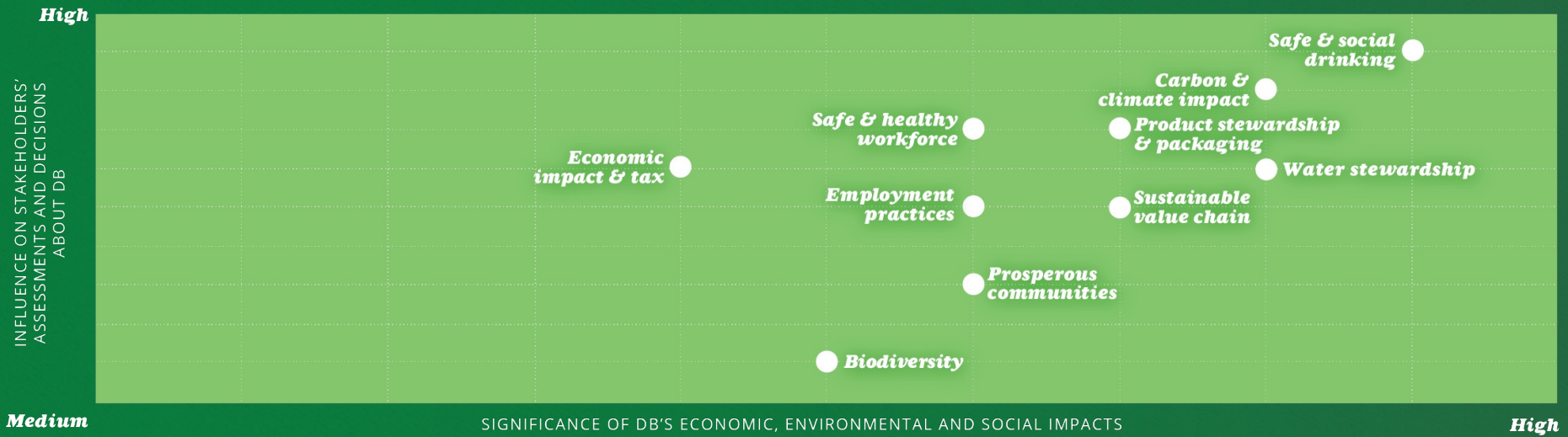
Brewing lower carbon emissions

Brewing with less water











































Brewing a sustainable value chain

MATERIAL ISSUE:

- Safe and healthy workforce
- Employment practices
- Prosperous communities
- Economic impact and tax
- Safe and social drinking culture
- Carbon and climate impact
- Water stewardship
- Product stewardship and packaging
- Sustainable value chain
- Biodiversity



How our material issues relate to our 'barley to bar' full value chain:

Focus Areas	Agriculture	Brewing	Packaging	Distribution	Customer	Consumer
 Brewing a safe and healthy workforce						
 Brewing prosperous communities						
 Brewing a safe and social drinking culture						
 Brewing lower carbon emissions						
 Brewing with less water						
 Brewing a sustainable value chain						



Brewing a Better New Zealand • Our ambition: Be New Zealand's leading business in sustainability

Net zero environmental impact in production

Pillars



Brewing with less energy and lower carbon emissions



Brewing with less water and protecting our local watersheds



Brewing a sustainable value chain

2030 ambitions

DB is a low emissions business and leader in climate action

DB protects and conserves water resources through holistic water stewardship

DB has a world-class approach to sourcing that supports the local economy while minimising our impact on the environment

Targets

Carbon zero by 2030 in scope 1&2 and carbon neutral in full value chain by 2040

100% of unreturned water is balanced by water stewardship initiatives and all waste water treated to HEINEKEN standards

All production sites are zero waste to landfill by 2025 and plastic footprint is halved by 2030

2021 & 2022 Priorities

- Steam generated from Biomass in Timaru
- Scope renewable thermal energy solutions for Waitematā
- 100% electric forklifts at Timaru and Waitematā
- Hybrid sales fleet transition

- Waste water treatment implementation at Timaru (2021/2022)
- Water balancing projects in Waitematā – The Nature Conservancy partnership
- Water balancing project partner in Timaru (2022)

- Zero waste to landfill in production (>98% diversion)
- 50% reduction in DB's plastic footprint by 2030

Net positive social impact in our business and communities



Brewing a safe and social drinking culture



Brewing a safe and healthy workforce



Brewing prosperous communities

DB champions a safe and socially responsible drinking culture

DB is an inclusive, non-discriminatory workplace that fosters good mental health and wellbeing among its people and local communities

DB fosters inclusive, resilient and safe communities local to its breweries and cidery

Reach all New Zealand beer and cider drinkers with our responsible consumption messages and low-and-no ABV products

All of our people are safe, healthy and valued, and have equal access to opportunities across the business

10 x local community spaces are transformed into clean, safe and well-used areas by 2030

- 0.0 alcohol options for 2 strategic brands
- WYDND initiative
- Take a stance on alcohol licensing
- Harmful use partner (2022)

- 100% compliance with H&S targets
- I&D programme implementation
- WholeMe wellbeing launch
- On-site roaming counsellor at Waitematā & Timaru

- Complete a public space enhancement project in Ōtara-Papatoetoe (Ōtara Mara Kai / Ōtara Kai Village)
- Social impact partner in Timaru (2022)



Brewing a Safe & Healthy Workforce

- Material Issue**
- Safe and healthy workforce
 - Employment practices

Health & Safety

Sustainability Indicators	2021 Progress	2022 Plan
Fatalities and serious injuries	Zero fatalities and serious injuries	Maintain
Near misses	192 near misses which includes 38 high potential near misses	Keep reporting on near misses to create required changes for employee safety. Rolling out defensive driver training across the country.
Total Recordable Injury Frequency Rate (TRIFR per 1,000,000 hours worked)	10.6	Maintain a focus on supporting injured employees and engage proactively to prevent serious injuries from occurring.
Wellbeing	Launch of WholeMe Holistic Wellbeing Strategy	WholeMe Digital launch Ongoing wellbeing initiatives- mindfulness
Mental Wellbeing	On-site roaming counsellor established in Timaru & Waitematā	Continue, with in-person sessions

What happened in 2021:

2021 was another challenging year with remote working blurring the work/life balance thanks to COVID-19 and the longer lockdown periods limiting people's ability to socialise and take time out to reset. Our frontline employees continued to deliver, making sure our breweries kept operating and shelves were stocked.

It was really good to see our people looking after themselves and others and we had no fatalities or serious injuries on our sites. We take reporting on near misses seriously, encouraging everyone to report these when they do occur so we can use this valuable information to help develop our strategies for future prevention and creating better, safer work environments.

We continue to improve forklift safety and have introduced projects to eliminate pedestrian interaction as much as possible. Through a huge initiative in rolling out electric forklifts to our sites in August we have created better working conditions with an emission-free environment by removing LPG gas burning.

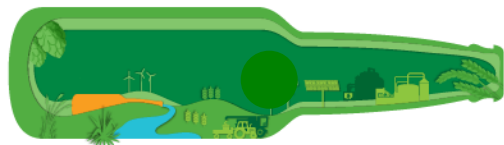
Safety leadership training has been rolled out to our management team and will continue in 2022 for all our people leaders to foster an environment where health and safety is everyone's priority.

Our WholeMe wellbeing strategy was launched earlier in the year, focusing on internal, mental, physical, social, and financial wellbeing. We offered lunch and learn sessions ranging from finance and insurance, to nutrition and fitness for our people and as a result, our teams are more aware of the benefits and services available to them such as health, life and income insurance. Mental wellbeing is critical to us and we offer confidential support through our partners Shine and Raise. To further our people's wellbeing, we brought in a roaming on-site counsellor to our largest breweries in Waitematā and Timaru to provide an accessible and safe space to talk.

Looking ahead to 2022:

We continue to live in uncertain times so we are focusing on what we can control, maintain, and do well. It is important that we focus on coming together as a team to connect and bring our purpose to life. We will keep targeting high risk areas such as driving, with our assessments and defensive driver training available to all our people driving fleet vehicles.

WholeMe has just turned digital as a 'one-stop-wellbeing shop' so we will continue to roll out virtual learnings and benefits to our people through the Digital Hub, accessible any time, anywhere.



Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

Material Issue

- Safe and healthy workforce
- Employment practices

Inclusion & Diversity

Sustainability Indicators	2021 Progress	2022 Plan
Gender Pay Gap	0% for NZ standard. 2.9% for HEINEKEN standard	Develop a framework to report on ethnic pay gap in 2023
Living Wage & Fair Wages	Assessed all employees to ensure all are earning above a living wage (this is above a fair wage)	Maintain living wage as minimum for all employees
Equal Pay for Equal Work	Implemented action plan defined in 2020	Refresh action plan to close gap by 2025
Gender Balance at Senior Management	35.3% women in senior leadership	38% women in senior leadership
Inclusive Leadership	Training rolled out to all people leaders and specialists	Continue to roll out training, in person if possible



Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

What happened in 2021:

In 2021 we started our journey to become Gender Tick Accredited, which meant we reviewed our policies and solidified our commitments to gender inclusiveness.

We are committed to maintaining a 0% gender pay gap aligning to the NZ government standard since 2018, however we also assess our gender pay gap according to HEINEKEN's more stringent methodology which indicates we have on average around a 2.9% gap. We are in the process of implementing an action plan to reduce this gap by 2025.

In April we launched the Women@DB group with a live and virtual session, and have continued the discussion, sharing insights to foster inclusion, through a dedicated company intranet page.

We are committed to increasing gender diversity in senior management and are looking at the pipeline of women coming through to boost gender representation. We are also doing this through inclusive leadership training we rolled out to all of our people leaders as part of our social wellbeing pillar within our holistic wellbeing strategy WholeMe that launched in April.

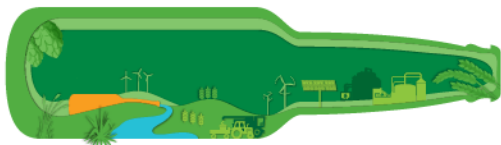
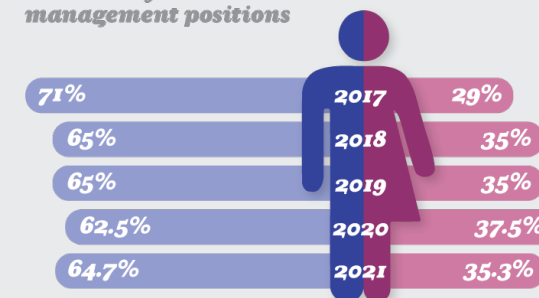
Looking ahead to 2022:

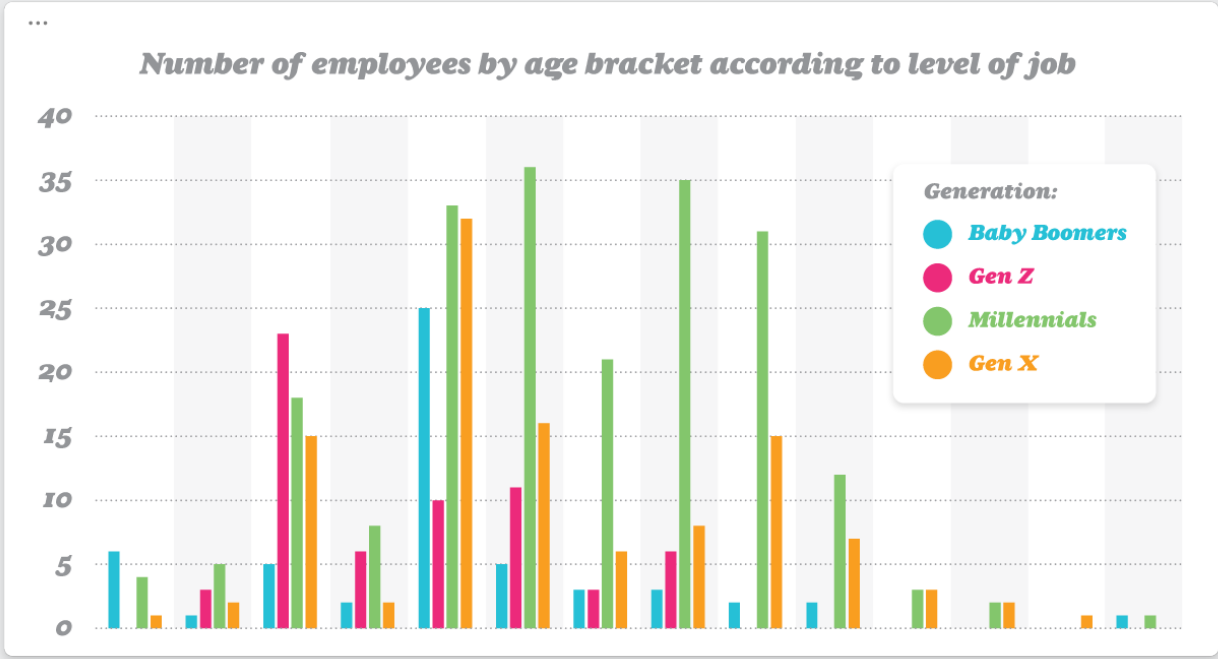
As of 1 January 2022 all our people are paid at or above a living wage. This goes above minimum wage and a fair wage as set by the government, recognising the importance our people have to the business and our communities. We will have been one of the first 50 companies to report our pay gap statistics through New Zealand's first Pay Gap Registry through MindTheGap.nz. We will start to collect data on our ethnic pay gap so that we can improve further in our equality journey.

We achieved Gender Tick Accreditation, and in February 2022 we launched our new Family Support Policy to support our people starting or extending their families, which includes extending leave to 26 weeks full paid parental leave.

To continue to evolve our diverse workplace, we will develop a biculturalism strategy focusing on Te Ao Māori, and will set up an I&D council which will be lead by our Management Team.

Males and females in senior management positions





434 Employees:

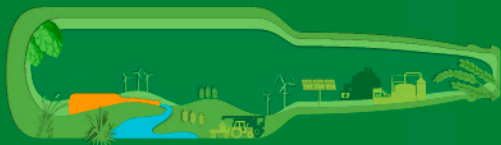


157= Female



277= Male

Financial Metrics for Sustainability Report	2021
Wages & Employee Taxes paid	14.3
Excise Duty	151.4
Supplier Payments	223.1
Corporate Tax	9.1
GST Paid	32.4



Building an Inclusive Workplace

Women @ DB

Launched in March 2021, the Women @ DB group is open to anyone at DB who believes in the value of gender diversity and who wants to contribute to a more inclusive working environment.

The online intranet page is used by those as part of the group to share articles, resources, suggestions, questions, and discuss experiences around gender diversity and inclusion.



Procurement, Finance, and IT team had a morning tea with the use of korero cards to further connect with everyone in their team



Pledging to an Inclusive Workplace

“My pledge is to help empower, support, and celebrate women and the people who support us through the Women@DB group!”

CHARLOTTE BROWN, PEOPLE CONSULTANT



“I pledge to take a leading role in creating an inclusive DB, where our people can and want to bring their full selves to work!”

REBECCA MEAD, PEOPLE DIRECTOR





Brewing Prosperous Communities

- Material Issue**
- Prosperous communities
 - Economic impact and tax

Sustainability Indicators	2021 Progress	2022 Plan
CSI Spend	\$364,871	\$365,000
Volunteering	2x Tree planting days - Abel Tasman National Park - On-site Waitematā lake	Continue to provide volunteering opportunities for our people
Formal Community Partnerships	Ōtara Mara Kai in Ōtāhuhu, Auckland	Timaru community partner
Member Organisations	<ul style="list-style-type: none"> • Sustainable Business Council • Climate Leaders Coalition • The Packaging Forum Cheers/Tomorrow Project 	Continue to actively participate in our member organisations
Supporting our Future Workforce	<ul style="list-style-type: none"> • Massey University Tui Brewery Prize (x2 awardees) • Callaghan Student Internships 	Formalise more ways to help our future workforce



Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

What happened in 2021:

As we celebrated International Women’s Day in 2021, we announced that we would be working with a provider called Dignity to provide free period products to our people across our sites. Dignity operate on a ‘buy one give one’ basis, so for every product we purchase, Dignity gives the equivalent away to those without access to products in our community. We know period poverty is a subset of poverty in general and women in particular.

The lockdown across New Zealand was challenging for our friends in hospitality, and especially so for Auckland. To support the reopening of hospitality, we gave all of our vaccinated employees \$250 to spend at their local bar. Read more on this below.

Acknowledging that there are problems related to breaches of employment standards in the alcohol industry, we are pleased to partner with MBIE and other organisations to improve employer behaviour through a Retail Liquor Industry Working Group. Our aim is to secure legislative change to strengthen consequences for those found to be exploiting employees.

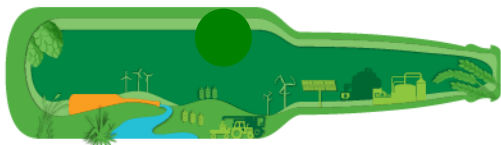
We continue to provide formal and ad-hoc sponsorships to organisations and events around New Zealand that align with our values and goals. We are proud to support the Ōtara Māra Kai in the township of Ōtāhuhu in Auckland, who are a branch of the Ōtara Kai Village. The amazing work done at the community garden means locals are provided with free, healthy vegetables through kai packs and also in free community meals given out by volunteers at the Kai Village. At the beginning of lockdown, we were also able to provide financial aid to get much needed community packs out to those struggling due to the effects of lockdown.

Looking ahead to 2022:

We will continue to support the Ōtara Māra Kai and Kai Village in Auckland and will be establishing a community partner at our Timaru site.

We will look to formalise our sponsorship reach by launching an online sponsorship request portal.

We will offer volunteering opportunities to all of our people each year to help in our local communities which aligns with our Brew a Better New Zealand strategy.



Supporting our Friends in Hospitality

Back the Bar – DB Shout

After 10 weeks of heightened alert levels at the end of 2021, our hospitality customers around New Zealand were feeling the pinch. We wanted to help them get people through their doors again, and at the same time say thank you to all of our people for doing such awesome work in these tough times.

So, we launched DB Shout – when everyone was able to return to hospitality around NZ, we shouted all vaccinated employees (along with their friends, family, work bestie) up to \$250 to spend on food and DB products on a night out at their local.

Joy and togetherness are at the centre of HEINEKEN's new purpose, 'We Brew the Joy of True Togetherness to Inspire a Better World'. We encouraged all of our DB team to get out and connect in Kiwi bars, one beer at a time on our tab.



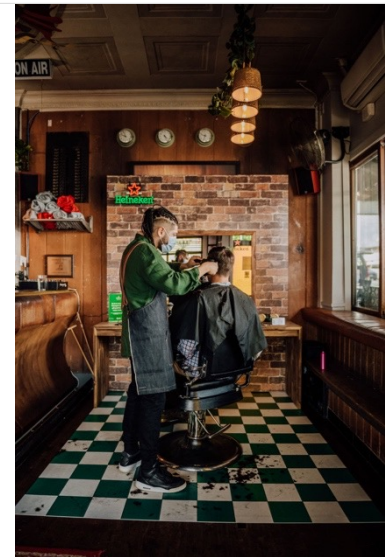
Heineken Barbershop

To celebrate the freedom of Auckland being released from lockdowns in December 2021, with our Heineken brand we launched pop-up barbershops around the city with two of our partner bars; Chapel Bar and Bistro, and Sweat Shop Brew Kitchen in Freemans Bay.

We partnered with Triumph and Disaster with their amazing hair products, with Barbers Hava & Co, Confide, and Independent barbers providing the fresh trims.

"We knew people would be needing to make hard choices about what to do with their first few weekends of freedom, with a visit to the local bar and a trip to the barber likely both at the top of the list. We thought we'd make it easy to do both with Heineken Barbershop, so people could come enjoy a delicious beer and get a fresh haircut while they are at it." - Angela Appleton, Heineken Marketing Manager.

We were really excited to support our bars in a fun, much needed way!





Brewing a Safe and Social Drinking Culture

Material Issue • Safe and social drinking culture

Sustainability Indicators	2021 Progress	2022 Plan	
Low and No Alcohol Products	Most popular: Heineken 0.0 and Export 0.0 along with other low and no alcohol products	Continue to provide 0.0 options and lower alcohol products	
Media spend on When you Drink Never Drive	10% of budget spent Don't Drink This campaign awarded	10% of budget spend	
Harmful Use Partnership	Investigated partnership options	Have a formal partner in place in addition to The Tomorrow Project	
ASA Alcohol Marketing Complaints	2 complaints made which were settled	0 complaints upheld	
Transparent Labelling	New HEINEKEN labelling standards released	Work on making our labelling compliant with HEINEKEN standards by 2024	

What happened in 2021:

We are serious about our stance of 'When You Drink Never Drive'. At the end of 2021 we ran the campaign 'Don't Drink This' through our Heineken brand. This bold move was recognised later in the year, winning the Bronze award in the FMCG category at the NZ Effies Awards 2021

The campaign explicitly told people to 'not drink' Heineken when driving over key summer months. In total, our campaign reached 91% of total Beer Drinkers 18+, equating to 1,847,300 New Zealanders. Cheers to Heineken NZ doing it differently and driving the Enjoy Heineken Responsibly message to even greater heights!

We continue to provide funding towards Cheers/Tomorrow Project which helps to deliver educational materials on drinking responsibly, including the in-schools project SMASHED to educate students on the dangers of underage drinking.

Internally, we advocate for responsible consumption by providing various avenues for our people to be educated on responsible consumption. We successfully rolled out a webinar to our people on creating healthy habits around drinking, and annually provide our people with our Responsible Consumption Policy and online HEINEKEN training to learn how we can keep ourselves and others safe in our communities.

To celebrate diversity and inclusion in all moments, our 'Cheers to all tastes' campaign was rolled out at the end of 2021, acknowledging that we all have different preferences. We continue to provide low and no alcohol products, recognising that it is always a choice.

Looking ahead to 2022:

We will formally partner with an organisation that specially focuses on addressing the harmful use of alcohol and providing help to those in need in our communities.

When You Drink Never Drive messaging is important to us and we will continue to vouch for this message with activations being rolled out throughout the year.



Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

SMASHED

EQUIPPING OUR RANGATAHI
TO MAKE SAFE DECISIONS
AROUND ALCOHOL

Through our involvement in Cheers!, DB is a supporter of the initiative the Tomorrow Project, which aims to educate New Zealanders about the safe and responsible consumption of alcoholic beverages.

As part of the Tomorrow Project, SMASHED has been delivered to schools by the Life Education Trust.

SMASHED uses powerful live theatre and interactive workshops to engage students on the dangers of underage drinking. It is specially designed for Year 9 students, with the interactive workshops enabling students to explore the facts about underage drinking and develop strategies for resisting peer influence.

www.smashed.org.nz



Click here

PERCEIVED VALUE OF SMASHED

After seeing SMASHED

83 PERCENT

of students agreed that it was a 'good way to learn about the dangers of underage drinking.'



98 PERCENT

of teachers agreed that it is important that programmes like this exist in schools.

OUR REACH

In 2021

13,224

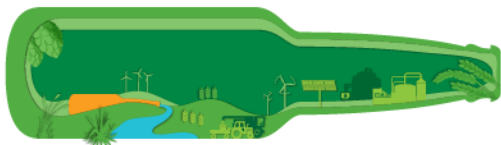


&

In 2019 and 2020

31,000

students took part





Brewing Lower Carbon Emissions

Material Issue • Carbon and climate impact

Sustainability Indicators	2021 Progress	2022 Plan	
Scope 1 & 2 emissions	Reduced emissions by 35% from 2018 baseline	40% reduction from 2018 baseline	
Energy Efficiency in Production	91 MJ/hl energy consumption 10 kWh/hl electricity consumption	83.5 MJ/hl energy consumption 9.3 kWh/hl electricity consumption	
Scope 3 emissions	Started study on Scope 3 emissions calculations	2020 baseline and 2021 Scope 3 emissions reported and verified. Plan to be developed to reduce Scope 3 emissions	
Low Emissions Fleet	21 hybrid vehicles	7 additional hybrid vehicles	
Logistics Emissions	21% decrease in our downstream logistics emissions from the previous year	Roadmap to decrease upstream emissions from Scope 3 calculations. Continue to reduce downstream emissions	
Climate Risk	Reported on our climate change risks	Develop a plan to report on risks in alignment with TCFD	

[Click here](#)



Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

What happened in 2021:

Some huge milestones occurred in 2021 to tangibly reduce our scope 1 and 2 carbon footprint without the use of offsets:

1. Conversion to biomass-derived steam for our second largest brewery, DB Draught in Timaru in October.
2. Introduced electric forklifts to our sites to replace our LPG-powered forklifts.
3. Hybrid cars have been replacing our internal combustion engine fleet vehicles, with 23 now in operation.

These, as well as other initiatives, have resulted in a combined 35% reduction to our total carbon footprint since 2018 which is equivalent to 498 return flights between Auckland and London.

Switching away from natural gas at our Waitematā Brewery is the next biggest hurdle to reducing our own carbon footprint. We commissioned an Energy Transition Accelerator (ETA) report to better understand our options to decarbonise. The ETA identified the installation of a high temperature heat pump as one solution that we are working on, which will be one of the first for our industry. Other solutions are still being worked on to achieve our 100% renewable energy in production by 2030 ambition.

We kicked off a large project to understand our entire scope 3 footprint and will know the full results of this by the middle of 2022. However, reducing our downstream logistics carbon emissions has been a key KPI for the past few years and we achieved a 21% decrease compared to 2020.

As a signatory to the Climate Leaders Coalition (CLC) and a member of the Sustainable Business Council (SBC), we continue to advocate for the decarbonisation of industry in New Zealand. We provided our own submission to the government's Emissions Reduction Plan, as well as contributing to the CLC and SBC submissions. A reflection of the effort we put into this space, Peter Simons, our previous MD, was a finalist for the Sustainable Business Network awards in recognition of his efforts to push for the decarbonisation of process heat in New Zealand.

We continue to implement good practices across our sites to improve our energy efficiency and reduce our environmental footprint. In recognition of our environmental practices, we have achieved, for the second year in a row, Diamond status in Toitū's Enviromark standard for our Waitematā site.

Looking ahead to 2022:

For our scope 1 & 2 footprint we are looking forward to seeing the results of a full year of biomass-derived steam at Timaru. We will continue to look at solutions for our Waitematā thermal conversion, and hope to begin the project of installing the heat pump. We are formalising our electric vehicle strategy to be able to replace our hybrid vehicles with EVs by 2030.

For our DB Draught Brewery in Timaru, we aim to achieve Bronze in in Toitū's Enviromark standard.

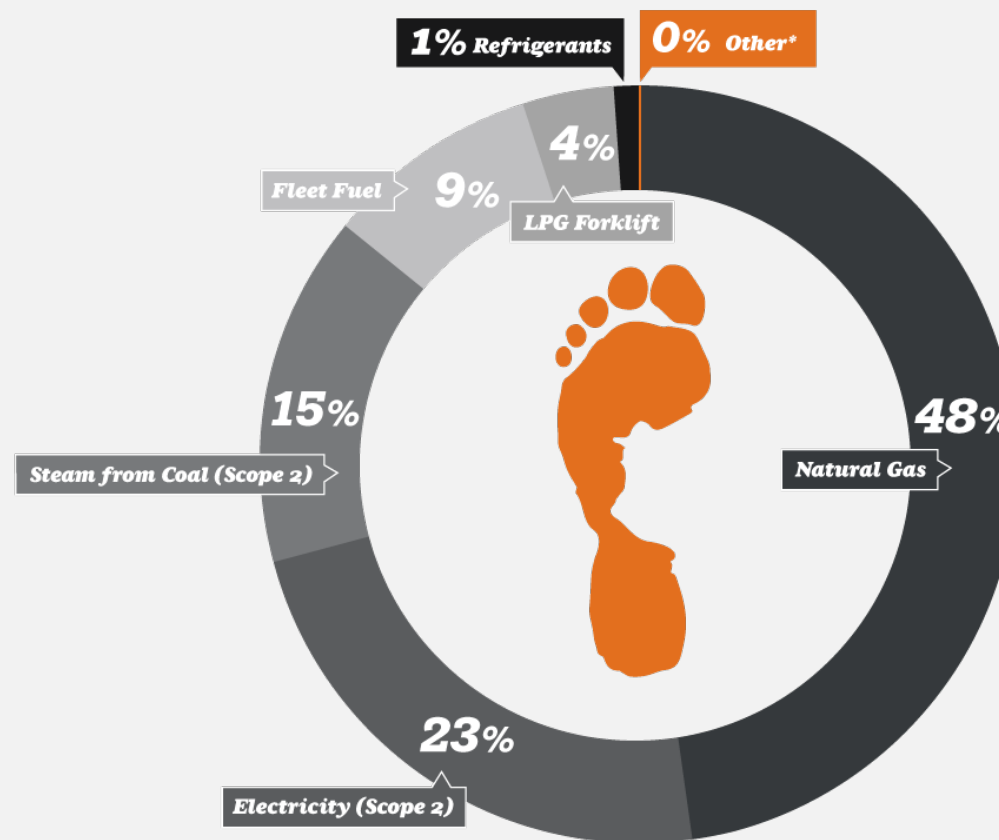
Knowing the results of our scope 3 footprint we will develop a robust plan to start working more with our suppliers to achieve a 30% reduction in emissions by 2030 and be carbon neutral by 2040 in our full value chain.

Our Carbon Footprint, 2021

Greenhouse Gas Emission Source	Sum of tCO2e
Natural Gas	3,031
Electricity (Scope 2)	1,468
Steam from Coal (Scope 2)	946
Fleet Fuel	566
LPG Forklift	236
Refrigerants	81
LPG Thermal	13
Livestock (Grazing animals on our property)	7
Rental Cars	2
Diesel Pump	2
Onsite Wastewater Treatment	1

*To the best of our knowledge this carbon footprint is accurate, however it is still yet to be verified externally by Toitū.

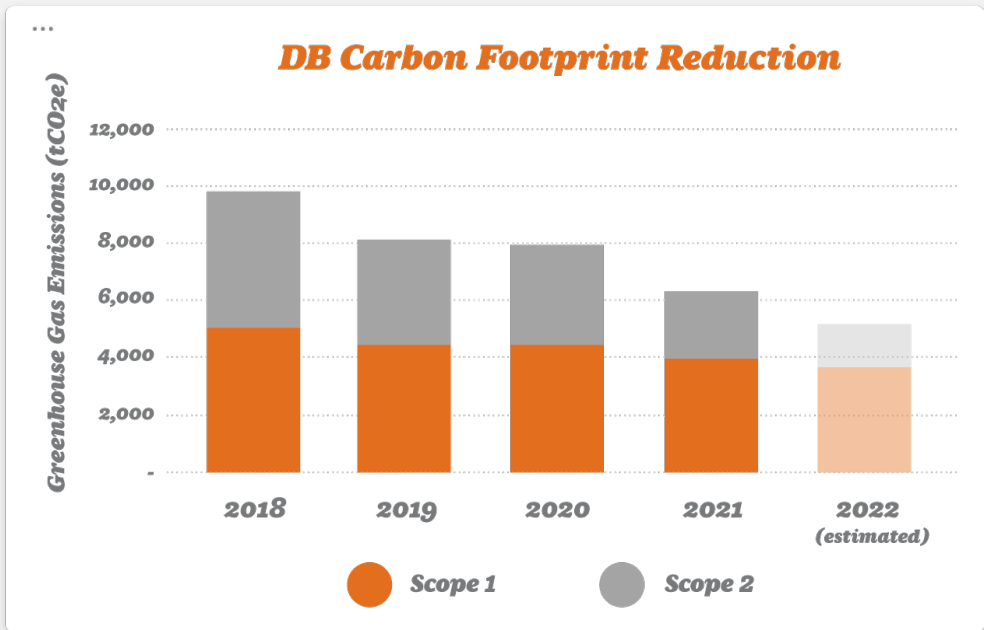
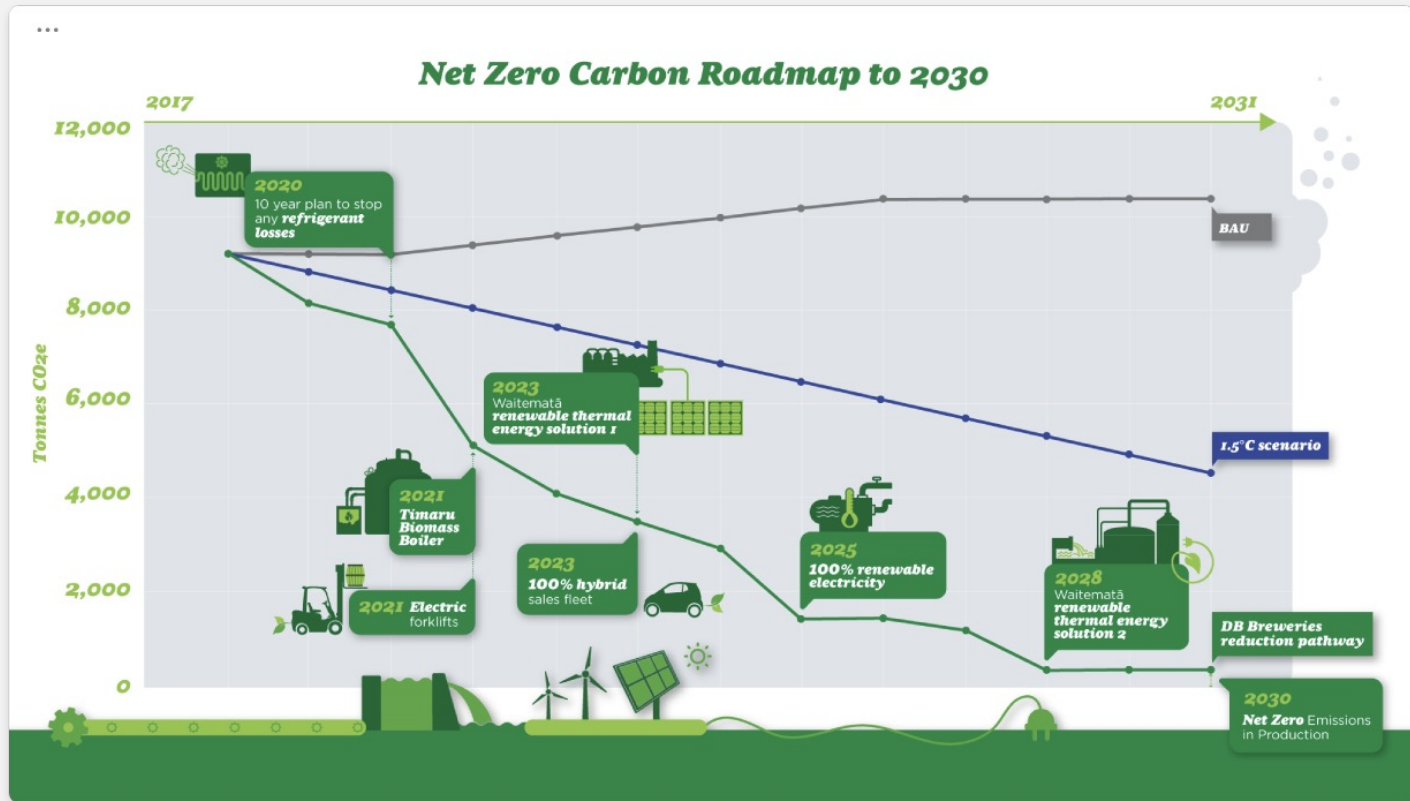
Our Carbon Footprint



* 'Other' comprised of:
Livestock, On-site
Wastewater Treatment,
LPG Thermal, Diesel
Pump and Rental Cars



Our Carbon Footprint, 2021



We have made some great reductions in our scope 1 and 2 carbon footprint, which is in line with our net zero carbon roadmap to 2030, and hope to achieve an even greater reduction by the end of 2022.

We hope to publish our scope 3 carbon footprint results soon. This will be for the year 2020, which will be our baseline year.



Insight Articles

Timaru Biomass Switch

We believe we need to make meaningful changes to actively reduce our carbon footprint by taking real action, not just buying carbon offsets. HEINEKEN has set a global commitment to have net zero emissions in production by 2030, and at DB we are committed to using 100% renewable energy by 2030.

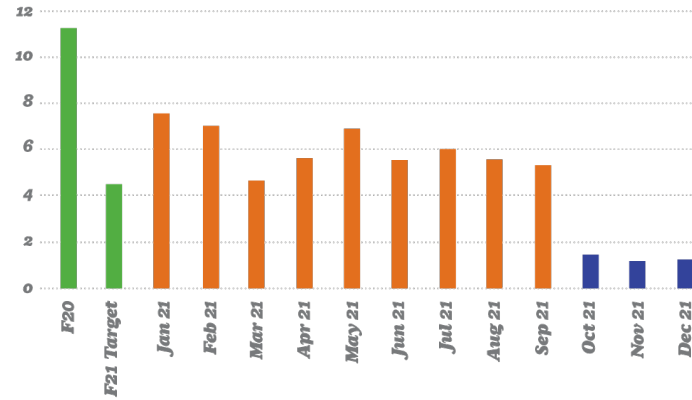
In October 2021 we reached a significant milestone in our efforts to decarbonise all of DB Draught Brewery's purchased steam.

From the beginning of October, all our steam is now fuelled by 100% sustainable biomass. This means our Timaru brewery no longer relies on coal for process heat requirements.

The gradual transition to 100% biomass-generated steam in October reduced emissions by 1,030 tonnes of CO₂e in 2021 compared to the previous year, equivalent to 4,103 flights between Auckland and Queenstown. Looking ahead, the move to biomass is forecast to abate a further 2,500t CO₂e in 2022.

This fantastic carbon reduction result was made possible by our partnership with Pioneer Energy in Timaru, who were willing to make the move into biomass with us. The DB Draught team are incredibly proud of this result and the commitment towards sustainability that is embedded in our culture.

Timaru graph of CO₂e reduction



EV Forklifts

We launched our new fleet of electric forklifts at Waitematā in August, bringing benefits to our business and operators.

These electric forklifts are all about our people, safety, and environment, and protecting all three for years to come. We're cutting 184 tonnes of carbon from our annual footprint (equivalent to 350 return flights between Auckland and Queenstown), and the launch is aligned with DB's 2030 zero carbon commitment.

By investing in new forklifts, we're highlighting DB's safety ethos Safety Always. The bright and shiny new hoists are equipped with night-vision cameras and custom light fittings based on feedback from the operators on our shop floor. Ergonomic seating means they will be much more comfortable, and taking LPG fumes out of the air means air quality in our Logistics spaces will be significantly improved.

17 forklifts were introduced at Waitematā, with 10 replacing the fleet at Timaru.

This launch had been years in the making, and we thank the cross-functional team that worked so hard to make it happen, including the huge collaborative effort with our supplier ITS.





Brewing with Less Water

Material Issue • Water Stewardship

Sustainability Indicators	2021 Progress	2022 Plan	
Water Efficiency	3.26 hl/hl	2.90 hl/hl	
Water Stewardship	Partnership started with The Nature Conservancy to replenish Waitematā source water	Partnership to be developed for Timaru brewery	
Water Treatment	Wastewater Treatment Plant (WWTP) at Timaru started the construction process	WWTP to be completed in 2022	

What happened in 2021:

Water is a crucial resource to the operation of our business and communities and we continue to raise the bar higher in improving the efficiency of how we use water each year. We experience the effects of drought and issues in water supply for most of our regions we operate in, and therefore understand the importance of being innovative with our water use. Unfortunately we were unable to reach our target of 2.9 hl/hl due to various unforeseen issues within our operations. We ended the year not meeting our target, but have a robust plan in place to reach it for 2022.

We were proud to announce our partnership with The Nature Conservancy (TNC); a science-based global environmental non-profit. The organisation is focused on incorporating nature-based solutions to tackle environmental issues and leverage their partnerships to influence global decision-making. We will be progressing this exciting partnership over the next three years which will start with water balancing and restoration projects focused on the Waikato River Catchment.

Over the summer we had a Callaghan student intern investigate some water circularity projects and rainwater harvesting options for our largest brewery. The results look promising and we look forward to developing these in the near future.

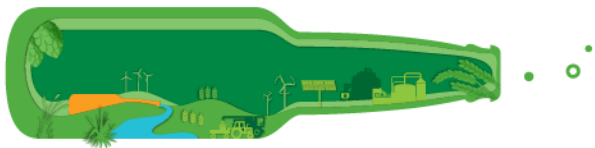
At HEINEKEN we have strict requirements on the quality of wastewater released to the environment which goes over and above New Zealand standards. Timaru was identified as a site requiring a more robust treatment process to its wastewater. In 2021 the civil contract was awarded to start the construction of the Wastewater Treatment Plant (WWTP). The WWTP will result in the discharge of water to a high quality clean standard and will be in place in late 2022.

Looking ahead to 2022:

We will continue to work with TNC to replenish the water source for our Auckland brewery, and will be finding a similar partnership in Timaru to help restore our water source catchments for our second-largest brewery.

With clear plans in place, we will continue to improve water efficiency at all of our sites to achieve the goal of 2.9 hl water per hl of product to reach our 2030 goal of 2.5 hl/hl.

Timaru's Wastewater Treatment Plant will be constructed in 2022, which means all of our sites will meet our high wastewater standards.



Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

Shout Out

The Nature Conservancy

We care about water; it's essential to life and is also the main ingredient in our beer, so we're making sure we look after this precious resource. We have set an ambitious target to balance our water used in our product by 2030 in accordance with the World Resources Institute Volumetric Water Benefit Accounting (VWBA) framework,

For our largest brewery in Auckland, in 2021 we started working with The Nature Conservancy, a global environmental organisation familiar to HEINEKEN, to improve Auckland's water supply at the source, by developing a Waikato Catchment Care fund.

The fund is currently in development and will be designed to serve as a regional collective action platform where stakeholders from all sectors collaborate to help improve water security through science-based systemic change. It is currently a three-year partnership, but we will be ensuring the fund is sustainable to operate long-term, to continuously improve water supply in the Waikato River.

Water funds are sophisticated financial tools that enable downstream water users (including utilities, businesses, and government agencies) to jointly invest in upstream land conservation and restoration to secure improved water quality and regulate water supply—from reforestation efforts and wetland restoration to improved agriculture practices. Each water fund is unique, and the conservation activities vary from place to place depending on local opportunities and regulations. Investors and partners view the funds as a smart way to minimise treatment costs and reduce water shortage or quality risks in the future.





Brewing a Sustainable Value Chain

Material Issue

- Product stewardship and packaging
- Sustainable value chain
- Biodiversity

Sustainability Indicators	2021 Progress	2022 Plan	
Waste Diversion	Average 98% waste diversion from landfill	>98% waste diversion from landfill all sites	
Downstream Logistics	Increased truck utilisation by 4.9% from the previous year	<ul style="list-style-type: none"> • More direct, streamline route to market • Minimise container numbers by optimising use 	
Virgin Plastic Footprint	19% reduction from baseline	20% reduction from baseline	
Recycled Content in Packaging	N.A.	Understand recycled content % and develop a plan with suppliers to improve	
Supplier Impact	100% of suppliers signed up to our supplier code of conduct	<ul style="list-style-type: none"> • Assess all suppliers against human rights. • Supplier questionnaire to evaluate on environmental and social issues 	

What happened in 2021:

In an initiative to reduce the footprint of our point-of-sale (POS) material we not only reduced the quantity of POS material being sent to our customers, but we are making sure that new material we send out is either recyclable, reusable or compostable, so that by 2025 all POS material meets this criteria.

The Export rebrand launch was a pivotal moment for our brand and our environmental footprint. Through the rebrand we were able to remove around 149 tonnes of CO₂e from our full value chain, and by shifting our Export brand and other domestic brands to paper labels, it has helped in us achieving a 19% reduction in our own plastic footprint.

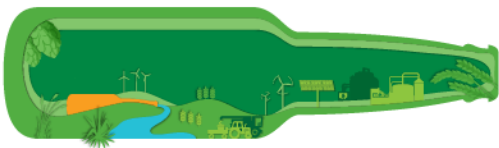
Our logistics team implemented initiatives in 2020 to improve efficiency and reduce emissions. Due to the high return rate in 2020 due to COVID-19, the benefits of these initiatives weren't realised until 2021. During 2021 we still managed to increase truck utilisation by 4.9% and increased average pallets per truck to 25.3 pallets in 2021 compared to 24.1 pallets in 2020.

In the middle of the year we made DB history with the launch of our first ever customer-facing app (B2B). This has solved a real pain-point for our customers in our value chain and we have now made the ordering process easier and more accessible.

Looking ahead to 2022:

We will begin to work with our suppliers to understand and improve environmental and social impacts in our full value chain. Noting that supply chains have been hit hard due to COVID-19 and other worldwide events we realise this will not be an easy task, but we realise that the biggest improvements we can make to our communities are through collaborating with our stakeholders. This will be a focus of ours over the coming years; engaging with our suppliers and also our customers.

Reducing our plastic footprint is an ongoing focus that requires us to keep an eye on new innovations. One way we will aim to reduce our virgin plastic footprint is by switching all of our cider PET bottles to 100% recycled PET.

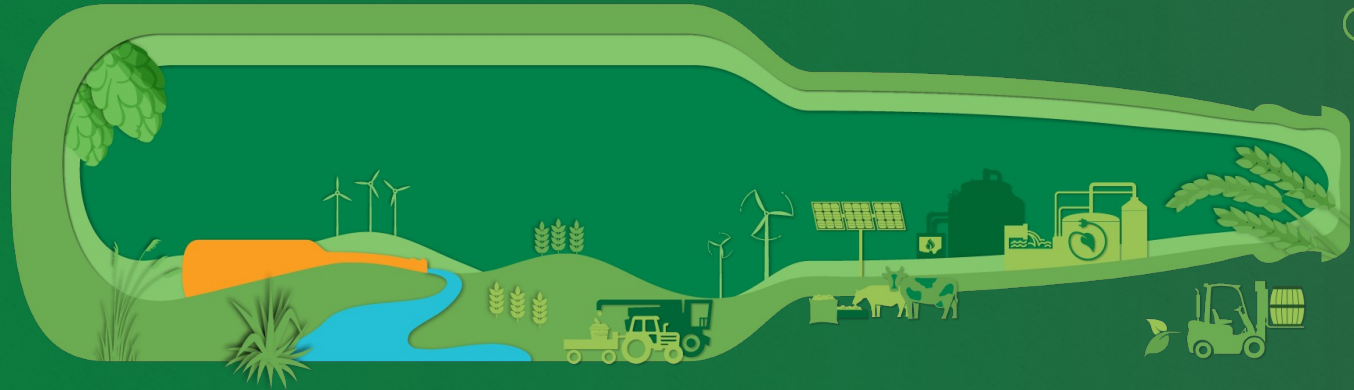


Progress indicator:

- Doing well / 2021 target achieved
- Need to improve

About this Report

Our sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core Option). This report covers our performance from 1 January to 31 December 2021. It covers the activity and impacts of DB Breweries' main operating sites and sales offices, including: Waitematā Brewery, DB Draught Brewery, Redwood Cidery and Tuatara Brewery. Unless stated otherwise, our reporting doesn't include Joylab and Drinkworks.



We have processes governing the collection, review and validation of our non-financial data. This includes applying standardised definitions from HEINEKEN and involving subject matter experts to validate and challenge our data and processes. Where possible, standard or automated calculations and validity checks are built into our systems to minimise errors. Where we have concerns, we highlight them in the report. HEINEKEN's internal audit function is involved in the annual review of the global non-financial reporting process, including reviewing the quality of control processes at various levels, data ownership and clarity of definitions. DB's 2021 scope 1 & 2 carbon footprint and 2020 scope 3 carbon footprint is pending verification by Toitū Envirocare. External assurance was not sought for our other 2021 disclosures.

For questions regarding this report please contact:

sustainability@db.co.nz 





www.dbsustainability.co.nz