



Nigerian Breweries Plc
RC: 613

Sustainability Report 2013

Brewing a Better Future





Contents

	Pages
Foreword by the MD/CEO	1
Brewing a Better Future highlights	2
Heineken's 2020 Commitments	3
From Barley to Bar	4
What we said and what we've done	6
Our Focus Areas:	8
Protecting Water Resources	
Our Focus Areas:	10
Reducing CO ₂ emissions	
Our Focus Areas:	12
Sourcing Sustainability	
Our Focus Areas:	14
Advocating Responsible Consumption	
Our Ways of Working:	16
Values and Behaviour	
Corporate Governance	18
The Bigger Picture:	
Embedding Sustainability	20
Stakeholder Engagement	21
Other Information:	28
Benchmarks and Achievements	
Other Achievements	30

Welcome

Our Sustainability Report 2013

Nigerian Breweries Plc is the leading brewing company in Nigeria and our brands are enjoyed across the nation and some neighbouring countries within West Africa. Sustainability is one of our top priorities; our way of doing business and creating value; and Brewing a Better Future is our long-term strategic ambition.

We are

A proud, longstanding market leader, committed to meeting and exceeding consumer expectations.

We value

A passion for quality, enjoyment of life, respect for people and our planet.

We want

To consistently win with Nigeria in line with our core business philosophy.


3,195
EMPLOYEES


11
BRANDS

8
BREWERY
LOCATIONS

Lagos	Enugu
Aba	Ota
Kaduna	Kudenc
Ibadan	Onitsha

For more information on Nigerian Breweries and our sustainability performance, visit: www.nbplc.com

For HEINEKEN global Sustainability Report 2013 including detailed performance data and moving images, visit: www.sustainabilityreport.heineken.com



MD/CEO Foreword

Creating Sustainable Stakeholder Value

Nigerian Breweries Plc has maintained leadership of the beverage alcohol industry in Nigeria in the entire sixty-eight years of operation; in market share, asset growth, profitability and other key parameters. One of the key drivers of our leadership position and success story is our approach to business and our quest to ensure sustainability of our business, the society and the environment.



For us, sustainability is at the heart of our strategic business proposition and helps define the way we do business. We use our goodwill, strong brand name, economic position and good reputation to create shared value in a manner that empowers stakeholders to exercise their talents and utilize opportunities to contribute towards sustainable development. The platform of this creation of shared value is well supported by 'Brewing a Better Future', our long-term approach to sustainability and one of our key business priorities.

In 2013, we reviewed our Brewing a Better Future priorities and created a more focused agenda, which concentrates on the delivery of concrete commitments in four areas where we can directly make impact in our operations. These are: protecting water resources, reducing CO₂ emissions, sourcing sustainably and advocating responsible consumption.

We made impressive progress in achieving our Brewing a Better Future targets in 2013 against the 2015 milestones. We reduced specific water consumption by 11% from 5.6 hl/hl in 2012 to 5.0 hl/hl in 2013. We set up a Water Stewardship team that carried out a Source Water Vulnerability Assessment to, among other objectives, determine how vulnerable our breweries are to future potential water shortages. The findings will help us articulate a Source Water Protection Plan and water balancing.

Through strategic investments in gas-powered generators and other initiatives, we achieved a 20% reduction in greenhouse gas emissions year-on-year. In line with our mission to operate in an environmentally friendly manner, we are focused on improving our carbon footprint. HEINEKEN is committed to reducing CO₂ emission in our breweries by 40%, and CO₂ emission from our fridges by 50% in 2020.

Our local sourcing of raw materials recorded significant developments during the year. Sorghum remains a strategic grain for our business. In 2013, we continued our investments on the grain as well as on cassava. We made preparations for the full commercialisation of the new hybrid sorghum varieties – CSR-03H and CSR-04H, which were fully developed, certified, released, and registered in 2012. We anticipate that more sustainable sorghum supplies aided by the new hybrid sorghum will commence as soon as full commercialisation is established.

Towards our advocacy for responsible consumption, we maintained our drive with relevant partners like the Federal Road Safety Corps to enlighten drivers and other road users to adopt a responsible attitude towards alcohol. The above improvements recorded in the four focus areas includes the newly acquired breweries, which have improved impressively. The overall performance and the winning of several awards by our company during the year gives us greater impetus as we work towards achieving HEINEKEN's Brewing a Better Future targets for 2020.

In 2013, the average accident frequency decreased significantly. Our priority on safety remains to have zero accident and zero incident for employees and third party staff. During the year, we launched a safety strategy and introduced other initiatives to enhance occupational health and safety throughout our business.

As we look to the future, we are cognisant of the fact that the business environment is tough with several constraining factors. These include security threats, rising youth unemployment and non-inclusiveness in the macro economic growth, which deepens poverty and inequality. As a result, to support sustainability for our common good and that of the future generation, we must explore new ways of proactively engaging our stakeholders to maintain dialogue, build mutual understanding, promote creation of shared value as well as jointly walk the talk across all our operations. That, for us is an obligation to which we remain unwaveringly committed.

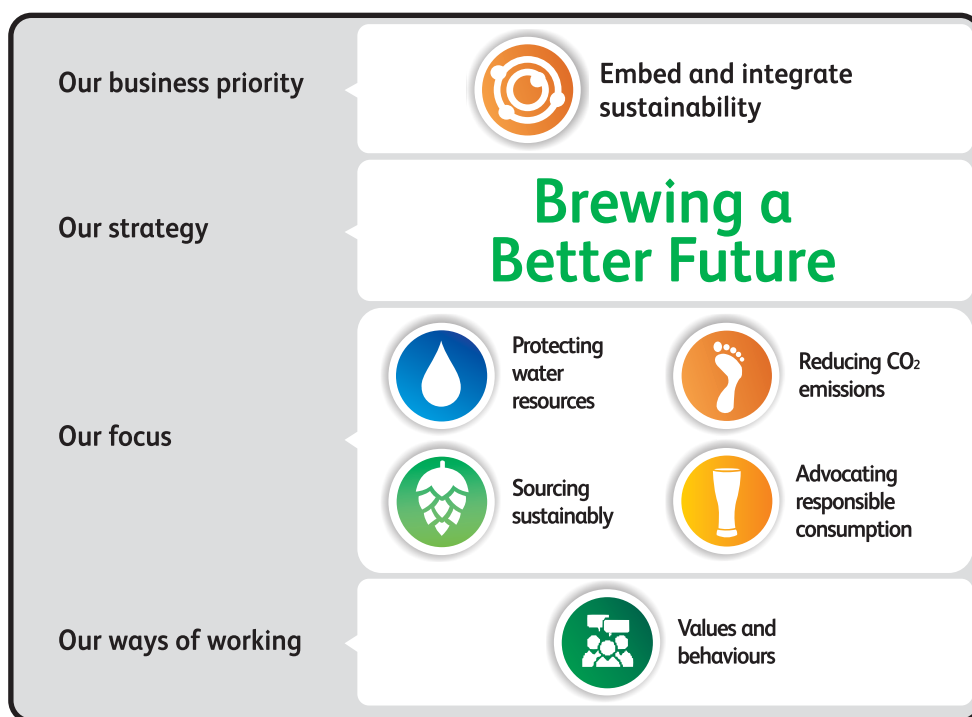
In this report, we have summarized the achievements recorded in 2013 in the four focus areas of our sustainability agenda as well as our plans going forward. In spite of the increasingly complex, challenging and ever-changing business environment, we remain steadfast in our commitment to continue to create value for our critical stakeholders. We know that no individual or organisation can achieve these objectives alone. We, therefore, will continue to count on your views and recommendations where necessary as we collectively march towards sustainability.

Nicolaas Vervelde
Managing Director/Chief Executive

The big picture

Brewing a Better Future

Brewing a Better Future is HEINEKEN's long-term approach to creating shared, sustainable value for all stakeholders: the company, the society and the planet.



Sustainability is one of HEINEKEN's six key business priorities. Brewing a Better Future focuses on four key areas where we can make the biggest difference. Each of these areas is highly relevant to our day-to-day business operations, and to our stakeholders. The focus areas are underpinned by our values and behaviours. As a HEINEKEN operating Company, Nigerian Breweries Plc aligns its sustainability goals, philosophy and activities to those of the global Company.

HEINEKEN's 2020 Commitments

Each focus area is underpinned by clear commitments that state our ambitions for 2020, with three-year milestones to be achieved by 2015.



Protecting water resources

- Reduce specific water consumption in the breweries by 25%¹ to 3.7 hl/hl
- Aim for significant water compensation/balancing by our production units in water-scarce and distressed areas.



Reducing CO₂ emissions

- In production by 40%²
- Of our fridges by 50%²
- Of distribution by 20%³ in Europe and the Americas.



Sourcing sustainably

- Aim for at least 50% of our main raw materials from sustainable sources
- Deliver 60% of agricultural raw materials in Africa via local sourcing within the continent
- Ongoing compliance with our Supplier Code procedure.



Advocating responsible consumption

- Make responsible consumption aspirational through HEINEKEN®
- Every market in scope has and reports publicly on a measurable partnership aimed at addressing alcohol abuse
- Deliver global industry commitments.

¹ Baseline 2008

² Baseline 2010

³ Baseline 2011

The big picture

From Barley to Bar

Our approach to sustainability covers the entire value chain.

Agriculture

Malting

Brewing

Packaging

Distribution

Customer

Consumer



Focus areas



Water



CO₂



Sourcing



Responsible consumption

Ways of working



Values and behaviours

Agriculture

Our main raw materials are barley, sorghum and hops. Barley and hops are imported while sorghum is locally grown. We have continued to improve development of local sources of raw materials with focus on sorghum and cassava. Sourcing crops locally creates shared value for stakeholders and us. It guarantees sustainable supply of materials for the business, reduces dependence on imports, encourages local farmers, reduces transport costs and improves our environmental performance. In 2013, we commenced preparation for the commercialisation of the two new certified hybrid sorghum seeds: CSR -03H and CSR -04H, developed the previous year through our joint efforts with research institutions.

Malting

We run the largest sorghum malting plant in Africa, the Aba Malting Plant, as well as a second plant at our Kudenda brewery. Malting contributes to energy and water consumption. As a result, we implement energy and water reduction programmes in our malteries and engage third party suppliers on the need for energy and water conservation.

Brewing beer

The brewing process also consumes energy and water. To reduce energy and water consumption, we drive improvements in energy and water efficiency and switch to other more environmentally friendly energy sources where possible. Energy and water reduction is achieved by optimising our production processes.

We focus efforts and resources to ensure we achieve specific energy and water usage targets set for each brewery. During the year we made good progress in achieving these targets.

Packaging material

Our products are packed in bottles, cans and tetra-packs (for malt drinks). We are continuously improving the impact of our packaging through optimising the production of our packaging, innovative designs and increasing the recycling and reuse rate. We introduced PET bottles for some of our brands in 2013 and signed a MoU with relevant parties for PET recycling to improve our packaging impact. Currently, 94% of our packaging needs are met from local sources.

Distribution

We distribute our products to our customers' warehouses through trucks. We optimise distribution internally through the use of gas-operated forklifts, while our salespersons involved in redistribution use fuel-efficient vans. Transportation of our products is outsourced to our Key Transporters who are responsible for optimal performance of their delivery systems, training of their drivers and efficient management of their fleet.

Customers

In our market, beer is consumed cold. Products are cooled at the point of consumption mainly with fridges. For new fridges purchased by Nigerian Breweries in 2013, we complied with HEINEKEN defined green standards, which for our market must have LED illumination and EMS thermostat.




During the year we made good progress towards achieving the 2020 goals on green cooling to satisfy our customers in an environmentally friendly manner.

Consumers



We have continued to promote the responsible consumption of beer both as a company and in collaboration with the Beer Sectoral Group (BSG) of the Manufacturers Association of Nigeria (MAN). We also partner with other BSG members and regulators to encourage adherence to the code of commercial communication of alcoholic beverages to promote responsible communication and consumption. We actively engage interested partners including other BSG members, NGOs and governments to assist us in reaching people and increasing the effectiveness and reach of the 'drink responsibly' message.

The big picture

What we said and what we've done

Focus area	Our global commitments for 2015	What we've done globally in 2013	What we've done in Nigeria in 2013
 Water	<p>Reduce our specific water consumption in the breweries to 3.9 hl/hl¹.</p> <p>100% of our production units² in water-scarce and distressed areas will have a Source Water Protection Plan.</p>	<p>Water consumption decreased to 4.1 hl/hl.</p> <p>Ten (43%) of our production units have drafted a Source Water Protection Plan.</p>	<p>Water consumption decreased by 11% from 5.6 hl/hl in 2012 to 5.0 hl/hl in 2013.</p> <p>We conducted a source water vulnerability assessment of all our breweries and have identified 5 water stressed areas. The source water protection plan will be developed in 2014.</p>
 CO₂	<p>Reduce CO₂ emissions in production by 27%³ to 7.2 CO₂-eq/hl (baseline 2008).</p> <p>Reduce the CO₂ emissions of our fridges by 42%⁴.</p>	<p>CO₂ emissions reduced from 8.4 kg CO₂ eq/hl in 2012 to 7.7 kg CO₂ eq/hl in 2013. This is a reduction of 26% compared with the baseline year 2008.</p> <p>99% of the 116,000 fridges that HEINEKEN purchased in 2013 were 'green'. The average reduction of CO₂ emissions has improved from 38% to 40% in 2013, compared with the baseline year 2010.</p>	<p>CO₂ emissions reduced from 16.6 kg CO₂-eq/hl in 2012 to 13.2 kg CO₂-eq/hl in 2013. This is a reduction of 24% compared with the baseline year 2008.</p> <p>100% of the fridges purchased by Nigerian Breweries in 2013 met the green cooling criteria.</p>
 Sourcing	<p>Aim for sustainable sourcing of raw materials for crop year 2015: 20% (barley) and 40% (hops)¹.</p>	<p>Sustainable sourcing procedures approved and being rolled out with our key suppliers.</p> <p>Started development of reporting system to monitor progress on commitments, which we will pilot with suppliers in 2014.</p>	<p>Sustainable sourcing procedures for raw materials approved and being rolled out with our key suppliers.</p>

¹ Baseline 2008² Eight production units³ Baseline 2008⁴ Baseline 2010

Focus area	Our global commitments for 2015	What we've done globally in 2013	What we've done in Nigeria in 2013	
 Sourcing	50% ¹ of agricultural raw materials used in Africa to be locally sourced ² within the continent.	Increased our local sourcing from 45% in 2012 ³ to approximately 46%.	37% of agricultural raw materials are sourced locally.	●
		Started three new Public-Private Partnership projects in Ethiopia, Rwanda and Sierra Leone.	We explored the opportunity of using cassava, a local crop, to produce high quality maltose syrup that will be used for production.	●
		Appointed a Local Sourcing Director to increase focus and coordination between projects.	There is a Raw Materials Development Manager to increase focus and coordination of key sourcing projects.	●
	Four-step Supplier Code Procedure operational within all Operating Companies.	All majority-owned Operating Companies, excluding APB, were in scope for the Supplier Code Procedure, the speed of rollout depending on the maturity of the Operating Company.	As at 2013, 100% of our suppliers had signed the Supplier Code, now in its early implementation stage.	●
 Responsible consumption	Every market in scope ⁴ has a partnership to address alcohol-related harm. All partnerships meet HEINEKEN's seven-point partnership criteria.	Out of 40 markets in scope, 36 now have at least one partnership. From 2013, we have begun actively assessing the impact of these partnerships on alcohol-related harm.	Nigerian Breweries is one of HEINEKEN's 36 markets that have at least one partnership to advocate responsible consumption of alcohol. In 2013, we started to evaluate the impact of these partnerships on alcohol-related harm.	●
	We commit to invest a minimum of 10% of our media spend ⁵ for Heineken® in supporting our dedicated responsible consumption campaign in at least 50% of our market volume. ⁶	Developed "Dance More, Drink Slow" campaign throughout the year, with official launch held on January 2014. Media investment commitment included as of 2014 budget.	We commenced the activation of Heineken's Sunrise Belongs to Moderate Drinkers campaign in 2013.	●
	Precise goals for 2015 to be decided in conjunction with industry via ICAP and GAPG organisations.	KPI developed and being implemented. In each of the action areas, preparatory work commenced in 2013.	The Beer Sectoral Group (BSG), the industry platform, commenced preparatory work to develop a joint campaign in 2014 to support responsible consumption.	●

¹ Based upon tonnage.

² With local sourcing we refer to sourcing within the region of Africa & Middle East.

³ The 2012 Sustainability Report stated 48% local sourcing. This has been revised by HEINEKEN.

⁴ Out of scope are Islamic markets and small export markets where HEINEKEN does not have staff or a presence.

⁵ In the original commitment we called this metric 'media share of voice' but we changed this into 'media spend', as this is a better measurable yardstick of HEINEKEN's financial commitment.

⁶ Market scope covering in total at least 50% of Heineken® global volume.

Our focus areas



Protecting Water Resources

Efficient implementation of our water management and conservation strategy is critical to the sustainable production of our brands in a manner that recognises the water needs of our communities.



“We adopt a long-term view on all our water management programmes and investments to ensure that we continue to protect the interest of our business and that of the society at large.”

Hendrik Wymenga
Technical Director

Why this is important

National demand for water is rising steadily due to rapidly increasing population as well as increasing urbanization and industrialization needs, while sources remain limited. With the current rate of population growth, it is estimated that the demand for water will rise to alarming proportions in the next two decades. This will pose great concerns particularly in water vulnerable areas and might lead to competition for water by industry, members of the public as well as flora and fauna.

Water is extensively used in the production of our brands. Beer is 95% water. Water is also used in some other aspects of the supply chain. As an industry leader operating in 8 breweries and 2 malting plants, it is imperative that we lead in the promotion of responsible water usage in a manner that encourages water preservation across the supply chain.

We describe our approach for addressing water-related issues in our operations as 'Water Stewardship'. We will continue to drive efforts to reduce the specific consumption of water in the production of our brands to encourage sustainability. HEINEKEN's commitment is to reduce water consumption in its breweries by 25% to 3.7hl/hl by 2020.

Our Global Priorities

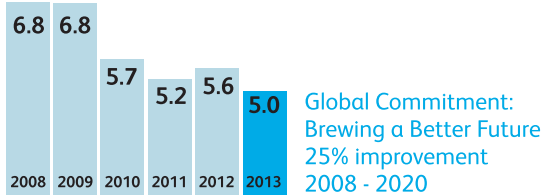
- Reduce the amount of water used in production;
- Protect our water resources in water-scarce and water-distressed areas;
- Compensate for the water that is not returned to the local water cycle: 'water balancing'.
- Responsible discharge of brewery effluent;
- Reduce the amount of water used in the rest of the supply chain.

Actions and Results

Reducing Water Consumption

In 2013, we achieved a specific water consumption figure of 5.0 hl/hl, down from 5.6 hl/hl in 2012. This is a 26% reduction compared with 2008, the baseline year. We recorded impressive improvements in our water consumption performance in all but two of our operations including the newly acquired breweries. We are on track towards meeting our 2020 target.

Specific water consumption: actual performance hl/hl beer



We improved specific water consumption through prompt reporting and mitigation of leakages, water conservation/ water use optimisations as well as ensuring that treated wastewater instead of fresh water is used in housekeeping and gardening.

Our Sango-Ota brewery reduced its water consumption by improving their water management practices in the packaging department. These practices included the installation of new equipment and introduction of optimisation projects.

Water Stewardship Programme

Nigerian Breweries commenced its local Water Stewardship programme in 2013. The objective is to develop a Source Water Protection Plan and this involves looking at the various risks that the company's water source is exposed to and determining the appropriate steps that need to be taken to mitigate the identified risks.

To develop, coordinate and implement our Source Water Protection Plan, the company inaugurated a Water Stewardship team and hired an external consultancy group.

Steps in Water Consumption Reduction

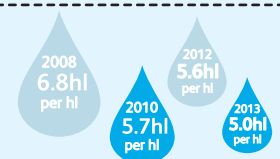
Some of the activities carried out across our breweries include elimination of leakages on water pipelines, optimised water use through water recovery for cleaning and gardening and supporting the water source through rain water harvesting. Others are the use of water saver taps to reduce water wastage. We implemented the creation of awareness to save water in all breweries driven primarily through total production management and process.

The most remarkable success was recorded by Kudenda brewery, which achieved what could be called a benchmark water consumption level through optimisation initiatives such as rain water recovery, among others. Ota brewery achieved a reduction by reusing water that was recovered at the bottle washer for cleaning.

Community Consideration

In our water balancing programme, we do not only look at the water consumption target and water use efficiency of the breweries, but also how to make up for water that is not returned to the community. The programme looks at the expected impact of the water balancing project on the entire area to ensure sustainability.

**26% REDUCTION
IN WATER
CONSUMPTION
SINCE 2008**

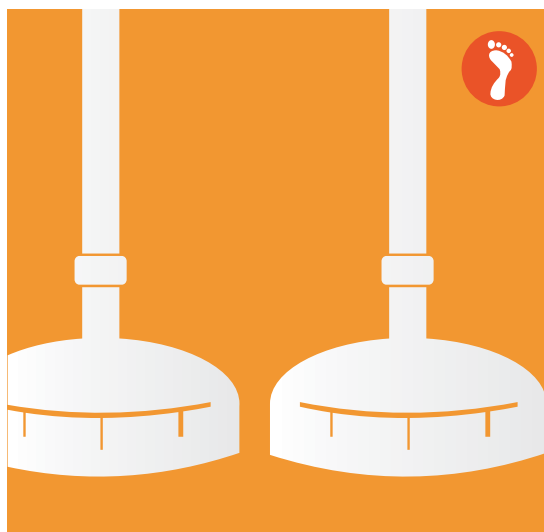


Case Study

New Wastewater Treatment Plant for Aba Brewery

We commenced the construction of a wastewater treatment plant to treat effluents from the brewery. This is being undertaken by Vista Construction with supervision from Waterleau, Belgium. When commissioned, the wastewater treatment plant will enhance the quality of treated wastewater.

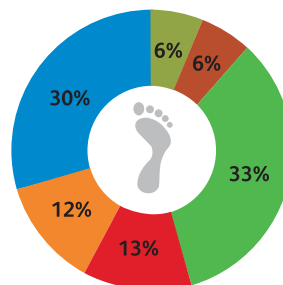
Our focus areas



Reducing CO₂ Emissions

In 2013, through the implementation of various energy saving programmes, we significantly reduced our CO₂ emissions. Going forward, we remain focused on reducing the total carbon footprint of our operations across the value chain.

Carbon footprint breakdown of Nigerian Breweries Plc Seed to Sip based on 90% of produced volume (2011).



- Agriculture - 6%
- Malting and adjuncts - 6%
- Beverage production - 33%
- Packaging material production - 13%
- Distribution - 12%
- Cooling - 30%

HEINEKEN developed a comprehensive carbon footprint model that calculates the greenhouse gas emissions of beverage production, in order to better understand the hotspots in the Company's value chain and identify areas for improvement. The above chart is for 2011 and is updated every three years.



“We optimised our distribution system in 2013 through improvements on direct deliveries and reduction of inter-brewery transfers, which reduced our emission levels in distribution. In addition, all new fridges purchased during the year to continue our tradition of offering cold beer to millions of consumers, complied with our policy on Green Cooling.”

Hubert Eze
Sales Director

 **90%**
TOTAL WASTE RECYCLING RATE

Why this is important

Production processes such as brewing of beverage alcohol are sources of direct and indirect CO₂ emissions, which contribute to climate change with negative impact upon the ecosystem. As an industry leader and in line with our mission to operate in an environmentally friendly manner, we are focused on improving our carbon footprint in order to protect our planet. We are committed to meeting HEINEKEN's target of reducing CO₂ emission in our breweries by 40% in 2020.

In 2013, we decommissioned the old diesel power plant in our Lagos Brewery and installed a new natural gas-powered generator, which significantly reduced our CO₂ emissions. In addition, some compressed natural gas trucks were deployed to Ibadan Brewery to power boiler operations. We also installed solar-powered street light in our Kaduna Brewery, which reduced fossil fuel-dependent energy requirement for lighting. In addition, we introduced lightweight packaging materials for our soft drinks brands to support green distribution.

Our Global Priorities

- 40% lower emissions in production by increasing energy efficiency and changing from the use of fossil fuels to natural gas;
- 50% lower emissions from our fridges by making sure that all our fridges comply with our global fridge standards;
- 20% lower emissions in distribution by reducing distance covered, and introducing light-weight packaging materials for our non-alcoholic brands.

Actions and Results

We achieved a 20% reduction in greenhouse gas emissions from 16.6 kg CO₂-eq/hl in 2012 to 13.2 kg CO₂-eq/hl in 2013. This reduction is attributable mainly to the switch from diesel generators to natural gas-powered generators in some of our breweries. We also switched from LPFO-powered boilers to natural gas-powered boilers and insulation for heat loss prevention.

Reduction in thermal energy consumption due to regular inspections resulting in elimination of leakages, lower

evaporation rates in the brew house and increased condensate recovery also had a positive impact on the reduction of CO₂ emission in our beverage production units.

Specific greenhouse gas emissions actual performance

kg CO₂-eq/hl beer



Green Cooling

Nigerian Breweries sustained the 'Green Cooling' policy in our market, as we offer consumers cold beer. Our products are cooled at the point of consumption mainly with fridges. All new fridges we purchase are consistent with the HEINEKEN guideline on green fridges, which for our market must have LED illumination and EMS thermostat. This way, we continued to adhere to the HEINEKEN set criteria for refrigerators used in the trade to reduce negative impact on the environment.



AVERAGE ENERGY SAVING WITH OUR FRIDGES

Distribution

We improved on direct deliveries and reduced inter-brewery transfers, which reduced our emission levels in distribution. We also established our KPI reporting on Green Distribution and measuring our carbon footprint to improve our control on CO₂ emission in distribution.

Use of Cleaner Fuels

Our Lagos, Aba and Ibadan breweries use cleaner fuels (Lagos and Aba use natural gas while Ibadan uses compressed natural gas) for generators and boilers instead of diesel or Low Pour Fuel Oil (LPFO). This had a significant impact on our CO₂ emission reduction drive and improved our environmental impact. This achievement is expected to heighten in 2014 when Ama and the two breweries in Kaduna will switch to natural gas.



Case Study

NB joins Lagos Annual Tree Planting Campaign

In alignment with our Brewing a Better Future agenda, in July 2013, Nigerian Breweries partnered with the Lagos State Environmental Protection Agency (LASEPA) to host the 2013 Lagos Industrial Tree Planting Campaign. The event with the theme "Green is Peace," was held at Lagos Brewery and aimed at commemorating the World Tree Planting Day. The Governor of Lagos State, Babatunde Raji Fashola, SAN, represented by the General Manager, LASEPA, Engineer Adebola Shabi who delivered the keynote address at the event, noted that the tree planting exercise was designed to awaken the consciousness of Lagosians and the general public on the unique role trees and other plants play in making our environment conducive for human habitation, and to encourage everybody to plant and protect trees.

Our focus areas



Sourcing Sustainably

Nigerian Breweries remains committed to operating in a manner that enhances shared value for all stakeholders, especially one that touches the lives of local communities and ensures sustainable supply of our raw materials.



“A sustainable supply chain guarantees a continuing mutually beneficial relationship between us and our suppliers as critical stakeholders.”

Mark Rutten
Finance Director

Why this is important

Our society has continued to witness increasing population, youth unemployment, poverty and food imports. As a response, the Nigerian government has begun to pursue agriculture as a major business that will improve food security and provide employment opportunities as well as address the poverty challenge.

The efforts to improve agricultural productivity holds enormous promises for the society. As part of our Brewing a Better Future agenda, our raw material development strategy, therefore, supports the government's aspirations for a robust and sustainable food chain.

Our support to local farmers of sorghum with improved seeds is already yielding impressive results for the society and our business. For us, there is sustainable supply, reduction in import-dependence, lower transportation costs as well as improvements in our environmental performance.

Our numerous suppliers facilitate our access to markets and help in the development of relevant aspects of our value chain. They are, however, guided by provisions of our Supplier Code, which reflects their need to abide by our values.

46,800+

FARMER FAMILIES INVOLVED IN LOCAL SOURCING ACROSS NIGERIA



Supplier Code signed by

**3,600
SUPPLIERS**



Our Global Priorities

- 50% of our main raw materials to be supplied from sustainable sources, based on the principles and practices of the Sustainable Agriculture Initiative Platform;
- 60% of agricultural raw materials to be locally sourced, creating shared value for both smallholder farmers and Nigerian Breweries;
- Ongoing compliance with our Supplier Code procedure.

Actions and Results

Commercial Production Using the New Hybrid Sorghum

The intervention of Nigerian Breweries through the development of the hybrid sorghum varieties - CSR-03H and CSR-04H, is expected to significantly change the sorghum production scenario in Nigeria. This will move the sorghum market up from the low yield plateau and increase sorghum grain yield to about 4.0 tonnes per hectare when the commercialisation of the hybrid sorghum seeds is established.

The new hybrid has the potential to yield 4 tonnes per hectare from the farmer's variety that yields 2 tonnes per hectare. This new hybrid will improve sorghum production in Nigeria and would guarantee food security in Nigeria.

We are working with the Federal Ministry of Agriculture and Rural Development and other international partners for the commercialization of the hybrid. We are also working with 20,000 farmers in an outgrower scheme coordinated by USAID/MARKETS II. This will increase the capacity of local farmers, provide more jobs for the youths and help ensure food security. The transport sector, equipment suppliers, financial institutions and other sectors of the economy have also benefitted from our sorghum development programme.

Improvement in Supply of Malted Sorghum

Nigerian Breweries took a major strategic step in the sorghum supply chain development programme through the encouragement of local entrepreneurs to invest in sorghum malting business. In 2013, in order to improve

the quality of malted sorghum at our 30,000 tonnes per annum capacity Aba Malting Plant, which is the biggest sorghum malting plant in Africa, we installed new spray rings in the germination/kilning vessels (GKV). We also installed a polisher to further enhance the quality of sorghum before storage.

Following the acquisition and merging of Sona Systems by our company in 2011, we inherited a sorghum malting plant in Kudenda, Kaduna state, with a capacity of 7,000 metric tonnes per annum. This has strengthened our capacity to produce the right quality malted sorghum for some of our beverages. To date, through the Aba and Kaduna Malting Plants, Nigerian Breweries is leading the pack and has recorded a milestone as the largest producer of malted sorghum in Africa. This has changed the face of sorghum malting and usage in Nigeria and the African continent.

In addition, through Nigerian Breweries' encouragement of third party maltsters, Nigeria currently boasts of locally available installed capacity of 90,000 metric tons of malted sorghum per annum besides sources that supply to the other users.

Supplier Code Governance

We made good progress in 2013 in influencing supplier behaviour through the implementation of the Supplier Code, which was introduced in 2011. The Supplier Code demands that suppliers align their business practices with our company values. It covers issues of acceptable environmental management and respect for human rights, among others. By the end of 2013, 100% of our suppliers had signed the Supplier Code. As part of the Supplier Code Governance Procedure, we monitor compliance to encourage improvements in supplier performance in a manner that does not compromise our business principles. In 2014, we will commence supplier risk analysis involving audits to ensure reliability of the suppliers that we can continue to engage.



Case Study

Creating sustainable value through sorghum development

Nigerian Breweries has played a strategic role in enhancing the sorghum value chain in the country. We introduced two Open Variety sorghum grains that more than doubled yield per hectare of land, developed hybrid sorghum, CSR-03H and CSR-04H, that quadruple output. Furthermore, we established two sorghum malting plants. All these have created a demand pull for the grain, which has significantly enhanced the economy of farmers, suppliers and other stakeholders. It has aided poverty alleviation and reduction in unemployment.

Our focus areas



Advocating Responsible Consumption

We appreciate our responsibility as industry leaders to drive responsible consumption of alcoholic beverage. In this task, we engage various relevant stakeholders in promoting awareness and a responsible approach to beer to stem misuse and abuse.



“The sheer size of our national population, vast number of cities and drivers plying our roads make it imperative that we as industry leaders evolve effective communication strategies that will enlighten drivers to adopt a responsible attitude towards alcohol and driving, and that will further engage consumers in general to enjoy alcohol responsibly.”

Walter Drenth
Marketing Director

Why this is important

We are aware that millions of consumers enjoy our brands responsibly and that there are others who misuse or abuse beverage alcohol. As a result, they create social problems for themselves and others.

As an accountable organisation, we remain resolute in promoting responsible consumption and pursuing strategies in collaboration with relevant stakeholders to help minimize the negative impact of irresponsible alcohol use. Our experience shows that our communication of responsible consumption works best when consumers take informed decisions to adopt a responsible attitude towards alcohol always.

We cannot act alone to address the sometimes complex issues that relate to alcohol misuse and abuse. To promote responsible behaviour, therefore, we collaborate with a wide range of stakeholders – the industry, NGOs, governments, consumer groups, sales outlets and others.

**ENJOY HEINEKEN
RESPONSIBLY
WEBSITE IN 88
COUNTRIES INCLUDING
NIGERIA**



Our Global Priorities

- Make responsible consumption aspirational through the Heineken® brand, bringing the message directly to our consumers around the world;
- Build measurable partnerships in every market in scope, working closely together with local governments, NGOs and specialists to encourage responsible consumption and address alcohol-related harm;
- Taking action at industry level, in collaboration with 12 global alcohol businesses, in five key areas: under-age drinking, marketing codes of practice, consumer information and product innovation, drink-driving and retailer support.

Actions and Results

Partnership with Federal Road Safety Corps

In 2013, in partnership with the Federal Road Safety Corps (FRSC), the government agency responsible for road safety administration, we continued for the sixth consecutive year, the organisation of Don't Drink and Drive (DDD) campaign. Four states were covered and 1,080 commercial drivers were engaged. This enlightenment campaign targeted primarily at commercial vehicle drivers and other road users, was designed to create and sustain awareness about the dangers of drinking and driving to promote road safety.

In collaboration with the International Centre for Alcohol Policy (ICAP), we embarked upon an evaluation of the impact of previous enlightenment campaign programmes directed at the primary target groups. The evaluation using focused group discussions and in-depth interviews showed a gradual change in behaviour of many drivers and union leaders who had participated in the previous DDD enlightenment campaign programmes.

Changing Erroneous Perceptions

Nigerian Breweries' collaboration with the Federal Road Safety Commission (FRSC) in the last six years has essentially been directed at communication to change

drivers behaviour towards alcohol. Our Don't Drink and Drive (DDD) campaign, as confirmed by the evaluation of past campaigns conducted in 2013, has been making impact in this area.

Through the DDD programme, we aspire to change the erroneous beliefs, perceptions and irresponsible attitude of problem drivers, minimize alcohol-induced road crashes and save lives and property.

Our Employees as Ambassadors

To ensure that our people are well prepared to act as ambassadors to those in their circle of influence, all new employees were trained on the Company Alcohol Policy as well as Cool@Work Programme. They were given supportive brochures as reference materials to encourage adherence to the provisions of relevant alcohol policies.

Taking Action at Industry Level

We continued our partnerships with other members of the Beer Sectoral Group (BSG), a segment of the Manufacturers Association of Nigeria. In 2013, the BSG published a corporate profile brochure to create awareness of its goals and contributions among various stakeholders. The Group also issued a brief for the joint production of selected information, communication and education materials to drive responsible consumption at the industry level. The BSG which is chaired by the Managing Director/Chief Executive Officer of Nigerian Breweries, plans to roll out the materials in 2014.

36 MARKETS INCLUDING NIGERIA HAVE A RELEVANT PARTNERSHIP FOCUSED ON REDUCING ALCOHOL-RELATED HARM



Case Study

Don't Drink and Drive Campaign

Based on the outcome of the evaluation of past Don't Drink and Drive programmes conducted by the International Centre for Alcohol Policies (ICAP) and the recommendations, we involved Federal Road Safety Commission (FRSC) more in the programme planning and implementation. This approach encouraged ownership of the programme among the implementing FRSC members and enhanced the impact of the campaign.



Our ways of working




Values and Behaviours

Our values are the things that define us and make us distinctive as a responsible organisation. Our beliefs, behaviour and approach to work underpin our success.



“Our values, business philosophy and work culture inspire us in our journey to achieve our long-term sustainability aspirations. The collaborative approach deployed by our people and external partners strengthens our drive to “Win with Nigeria.”

Victor Famuyibo
Human Resource Director

Brewing a Better Future

Brewing a Better Future is integral to our ways of working. Employee health, wellness, safety, and human rights are top on our organisational agenda and are deeply embedded in our work culture and processes. Our employees and suppliers are guided by our Code of Business Conduct, which defines our rules of engagement and encourages all to align their conduct with our business ethos. In addition, we take deliberate steps to ensure we positively impact the communities where we operate.

Developing our People

Nigerian Breweries continues to lay great emphasis on the quality of its people since they define the level of success of the business. To encourage employees to offer their best in an increasingly complex, challenging and ever-changing business terrain, we continue to expose them to both local and international training opportunities and best practices. In 2013, 51 of our employees attended various foreign training and capacity building programmes.

One of our top business priorities is to 'Drive Personal Leadership'. In 2013, as a HEINEKEN operating company, we introduced the new Leadership Competencies to many of our senior managers. These competencies are integrated into the way we manage performance, develop our leaders, assess future leaders and review our level of employee engagement. To sharpen the skills of our leaders, we organised a robust training on effective performance appraisal in all our locations.

Accident frequency

Cases/100 FTE, Nigerian Breweries Production Units





NB Star Academy

The commissioning of the Star Academy, Nigerian Breweries' new Learning Centre, during the year, has repositioned the company in delivering more training programmes in state-of-the-art lecture facilities with the right ambience. The Academy is now available for local, regional (Africa and Middle East) and other international training programmes. It has solved the problem of looking for suitable training venues to hire. Besides the convenience and proximity it offers, it will lead to impressive financial and time savings for the company.

The Star Academy complex is a world-class training facility with three lecture theatres, four syndicate rooms and offices, among other facilities. The biggest of the three theatres has a capacity to sit sixty persons while the others have capacities for twenty persons each. The Star Academy is our second world-class facility put in place to ensure continuous development of the company's human capital. The other is the Technical Learning Centre located in Ibadan.

Health and Safety

In 2013, the average accident frequency decreased significantly from 0.4 to 0.1 cases/100 FTEs year-on-year in our production units. Our priority on safety remained to have zero accident and zero incident for employees, contractors and other third party staff in the work environment. Compared to 2012 when we recorded two fatalities, in 2013 there was zero fatality throughout our breweries and the head office. During the year, we launched a safety strategy and introduced other initiatives to enhance occupational health and safety. We conducted safety awareness programmes for our employees, contractors and visitors. These included production of two documentary videos: 5 minutes for visitors and 10 minutes for contractors.

We also introduced an e-learning health and safety training for employees and contractors: The training covered aspects of road traffic behaviour, accident reporting, forklift operation and others. One of the fine points of our 2013 safety improvement strategy was the sustenance of the Safety Hero programme, which was launched in 2012. The aim is to inculcate the art of working smart and safely to achieve the best results. It involves making employees to think of new ways to enhance safety irrespective of their job situations.

We organised special activities across all our locations on 26th April, 2013 to mark the World Safety and Health at Work Day. The theme of the event aimed at promoting health and safety at work was, "Working Together for Risk Prevention."

In line with our plans for excellent health status of all our employees, we fully integrated and aligned the healthcare delivery system of the newly acquired breweries with those of the longstanding ones. We invested in construction of befitting clinics, procurement of modern equipment, ready-to-go ambulances as well as adoption of Nigerian Breweries systems and processes to meet modern standard hospital requirements. The newly acquired breweries were integrated into the medical health insurance scheme in line with the high premium the company places on all categories of staff. In addition, the training and retraining of all doctors and nurses was carried out to upscale their skills especially in the area of emergency management.

Employees and human rights

Respect for individuals and the society is one of the core values of the company. In line with our deep respect for human rights and to reinforce our longstanding open and fair work environment, we commenced the implementation of the new HEINEKEN Employees' & Human Rights Policy in 2013. This policy was communicated to employees during the year. It is in keeping with the principles of the Universal Declaration of Human Rights and the Core Conventions of the International Labour Organisation (ILO) which HEINEKEN fully endorses. It covers 11 clear standards on employees' and human rights, including topics such as non-discrimination, freedom of association, forced labour and harassment.

Case Study

World Safety and Health at Work Day

We celebrated the World Safety and Health Day at work. The activities of the day designed to enhance safety consciousness and encourage sound health practices included a safety tool box talk for security personnel, vehicle inspection by the fire prevention squad and education of drivers and car owners on the need to observe road safety rules. Others were a safety march, fire drills and medical checkups as well as talk on how to prevent incidents and accidents.



Our ways of working



Corporate Governance

We recognise that good corporate governance is critical to our sustainability and leadership position in an increasingly challenging environment.



“We believe that the future belongs to companies that will utilize good corporate governance systems to provide a framework for embedding responsible behaviour among their people, enhance their reputation as well as attract more customers, investors, suppliers and all other stakeholders.”

Uaboi Agbebaku
Company Secretary/Legal Adviser

Commitment to Good Corporate Governance

Our Board of Directors is responsible for the overall long-term success of the company, policy formulation and the strategic direction of the business as well as providing effective leadership to achieve our objectives in a manner that respects our core values. We believe that good corporate governance is critical to our sustainability in an increasingly challenging environment. The Board is responsible for overseeing the effective performance of the management in order to protect and enhance stakeholder value and to meet the company's obligations to its employees and other stakeholders. It also oversees the effectiveness and adequacy of internal control systems amongst others.

Nigerian Breweries complies with relevant statutory provisions and regulations on health, safety, environment and welfare matters as well as providing the education required to enable compliance by employees. As a good corporate citizen and as a demonstration of our industry leadership position, it is important that we show the way on issues of corporate governance and business conduct.

Our Board of Directors is committed to the highest standard of transparency, accountability and good

MARKET CAPITALIZATION
₦1.3trillion

**2ND LARGEST
COMPANY IN
NIGERIA IN
MARKET
CAPITALIZATION**

corporate governance and ensures that the company achieves its objectives and that all operations are carried on in a manner that assures the overall benefit of shareholders and other stakeholders.

The Board fully endorses the Code of Corporate Governance of Public Companies in Nigeria released by the Securities & Exchange Commission in 2011 and gives due consideration to all relevant provisions of the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria 2004 (CAMA). Our corporate governance systems support the practices and procedures to ensure that the company operates in a way that facilitates the achievement of our corporate goals and objectives in a fair, honest, transparent and responsible manner. In 2013, the company complied with the provisions of the above Code and Laws.

HEINEKEN Code of Business Conduct (Heicode)

Our business is conducted with integrity and due regard to the legitimate interest of all stakeholders. As part of this, we have adopted policies such as the Code of Business Conduct and Environmental Policy. We show due respect to the relevant laws of the land and ensure that our operations remain within the ambit of all applicable laws. Our employees are expected to comply with the laws and regulations of Nigeria.

In 2013, we launched a revised version of our Code of Business Conduct called Heicode, to reconsolidate our strong position in promoting a company-wide adherence to our rules, regulations and provisions to support integrity in the workplace. It became effective in January 2013. Heicode communicates the basic principles that each employee must observe when acting for or on behalf of the company. The Code, together with its underlying

policies, describes what is expected from all our employees, individually, or as a team at every level.

An e-learning training was organised for senior managers and others to understand the code. Training sessions were held to create awareness and educate employees on the new Code. New employees were also trained on the provisions of the Code. Copies of the Code manual were distributed to all employees to enhance understanding and encourage compliance.

Speak Up

In 2013, we commenced the planning of the revised whistle blowing policy which will be launched in 2014. Speak Up will replace the existing whistle blowing policy.

We also introduced our Speak Up toll-free line which is available for employees and other stakeholders to report actual or suspected unethical business conduct within the company. The Speak Up policy is also available for external parties working for our company including suppliers, contractors and customers.

Anti-corruption Posture

We believe that corruption is evil in the business environment as it is in the society generally. We maintain appropriate anti-corruption policies and programmes in our business. As a result, we do not give or receive, whether directly or indirectly, bribes or any other incentive to obtain improper advantage for business or financial gain.

The Board has several committees that drive its activities and each one has formally delegated duties and responsibilities defined in written terms of references to ensure efficient and effective corporate governance.



The bigger picture



Embedding Sustainability

The achievement of our Brewing a Better Future aspirations is predicated on a clear governance system and well defined key success factors that drive single-minded and seamless implementation.

Brewing a Better Future Governance Model

Our governance model for Brewing a Better Future covers both global and local levels. In 2013, HEINEKEN updated the model at the global level. A Corporate Relations Committee (CRC) was formed to oversee a range of corporate areas, including sustainability. To demonstrate the global company's priority on sustainability-related issues, the CRC is chaired by our CEO and supported by other executive members. The Committee is responsible for delivering our plans and establishing clear functional ownership and alignment across the business.

At a local level, Nigerian Breweries has its own three-year plan and a local Brewing a Better Future (Sustainability) Committee responsible for the execution of our sustainability programmes. Our experience so far has demonstrated that this market-based approach is facilitating achievement of milestones. We believe that it will drive the realisation of our long-term aspirations.

Building Sustainability into Performance Plans

To further demonstrate the top priority position the company places on sustainability issues, Brewing a Better Future targets have remained an ongoing part of the key performance targets of our senior managers. It is one of the five merit areas for senior managers in their annual performance appraisal.

In 2013, most senior managers had a sustainability issue as one of their objectives. This objective was based on the four focus areas as well as the values and behaviours, which have in turn been created as objectives for each Operating Company and function.

Measuring Progress

Brewing a Better Future is one of the six Company strategic priorities. It, therefore, forms part of the Company

Scorecard used for measuring progress on each of these priorities. Using the 'Green Gauge', which is a dedicated measurement system, Nigerian Breweries measures the progress on each commitment across breweries and the head office.

Local Sustainability Reporting

As a major operating company of HEINEKEN, Nigerian Breweries was one of the 39 Operating Companies that published a sustainability report in 2013 based on the global approach. This is a demonstration of our commitment to transparency in reporting. Our reports can be viewed online on our website: www.nbplc.com. It is also available on the HEINEKEN's website: www.sustainabilityreport.heineken.com

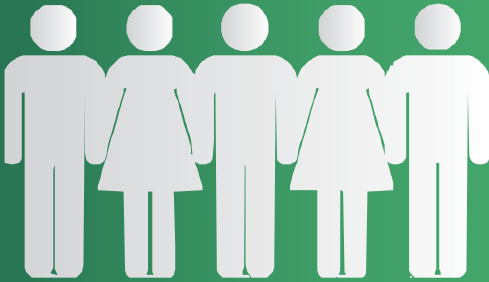


1 OF 39 HEINEKEN OPERATING COMPANIES THAT PUBLISHED A LOCAL SUSTAINABILITY REPORT



Stakeholder Engagement

Our stakeholders remain critical partners in our Brewing a Better Future journey. Their perceptions and comments for us are good pointers to the effectiveness of our strategies and where we need to make adjustments.



“To build mutual trust and understanding towards delivery of our sustainability commitments, we adopt a proactive, robust stakeholder relations process that is focused on shared value and transparency across multiple sections of our business publics.”

Kufre Ekanem
Corporate Affairs Adviser

Engaging with stakeholders

We desire to bring about positive systemic change in the lives of our stakeholders in a manner that will assist them contribute towards the wellbeing of the society. As a result, we continue to deploy proactive stakeholder engagement processes that promote excellent relationships with our stakeholders; regularly gauging their perception and opinion about us is part of that process.

We carried out a reputation research in 2013 to update information on the perception of our key stakeholders. The research focused on seven key dimensions which the company tracks to stay focused on our sustainability aspirations. Overall, the feedback from the reputation research received showed that Nigerian Breweries continues to enjoy a positive reputation and a high level of trust by the majority of our stakeholders. The research also showed that stakeholders were generally impressed with our achievements so far on the Brewing a Better Future journey.

During the year, we adopted a multi-stakeholder engagement approach to sustain a healthy relationship between the company and various stakeholders as well as clearly communicate our sustainability performance to them. These stakeholders include shareholders, host communities, customers, governments, the media, NGOs, trade associations and others.

In 2013, we strengthened our stakeholder engagement apparatus at all levels including our relationships with very senior government officials. The Executive Governors of two of our host states, Lagos and Abia - Governor Raji Babatunde Fashola, (SAN) of Lagos state and Governor (Chief) Theodore Orji of Abia state, visited our Lagos and Aba breweries, respectively. Such high-profile visits helped to increasingly engender mutual understanding and positive relationships.



250 **STAKEHOLDERS ACROSS NIGERIA TOOK PART IN OUR 2013 REPUTATION RESEARCH**



MD/CEO, Nigerian Breweries, Mr. Nicolaas Vervelde, welcomes His Excellency, Governor Babatunde Fashola, Executive Governor of Lagos State, to Lagos Brewery.



Chairman, Chief Kola Jamodu OFR and other top management officials of Nigerian Breweries Plc made a visit to the Honourable Minister of Agriculture and Rural Development, Dr. Akinwumi Adesina CON.



Brewery Manager, Mr. Ukeje Udah, played host to the Executive Governor of Abia State, His Excellency, Governor T. A. Orji, during his visit to Aba Brewery.



Kaduna State Governor, His Excellency, Governor Muktar Yero, hosted the MD/CEO of Nigerian Breweries Plc. Mr. Nicolaas Vervelde.

Nigerian Breweries' MD/CEO, Mr. Nicolaas Vervelde, visited the Executive Governor of Kaduna state as part of our proactive stakeholder engagement process. Kaduna state occupies a strategic position in our business as it plays host to two of our breweries – Kakuri and Kudenda.

In addition, the company participated in the corporate social responsibility roundtable discussions at the Lagos Business School in 2013 where thought leaders and captains of industry brainstormed on acceptable best practices for improved corporate social responsibility and sustainability.

Employee Social Responsibility

In line with the tenets of giving back to society, the Finance, ICT and Sourcing departments (FIS) of Nigerian Breweries in 2013 embarked on voluntary community services. The series of activities involved counselling of senior secondary school

students as well as donation of books and other materials. The team visited New Era Senior High School and Okesuna High School both in Lagos where they contributed towards the development of the education sector.

Going forward, the company will explore ways of enhancing awareness and encouraging participation of more employees in voluntary work in communities where we operate.

Working with Partners

Nigerian Breweries continues to proactively engage partners to facilitate the achievement of our sustainability agenda. In 2013, for the sixth consecutive year, we sustained our partnership with Farafina Trust, a non-profit literary foundation, in sponsoring the annual international creative writing workshop for young Nigerians with interest in writing and related fields. The workshop is designed, among other objectives, to develop the literary skills of talented youths.

We continued our collaboration with the African Arts Foundation in promoting arts in Nigeria through sustenance of the National Arts Competition.



OVER **500** EMPLOYEES
TOOK PART IN VOLUNTEERING ACTIVITIES

Investing in our Communities

As a demonstration of our commitment to significantly impact our host communities, a substantial part of our corporate social investments were directly focused on local communities. We are driven by our desire to create and increase value for all our critical stakeholders. We use the goodwill of our brand, good reputation and our economic position to empower stakeholders to use their talents and opportunities to contribute towards sustainable development.

Nigerian Breweries/Felix Ohiwerei Education Trust Fund Projects

Commissioning of a School in Kaduna



Commissioning of Urban Girls Secondary School, Fegge, Onitsha by Mr. Peter Obi, Executive Governor of Anambra State.

The Nigerian Breweries/Felix Ohiwerei Trust Fund continued to give support towards the development of the educational sector in Nigeria. We built and furnished 26 classrooms within six school blocks including four libraries and sanitary facilities in five communities. We also stocked the libraries with books. The projects included the reconstruction of Igbobi College, Yaba as well as donation of new classrooms with modern facilities to various schools.



St. Barnabas (CAC) Nursery and Primary School, Ajilosun, Ado-Ekiti

List of Beneficiary Schools

- Igbobi College, Igbobi, Yaba, Lagos
- Eric Moore Senior High School, Ifolo, Surulere, Lagos
- St. Banabas Primary School, Ado Ekiti
- Urban Girls Secondary School, Fegge, Onitsha
- Government Secondary School, Kudenda, Kaduna
- LEA Primary School, Trikania, Kaduna
- Osokwa Community Secondary School, Aba
- Anglican Nursery/Primary School, Ota, Ogun State
- Ansarudeen Grammar School, Surulere, Lagos

Investing in our Communities (Contd.)

Nigerian Breweries/Felix Ohiwerei Education Trust Fund Projects



Igbobi College School Block

The Nigerian Breweries/Felix Ohiwerei Trust Fund extended its social investments to other institutions in various parts of the country. These included the renovation of classroom blocks and donation of books to schools as well as the sponsorship of the career and guidance counselling programme, the Beyond the School initiative for senior secondary schools.



Students at the Beyond the School Programme

In 2013, our company sustained its career guidance and counseling programme tagged “Beyond the School” and extended it to Eric Moore Senior High School, Surulere, Lagos. The programme put together for students in public Senior Secondary Schools is designed to expose them to career options and factors they need to consider before making career choices. The initiative also helps students improve their reading habit and underpin the importance of reading in career goal achievement. The Beyond the School programme was introduced to complement other initiatives of the company targeted at developing the education sector.

Investing in our Communities (Contd.)

Healthcare Projects

C-T Scan Machine for St. Gerard's Hospital, Kaduna

The Computerized Tomography (C-T) Scan Machine for St. Gerald's Hospital, Kakuri, Kaduna donated by Nigerian Breweries will enable the hospital give a more precise, efficient, effective and prompt diagnosis of patients especially accident victims who would depend on the immediate C-T Scan review for their survival. This is important considering the long distance it usually takes to refer victims for such medical services elsewhere.



Nigerian Breweries through the Heineken African Foundation, have invested in various projects to improve healthcare delivery to stakeholders in different communities. These included the donation of a C-T scan equipment to St. Gerard Hospital in Kaduna state; school feeding programme for Central Primary School, Eke and Community Primary School, Ama Eke both in Enugu state; as well as renovation of Agbulu Pediatric ward at Ikorodu at the cost of N16m. In addition, the Jaundice in Babies Awareness (JIBA) programme in Amuwo Odofin and Ojo areas of Lagos state entered the second phase during the year. It is designed to create awareness, dispel myths around jaundice in the community and train primary nurses on how to screen newborn babies to identify those with the challenge.



Health Centre for Ezilama Community in Aba, Abia State

The upgrading of Ezilama Primary Health Centre in Aba North Local Government Area involved renovation of the entire complex and provision of medical and laboratory equipment including ultra-modern delivery couches, examination couch, autoclave and QBC analyzer.



Jaundice in Babies Awareness (JIBA) programme

The Jaundice in Babies Awareness (JIBA) programme in Amuwo Odofin and Ojo areas of Lagos state entered the second phase in 2013. It is designed to create awareness, dispel myths around jaundice in the community and train nurses on how to screen newborn babies to identify those with the challenge.

Investing in our Communities (Contd.)

Water Projects

Solar-Powered Borehole for Two Communities in Kaduna



Solar-Powered Borehole for Communities in Ibadan



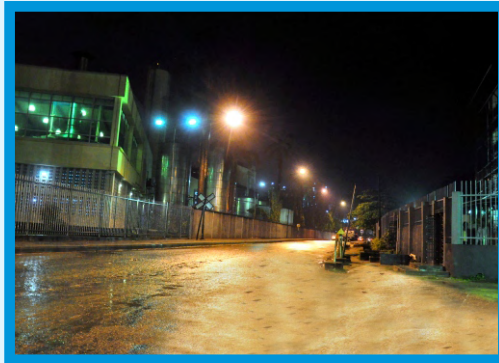
One of the basic needs of some of our host communities is access to portable water. In conjunction with the Heineken Africa Foundation, Nigerian Breweries continues to provide source of clean and hygienic water to some of its host communities. In 2013, we commissioned two solar-powered water boreholes and overhead storage tank for communities in Ibadan and Kaduna.



Commissioning of a solar-powered borehole for Triakania/Kudenda communities, Kaduna, by Mr. Kufre Ekanem, Corporate Affairs Adviser, NB, and Senior Special Adviser to Kaduna State Governor on Lands, Mr. Nuhu Dogo Makama.

Investing in our Communities (Contd.)

Infrastructure Support/Talent Development and Youth Empowerment



Street Light for Abebe Village Road

In 2013, we provided light for Abebe Village Road, Iganmu, Lagos. The entire stretch of the road is now fully lit at night to enhance visibility and security. We executed the project in collaboration with the Lagos State Electricity Board and the street light is fully powered to date from our Lagos Brewery.

We invested in other community development projects for the benefit of a wide range of stakeholders. We provided needed infrastructure such as street lights. We also sustained the sponsorship of the National Arts Competition and the Creative Writers Workshop as well as other youth empowerment initiatives.



Nigerian Breweries Sustains National Arts Competition
L-R, Babatunde Fowler, Azu Nwagbogu, Sesu Tilley-Gyado, (winner of the 2013 competition), Nicolaas Vervelde, MD/CEO, NB, and Prof. El Anatsui.



Creative Writers Workshop

We sustained the sponsorship of the Creative Writers Workshop in partnership with Farafina Trust Limited, to develop youth with talents in literary arts.

Other information

Benchmarks and Achievements

We are making steady progress towards the achievement of our 2020 targets in each of the four focus areas. Our key performance indicators reflect encouraging continuous improvements towards our long-term goals.

Pearl Awards for Sectoral Leadership

In 2013, Nigerian Breweries was once again honoured for its outstanding performance in the consumer goods sectoral group (Breweries) of the Nigerian Stock Exchange. We were presented with the 2013 Pearl Award for sectoral leadership for the 18th consecutive time. The Pearl Award recognises and celebrates corporate excellence among exceptional quoted companies based on performance and adherence to good corporate governance.

HEINEKEN Innovation Challenge Award

Nigerian Breweries' Low Energy Cooler won the Heineken Innovation Challenge Award for 2013. The competition which is an annual event was attended by 1000 visitors from all over the world including members of the Heineken family and Executive Board of HEINEKEN.

At the close of entries in January, 2013, our company had a record 649 ideas. Ultimately, the Low Energy Cooler won 31% of the votes to emerge winner. The Low Energy Cooler is designed in such a way that it only needs electricity for approximately 2 hours a day to generate cooling for a 24-hour period. During these 2 hours, an ice bank is created in the cooler, the coldness of which keeps the beer cold without electricity for 24 hours. The innovation guarantees a cold beer in a green way. This idea not only has great potential in African markets, but could also be a solution to providing consumers with great tasting cold beer 'on the go' in other parts of the world.

Lagos Brewery Wins HEINEKEN Most Improved Operations Award 2013

Lagos Brewery received the HEINEKEN Most Improved Operations Award for 2013. The brewery achieved the highest increase in its quality scores over the preceding year. The award is based on excellence in product and packaging quality, freshness, sales and distribution performance in the market. This commendable performance was acknowledged by the Chairman, Executive Board/CEO of HEINEKEN in a letter to our MD/CEO.



Corporate Affairs Adviser, Kufre Ekanem (middle) receives the Pearl Award for Sectoral Leadership.



Nigerian Breweries' Low Energy Cooler concept won the Heineken Innovation Challenge Award for 2013.



MD, Nicolaas Vervelde, TD, Henk Wymenga, Brewery Manager Lagos, Ethel Uche, Head Brewer, Lagos, Iyobosa Erhabor, and other Lagos Brewery staff celebrate the HEINEKEN Award.



Brewery Manager, Kaduna Brewery, Mr. Peter Ani, receives the 2013 AME Supply Chain Award from Mr. Marc Gross, Chief Supply Chain Officer.

Kaduna wins 2013 AME Supply Chain Award

Kaduna Brewery won the much coveted Africa and Middle East (AME) region supply chain award for 2013. The AME Supply Chain was introduced in 2008 to create a positive environment for performance improvement in cost, quality, safety, leadership and innovation. It was also to encourage mutual competition, recognise performance and celebrate success within the Heineken AME breweries.

The brewery led other breweries in the region in all the KPI's under assessment such as reductions in extract losses, water consumption, thermal energy and accident frequency. It also passed the pilot phase of the Total Production Management (TPM) to clinch the award.

NB won the 2nd Position in the World Day for Safety and Health at Work Competition

Nigerian Breweries won the 2nd position in the annual World Day for Safety and Health at Work competition among HEINEKEN Operating Companies. The World Day for Safety and Health at Work is a day set aside by the international Labour Organisation (ILO) to focus international attention on creating and promoting a sustainable health and safety culture that will reduce the number of work-related deaths each year.

Minister Commends our Sorghum Development Programme

The Honourable Minister of Agriculture and Rural Development, Dr. Adewunmi Adeshina, commended Nigerian Breweries for the company's commitment to the sorghum development programme, which he confirmed aligns perfectly with the Nigerian government's Agriculture Transformation Agenda.

He gave the commendation when a team of our company led by the Chairman, Chief Kola Jamodu, paid him a courtesy visit to present the Nigerian Breweries' sorghum success story. He described the sorghum initiative by our company as a model in public-private partnership as it fully complements government's effort in transforming the agricultural sector.

Our successes in safety, health and environmental (SHE) management is evident in our obtaining full certification by the International Standard Organisation (ISO) on Environmental Management System ISO 14001:2004.



In 2013, the company achieved certification on Occupational Health and Safety Assessment Standard (OHSAS) – 18000 for Lagos, Kakuri, Ibadan and Ama. We plan to certify the other breweries in 2014.

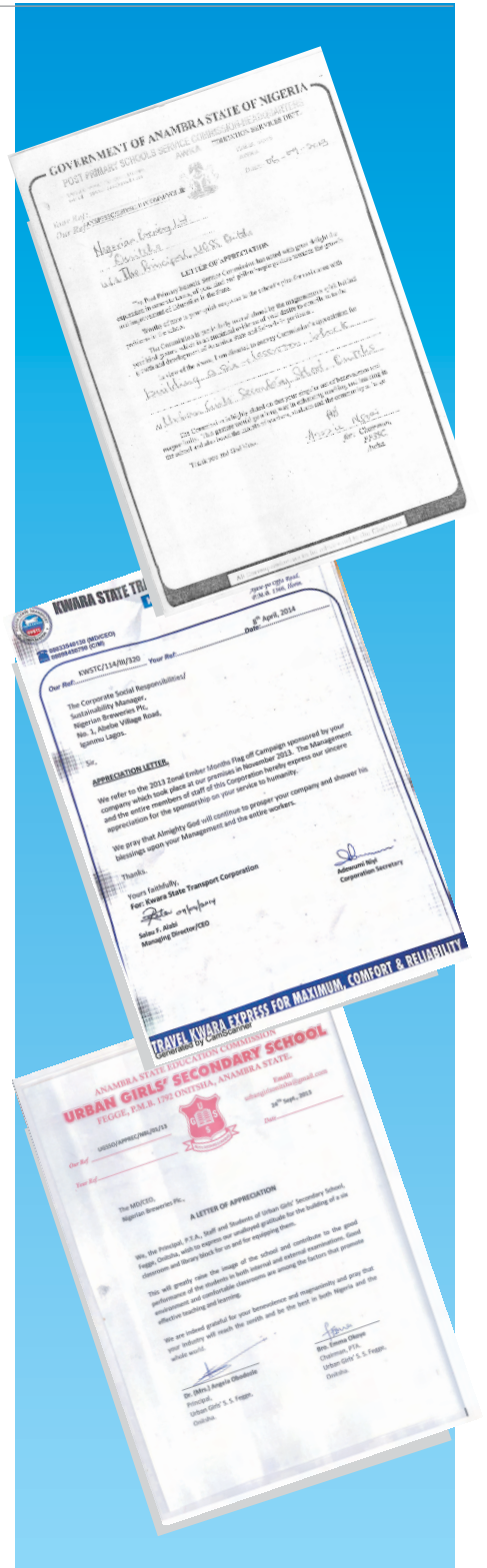


Other information

Other Achievements

- **Anambra State Government Appreciates Nigerian Breweries**
Nigerian Breweries received a commendation from the Anambra State Government for the implementation of various sustainability-related initiatives in the state. These included the support to the growth and development of the education sector in the state through the construction and donation of a six class room block to the Urban Girls Secondary School Onitsha.
- **Appreciation from Federal Road Safety Commission**
In 2013, the Federal Road Safety Commission sent a letter of appreciation to Nigerian Breweries for sustaining the sponsorship of the Don't Drink and Drive campaign for the fifth year. The Commission had been organizing the campaign rallies across the country as a partner with the company. The Commission also commended the company for facilitating their operations in the Lagos Sector Command with the donation of a new Hilux van.
- **Appreciation from Kwara State Transport Corporation**
The Kwara State Transport Corporation appreciated our company for the sponsorship of the Zonal flag off of the 2013, Ember Months Don't Drink and Drive campaign to enlightenment drivers on responsible drinking and the avoidance of drink driving.
- **Awards for Excellence in Corporate Governance**
As a mark of our good corporate governance and business performance in various spheres, we have consistently won the prestigious Nigerian Stock Exchange President's Merit Award for several years.

In 2012 and 2013, the company was honoured with the Nigerian Stock Exchange CEO's Distinguished Award (Compliance) for listed companies. The award was earned for timely filling of information with the Nigerian Stock Exchange as well as quick adoption of the International Financial Reporting Standards (IFRS) in the company's results and reporting.





About this Sustainability Report

This printed report summarises Nigerian Breweries progress on Brewing a Better Future in 2013. The data in this report refers to the consolidated interests of Nigerian Breweries Plc.

Let us know your thoughts

Which aspects of Brewing a Better Future are working well?

Where do you think we could do better?

We'd love to hear from you, because your feedback will allow us to learn and improve.

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About this Sustainability Report
 This printed report summarises Nigerian
 Breweries' progress on Brewing
 a Better Future in 2013.

For more information about Nigerian Breweries
 and our Sustainability journey visit:
www.nbplc.com

A Publication of Nigerian Breweries Plc

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Production

Corporate Affairs Dept
 Nigerian Breweries Plc.

Text

Corporate Affairs Dept
 Nigerian Breweries Plc/
 Raitas Communications
 Lagos

Graphic design and electronic publishing

Raitas Communications
 Lagos

Paper

Matt 250 gsm cover
 Matt 135 gsm inside
 pages

Published in August 2014

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The full and audited Sustainability Report 2013 for HEINEKEN is published online and includes detailed performance data, (moving) images and additional information like:

- 24 insightful case studies, covering our focus areas
- Detailed environmental data of our production units
- List of Operating Companies in scope
- Independent Assurance Report from KPMG
- Interactive GRI Table.

For HEINEKEN Global Sustainability Report 2013
visit: www.sustainabilityreport.heineken.com
theheinekencompany.com