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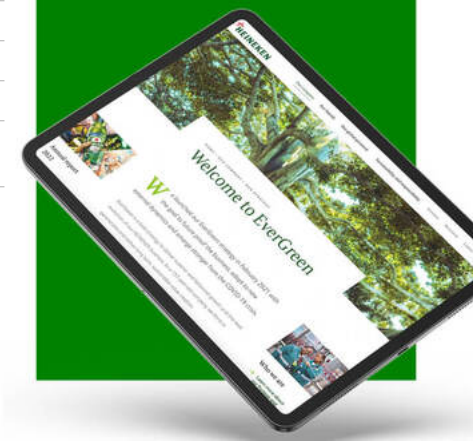
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The PDF and iXBRL viewer copy of the annual report of Heineken N.V. for the year 2023 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815).

The ESEF reporting package is available at:  
[www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations](http://www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations)

Find more information online at:  
**theHEINEKENcompany.com**





# Delivering our EverGreen strategy

Introduction

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## What are your top reflections over 2023?

After a strong 2022, 2023 proved to be challenging. I am proud of the resilience of our business and our people and encouraged by our progress on our EverGreen strategy. In 2023 we welcomed three new Executive Team members. Joanna Price joins us as Chief Corporate Affairs Officer, Bram Westenbrink as Chief Commerce Officer and Glenn Caton as President of the Europe region. Their fresh perspectives and immense combined knowledge and experience have already brought new insights and energy to the company.

We continue to make progress on our EverGreen priorities, while adapting to the macroeconomic and geopolitical volatility. We built on momentum across our five key strategic pillars: emphasising consumer and customer-centricity as we shape the future of beer and beyond; growing productivity and a cost-conscious culture; boosting decarbonisation of our production network globally; boosting digitisation of all our processes to become the best-connected brewer; and investing in our talent and capabilities to ensure a workforce that is highly motivated and capable, fostering the right culture and maintaining robust organisational health.

In this way we are future-proofing HEINEKEN as a learning, adapting and more agile company to deliver superior, balanced growth in a fast-changing world.

## What are the key highlights of EverGreen and your 2023 business performance?

This year we continued investing in our brands and capabilities. We gained or held volume market share in over half of our markets as volume performance moderately improved quarter by quarter. We exceeded our productivity commitments, delivering €0.8 billion of gross savings in 2023 and achieved operating profit growth in three out of four regions. We made excellent progress with our digital business-to-business platforms and now capture close to €11 billion of gross merchandise value. We increased our investments in our brands, capabilities, digital programs, and sustainability initiatives. We also further evolved our portfolio footprint with the acquisition of Distell and Namibia Breweries to form Heineken Beverages, a new beverages champion for Southern Africa, and exit from Russia in the third quarter.

Also this year, the Heineken® brand celebrated its 150-year anniversary and delivered another year of volume growth, driven by continued momentum of Heineken® 0.0 and Heineken® Silver.

## The beverage industry is evolving – how is HEINEKEN shaping the future of beer and beyond?

Our Dream is to shape the future of beer and beyond to win the hearts of consumers. With a long history as successful brand builders to pave the way, in 2023 we continued to invest in expanding growth opportunities beyond beer, experimenting with innovative product concepts and new brand propositions.

We aim to stay relevant to younger legal drinking age consumers with brands that embody authenticity, diversity and a strong desire for connection, such as Birra Moretti across Europe and Tiger in Asia Pacific. With our premium brands led by Heineken® targeting Gen Y consumers in many markets, our strategy remains focused on the fundamentals of delighting consumers to build brand power. We are increasingly building direct connections through premium digital, social and event engagements. In 2023 we continued to expand Heineken® Silver to more markets, specifically the US and Mexico. The support in the US culminated with the sponsorship of the F1™ first race in Las Vegas. Heineken® 0.0 grew in the double-digits in 16 markets, further consolidating its position as the #1 non-alcoholic beer brand globally.

We remain committed to win with our expanding portfolio of refreshing beyond beer brands. For instance, Tiger Soju, the smooth Tiger lager recipe infused with a touch of soju in a range of natural flavours, was launched in Vietnam and Singapore this year. Also this year, we further grew Zagg in Nigeria, a malt-based energy drink that provides a powerful functional offering: the benefits of malt on top of other energy boosting properties, differentiating us from traditional energy players. Red Stripe celebrated the launch of its new Rum Punch and Rum Mojito canned cocktails during the culmination of Caribbean-American Heritage Month. And for beyond beer in the no-alcohol space, Clash'd is our new soft drink from Brazil, crafted through an artisanal quality process which elevates the flavour.

***"I am proud of the resilience of our business and our people and encouraged by our progress on our EverGreen strategy."***

**Dolf van den Brink**  
Chief Executive Officer





## How did HEINEKEN create value through its strategic initiatives in 2023?

We measure progress on long-term value creation through our Green Diamond model. Its four quadrants – growth, capital efficiency, sustainability and responsibility, and profitability – guide us as we work towards our long-term ambitions. Our aim is to strike a balance between short-term delivery and long-term sustainability, between top-line growth and bottom-line value creation. Ultimately, we aim for long-term value creation.

For instance, this year we announced the investment in Mexico of €430 million to build a state-of-the-art brewery in the Yucatán, with focus on sustainable brewing practices and job creation, benefiting local communities with an eye on long-term value. HEINEKEN Mexico expects to create over 2,000 new direct and indirect job opportunities. We also further evolved our portfolio footprint with the acquisition of Distell and Namibia Breweries to form Heineken Beverages, a new beverages champion for Southern Africa.

Strong pricing to offset very high input and energy cost inflation and volatile macro-economic conditions in some key markets affected our volume momentum. Notwithstanding these difficult conditions, we continued investing in our brands and capabilities. We gained or held volume market share in over half of our markets as volume performance moderately improved quarter by quarter. We recorded operating profit (beia) organic growth in 3 out of 4 regions while we adapted to the challenges in Asia Pacific.

## How is HEINEKEN leveraging digital technologies and innovation to enhance its operations in 2023?

HEINEKEN has been proactively investing in digital technologies and innovations to enhance our operations in 2023. Data-driven insights and AI applications have been strategically deployed across the organisation. These technologies have significantly improved sales recommendations and enhanced brewery efficiency, contributing to a more streamlined and efficient experience for both our teams and customers.

For example, AIDDA, our AI application to advise sales, is now deployed in five markets where it can generate product recommendations, predict customer churn, identify price discrepancies, and suggest optimal sales routes among other features.

We have significantly stepped up our capabilities in eCommerce and data and analytics, capturing and organising our data in a more effective way that enables us to hone insights and unlock more value to the benefit of both our customers and HEINEKEN's sales organisation. We continue to expand our business-to-business digital (eB2B) platforms. By the end of the year the platforms had captured close to €11 billion in gross merchandise value, connecting with 700,000 active customers in fragmented, traditional channels. We progressed with the migration of our eB2B platforms under a single brand name and identity: eazle, business made easy. As we develop towards meaningful scale in our key markets, we aim to unlock better features, improved customer experience and increased efficiency.

## How is HEINEKEN progressing towards its Brew a Better World 2030 strategy and meeting its sustainability goals?

We are now three years into developing and executing our Brew a Better World 2030 strategy. We are learning as we implement at scale, understanding the enablers and challenges that need to be addressed and developing the right capabilities to deliver.

We reduced scope 1 and 2 emissions by 34% compared to the 2018 baseline. We are also driving progress on scope 3 by engaging strategic suppliers and using our scale to support their transition to renewable energy. Our 2030 ambition is to reduce water usage to 2.6 hectolitre per hectolitre (hl/hl) in water-stressed areas and 2.9 hl/hl worldwide. We have improved our global average water usage from 3.3 hl/hl to 3.2 hl/hl compared to last year. In addition, 28 of our 32 sites in water-stressed areas have now started water balancing projects and 28% of these sites are fully water balanced. We have grown from 19% women in our senior leadership in 2017 to 28% in 2023 (2022: 27%). Finally, 100% of our markets had a partnership in place to address the harmful effects of alcohol in 2023.

We will continue to leverage our brands to promote industry-leading messaging on responsible consumption and moderation. In 2023, HEINEKEN's net zero and FLAG (Forest, Land and Agriculture) targets were approved by the Science Based Targets initiative (SBTi).

## What initiatives has HEINEKEN implemented to promote diversity, equity, and inclusion within the company and its workforce in 2023?

Diversity, equity and inclusion is a key priority at HEINEKEN. Through unlocking the full potential of our people and organisation, we're on a journey to create a workplace and culture that attracts, develops and retains talent. In 2023 our focus remained on three core pillars: fostering courageous leadership, promoting an inclusive culture and creating equal opportunities.

We have set ourselves an ambition of reaching 40% of women in senior manager positions by 2030 and we are making strong progress. As of this year, 99.8% of our people managers globally have been trained on inclusive leadership. Also this year, we established a new Women in Supply Chain network, joining the likes of our Women Interactive Network and Women in Sales, global initiatives to level the playing field for women in leadership at HEINEKEN. Our multiple employee resource groups, including HOP (Heineken Open and Proud) Women and Allies, continued to thrive across functions and operating companies.

## What is the outlook for HEINEKEN?

As we continue to advance on our EverGreen journey, we remain committed to our medium-term ambition to deliver superior growth, balanced between volume and value, and to drive continuous productivity improvements to fund investments behind EverGreen and enable operating profit (beia) to grow ahead of net revenue (beia) over time.

Our volume performance at the closing of 2023 was under pressure from external factors, with a moderate sequential improvement quarter by quarter. For 2024, we expect the macroeconomic environment and geopolitical developments to remain a factor of uncertainty that may impact our business. In this context, our focus going forward will be on restoring our volume growth by continuing to invest behind our brands, innovations, commercial capabilities and route-to-consumer.

Overall, we expect to grow operating profit (beia) organically in the range of a low- to high-single-digit. The wide range corresponds to the volatility in geopolitical and economic conditions we have also witnessed in the past months and the fact that we will continue to invest behind EverGreen for long-term sustained value creation.

Wishing you all the joy of true togetherness in 2024!

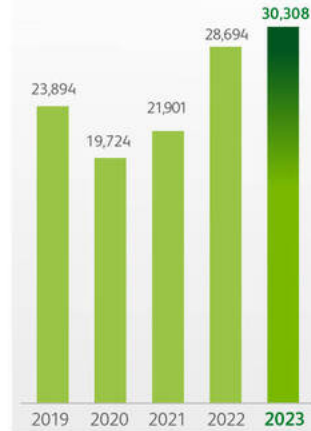




### Net revenue (beia)

in millions of €

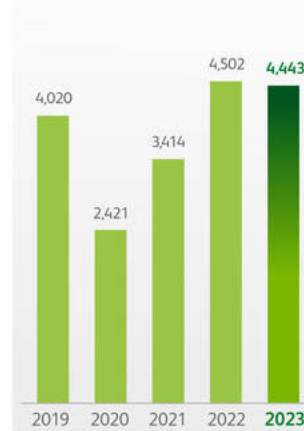
## €30,308m



### Operating profit (beia)

in millions of €

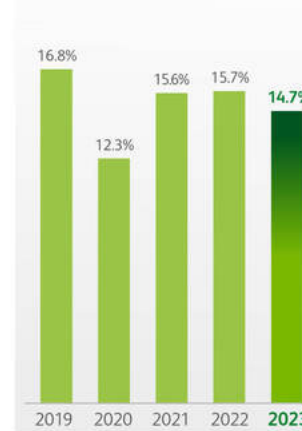
## €4,443m



### Operating profit (beia) margin

in percentages

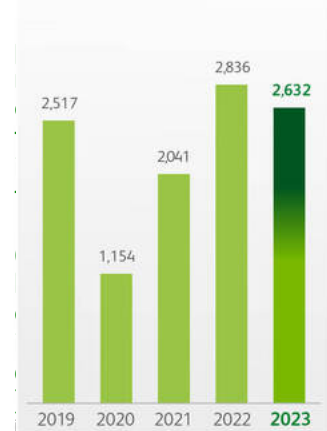
## 14.7%



### Net profit (beia)

in millions of €

## €2,632m



### Consolidated beer volume in millions of hectolitres

## 242.6mhl



### Heineken® volume in millions of hectolitres

## 56.3mhl



### Gender balance 28%

of our senior  
management positions  
were held by women

### Carbon emissions

## 34%

reduction of scope 1 and 2  
emissions vs. 2018



## 14%

of Heineken® media spend  
invested in our responsible  
consumption campaigns



### Average water usage (hl/hl)

## 36%

improvement  
compared to 2008

## Consolidated results

In millions of €	2023	2022	Change in %
Revenue	36,375	34,676	4.9%
Net revenue	30,362	28,719	5.7%
Net revenue (beia)	30,308	28,694	5.6%
Operating profit	3,229	4,283	(24.6%)
Operating profit (beia)	4,443	4,502	(1.3%)
Net profit	2,304	2,682	(14.1%)
Net profit (beia)	2,632	2,836	(7.2%)
EBITDA (beia)	6,541	6,444	1.5%
Dividend (proposed)	978	995	(1.7%)
Free operating cash flow	1,759	2,409	(27.0%)

## Balance sheet

In millions of €	2023	2022	Change in %
Total assets	55,153	52,406	5.2%
Shareholders' equity	20,056	19,551	2.6%
Net debt position	15,835	13,531	17.0%
Market capitalisation	51,852	50,621	2.4%

## Per share

	2023	2022	Change in %
Weighted average number of shares – basic	563,448,845	575,563,505	(2.1%)
Net profit	4.09	4.66	(12.2%)
Net profit (beia)	4.67	4.93	(5.3%)
Dividend (proposed)	1.73	1.73	0.0%
Free operating cash flow	3.12	4.19	(25.5%)
Shareholders' equity	35.60	33.97	4.8%
Share price	91.94	87.88	4.6%
Weighted average number of shares – diluted	563,979,620	576,026,120	(2.1%)
Net profit (beia) – diluted	4.67	4.92	(5.1%)

## Employees

	2023	2022	Change in %
Average number of employees (FTE)	89,732	86,390	3.9%

## Ratios

	2023	2022	Change
Operating profit (beia) as a % of net revenue (beia)	14.7%	15.7%	-103 bps
Net profit as % of average equity attributable to equity holders of the Company	11.6%	14.5 %	(2.9)
Net debt/EBITDA (beia)	2.4	2.1	0.3
Dividend % payout	37.2%	35.1%	2.1
Cash conversion ratio	61.4%	75.3%	(13.9)

<sup>1</sup> (beia) is before exceptional items and amortisation of acquisition-related intangible assets. Please refer to the Glossary section for an explanation of non-GAAP measures and other terms used throughout this report.





# Heineken®

- 1 **Dolf van den Brink**  
Chairman Executive Board and CEO
- 2 **Harold van den Broek**  
Member Executive Board and CFO
- 3 **Marc Busain**  
President, Americas
- 4 **Glenn Caton**  
President, Europe\*
- 5 **Roland Pirmez**  
President, Africa, Middle East  
& Eastern Europe
- 6 **Jacco van der Linden**  
President, Asia Pacific
- 7 **Bram Westenbrink**  
Chief Commercial Officer
- 8 **Joanna Price**  
Chief Corporate Affairs Officer
- 9 **Yolanda Talamo**  
Chief People Officer
- 10 **Magne Setnes**  
Chief Supply Chain Officer
- 11 **Ronald den Elzen**  
Chief Digital & Technology Officer

\* Glenn Caton succeeded Soren Hagh as  
President Europe as per 1 January 2024.

The Executive Team consists of the two members of the Executive Board, the four regional Presidents and five Chief Officers. Its members are accountable for the global agendas of their functions, working closely with our operating companies.

