



Increased scrutiny and expectations of society on multinationals

What could happen?

Public and employee scrutiny of HEINEKEN, should it not conform to society's expectations to mitigate our potential negative impacts on the world and maximise our positive contribution, can lead to significant reputational damage to the Company or to the brands.

Recent developments

Stakeholder expectations, including those of employees, towards corporate Environmental, Social and Governance (ESG) strategies and performance, are on the rise. At the same time, shareholders are concerned about the impact these expectations might have on the financial viability of the organisation.

Companies also face growing pressure to increase the positive contribution they make, including measures to address societal and environmental issues, and to share consistent and transparent information that allows stakeholders to assess their sustainability performance and benchmark them versus peers in their industry.

What are we doing to manage this risk?

At HEINEKEN, we are raising the bar. Our Brew a Better World 2030 strategy consists of three pillars and nine ambition areas, each with concrete, measurable goals. Brew a Better World remains our foundation and framework for collaboration with others, elevating our ambitions on climate, circularity, and water action. We are committed to translating this framework to drive delivery through focused actions aiming to achieve our environmental goals. We continue our efforts to support the social agenda and promote moderate consumption of alcohol.

The Green Diamond continues to guide us towards 'what winning looks like': we aim to strike the right balance between short-term delivery and long-term sustainability, between top-line growth and overall stakeholder value creation. 'Sustainability and Responsibility' is one of the four priorities alongside growth, profitability and capital efficiency.

We disclose our sustainability performance in a combined Annual Report, on our website and via social media channels. HEINEKEN monitors trends and developments in the ESG area across the globe, to make sure we respond adequately and in a timely manner to increasing societal expectations.

 [Explore further: Our EverGreen strategy, page 10; Our Brew a Better World pillars, ambitions and goals, pages 140-145; Brew a Better World strategy overview and links to CSRD, page 146-147; Interests and views of stakeholders, pages 158-159.](#)

Distribution channel transformation

What could happen?

The digital disruption is creating new routes to customers and consumers/shoppers, which is potentially a threat if we would be disintermediated and lose connection to transactions and consequently have less direct influence on customer buying behaviour.

Recent developments

New B2B and B2C players continue to enter the market although this has slowed down following increased financing cost. Some key consumer packaged goods players, including major competitors in our category, are accelerating their investments in the digitization of their route to market. Major online retailers continue to strengthen their omnichannel strategy, owning on- and off-line retail. Electronic point of sales systems are increasingly used to collect and leverage customer and consumer data.

What are we doing to manage this risk?

HEINEKEN has accelerated digitalisation in both fragmented trade and more traditional retail eCommerce. For fragmented trade we have shaped a clear vision, strategy and organisational set-up which is structured around the customer, powered by a future-fit technology strategy and a newly developed omni-channel ecosystem with our B2B platform eagle at the center. The goal is to create a seamless experience for our customers which will result in a strengthened customer relationship, more impactful customer promotions and more tailored advice.

The acceleration has resulted in significant scale of transactions on our owned digital platforms giving us in many markets an online leadership position, which happened in combination by a structural increase in the customer satisfaction scores (NPS). We are also constantly improving our e-retail capability level through clear playbooks and training methods. This supports our ambition to be the #1 partner of choice for our retail partners.

 [Explore further: Become the best-connected brewer, pages 26-29](#)

Information security

What could happen?

HEINEKEN's business increasingly relies on technology, both in the office environment and in the industrial control domain of its breweries. Failure of our systems as well as cybersecurity incidents could lead to business disruption, loss of confidential information, unauthorised access to our data, as well as a breach of data privacy regulations. All of this might lead to financial or reputational damage.

Recent developments

HEINEKEN's digital footprint is expanding rapidly, in line with the strategy to become the best-connected brewer. Our Company is and will be more connected with our customers, consumers, suppliers and employees than ever. Attacks are becoming more sophisticated and potential consequences are more punitive and destructive in nature.

A growing number of attacks, most notably increasing cases of malware and phishing, are actively blocked by our Cyber Defense Operations (CDO) team. Geopolitical tensions have led to an increase of hacktivism as well as a slow increase of cyber warfare activities. Both will increase the likelihood of a cyber incident. We observe an increase in cyberattacks on our customers as well as key suppliers leading to security of supplies concerns.

On top of this, regulations continue to place stricter security requirements on data processing by HEINEKEN and its ecosystem of partners.

What are we doing to manage this risk?

Cybersecurity remains a top priority within HEINEKEN. All functions collaborate closely to act promptly and aligned in case of cyber incidents at HEINEKEN or one of our suppliers or customers. The portfolio of cybersecurity initiatives, which is evaluated regularly, is executed to address cybersecurity threats in both our office systems and Industrial Control Domain. Our Cyber Defence and Operations teams monitor and act upon cyberattacks 24/7 globally.

Our main focus is to enhance the resilience of the current and future technology landscape of HEINEKEN, while continuously increasing employee security/privacy awareness. Mandatory trainings on Information Security are in place for all employees.

 [Explore further: Become the best-connected brewer, pages 26-29](#)

Digital transformation

What could happen?

In recent years, HEINEKEN has engaged in several significant digital transformation programmes. Our large number of operating companies and fragmented data and technology landscape represent specific challenges to these programmes. As we address this fragmentation by further centralizing technology solutions, there is an increased risk for IT continuity as an incident on these central systems will immediately impact multiple OpCos. Furthermore, the pace of change (e.g. disruptive technologies such as (Gen)AI) is constantly increasing. These strategic transformation programmes may not deliver the expected benefits or may incur significant cost or time overruns.

Recent developments

The world becomes more digital, and more (inter)connected. Data is more and more an asset and technological developments and its opportunities quickly evolve. HEINEKEN will need to continue to develop its capabilities to stay engaged with its consumers, seamlessly serve its customers and ensure its processes are as efficient as possible.

What are we doing to manage this risk?

The Digital and Technology Function, with representation on the Executive Team, has the objective to deliver business value through digital transformation of our route-to-consumer, while implementing a Digital Backbone to modernise and simplify our data and technology landscape across all operating companies. We are taking additional measures to address the continuity risk that the Digital Backbone brings due to further centralization.

The Global Transformation Office is put in place to ensure prioritisation, de-bottlenecking and value delivery across both the entire value chain and Operating companies. The Digital and Technology Function also continuously scans the external market for upcoming opportunities and threats as well as new technologies.

 [Explore further: Become the best-connected brewer, pages 26-29](#)