‘Brewing a Better World’ is the slogan of Heineken’s CSR approach. Sustainability is one of the company’s six strategic priorities, based on pillars such as protecting water resources, reducing CO₂ emissions, sourcing sustainably and advocating responsible alcohol consumption. Although closing loops is not specifically mentioned, the group understands that circular processes are an integral part of sustainability.

Circular economy is a well-known concept to the 150-year-old brewer Heineken, as Michael Dickstein, Director of Global Sustainable Development at Heineken, underscored. “Circular business is smart business. We have practiced this for years. The goal is to optimize processes and use resources in the most efficient and responsible way.” This starts with key ingredients such as barley and water. The residue that remains after the brewing process, called brewer’s grain, has been returned to the natural loop for years, to be used as feed for the local dairy cows. “Waste water, yet another example, is purified and directed to the surface water. And the sediment is taken to biogas plants that generate the power for our brewing process,” according to Dickstein.

Heineken bottle
Circular processes are also applied in packaging; by means of barrels, kegs and tanks for the hospitality industry and by means of returnable bottles for Heineken and other brands. The lion’s share of beer that is sold in Dutch supermarkets, for instance, is bottled in these return bottles. They are refilled some twenty to thirty times. Large brands such as Heineken and a local premium called Brand have their own bottles. Other brands use the standard Dutch return bottles. All are part of a pool for returnable packaging material. “The beer bottle is the only one of a hundred fifty thousand packaging items in Dutch supermarkets that is actually refillable,” recounted Bas Stok, Sustainability Manager at Heineken Nederland. “In the past, more products were sold in refillable containers – think of milk bottles as an example – but they have all disappeared from the supermarket shelves.”

Value
For Heineken, keeping the value of the material – such as barrels, kegs, beer tanks and glass – as high as possible is where the art comes in: the more refills, the better. Old and broken bottles can be recycled into new glass applications or new bottles. Stok said: “To me, the circular concept consists of recycle, reduce, renew and reuse. We want the materials that we use to be part of a loop as far as possible. That is why we have intensified our cooperation...
with partners, including packaging suppliers and waste processing companies.”

Beyond purely environmental objectives, eco-efficiency is another reason why Heineken pursues the use of returnable bottles and packaging materials. Single-use containers can be twice the price of refill containers. In 2012, Heineken switched from brown bottles to green bottles in the Netherlands. Dickstein explained: “We wanted to create a uniform global identity for the Heineken brand. In addition, the new bottle was lighter in weight which allowed us to reduce direct material costs and transportation costs. The positive impact on our footprint was an additional bonus.”

**Bottles**

Heineken annually refills over 100 million bottles in the Netherlands alone. On a global scale, the company achieves a recycling rate of close to fifty percent. Dutch consumers return as much as 97 percent of the beer bottles to the retailers, where they are collected by the brewery’s own collection and recycling service. Heineken cleans the bottles and refills them with beer. Stok argued that this closes the loop in the Netherlands. The return system functions properly also in Central Europe as well as in many countries on the African continent, including in Rwanda, DR Congo and Burundi. In export markets such as the US and the Caribbean region, it is more difficult at times, particularly in areas with a less effective infrastructure for collection and processing. Dickstein commented: “In those markets, we gather information about the waste treatment flows and link up with local initiatives. In France, for instance, we have installed crushers at catering establishments to pulverize the bottles so that the glass can be recycled. This is a real opportunity for our on-trade customers as it reduces their volume of waste and as a consequence, the amount of waste levy they have to pay.”

**Cans**

As for the situation in the Netherlands, even though there is no returnable deposit system in place for beer cans, Heineken is very satisfied with the recycling rate, as it recently went up to 94 percent. “The quality of the waste treatment plants has improved significantly. They are now able not only to remove steel from residual waste, but aluminum as well. There is a growing market for such resources,” according to Stok.

**Innovation**

Although the beer bottle loop may be closed in the Netherlands, for all intents and purposes, Heineken continues to focus on circularity. Circular principles are included in the innovation policy. Product specifications are drawn up for the specific purpose of encouraging suppliers to apply ecodesign concepts. Dickstein explained: “This is a task we share with suppliers. We respond to their strategy, and we challenge them as well.” Stok added: “We encourage transportation companies to switch to electric vehicles, and we ask packaging manufacturers to base their designs on lightweight monomaterials.”

Moreover, Heineken would like the public sector to promote the circular economy, implementing incentives rather than regulatory policies. Stok stated: “In 2016, the European Commission will present an extensive policy package: the Circular Economy Package. This concerns aspects including ecodesign and packaging.
Rules and regulations can be effective in promoting circular processes. However, rules and regulations can also curtail your innovative edge. So we will keep monitoring these developments carefully.”

Consumers
Over 60 percent of Heineken’s carbon footprint is generated at customers’ locations and in the homes of consumers. One example that comes to mind is litter. “Unless consumers are responsible about discarding used packaging, the effect of our efforts will be limited,” according to Stok. “Behavior change remains a major challenge. We respond to this by partnering with Stichting Nederland Schoon (Keeping the Netherlands Clean Foundation). In the past, we have also used marketing tools to generate exposure for surprising awareness-raising campaigns. In addition, all of our labels bear the well-known recycling symbol.”

Other green initiatives are included in the marketing communication as well, for that matter. This applies, for instance, to the solar panels on top of the roof of Heineken breweries such as the one in ‘s-Hertogenbosch in the Netherlands. The link that the advertising campaign for Wieckse Witte made with this type of renewable energy proved to be a resounding success. In the first year after publication, their market share increased by 11 percent.

Message
Heineken’s view is that every green investment should add value – by reducing costs, for instance, or by mitigating risks, or by creating new commercial opportunities. That is the main message Dickstein wants to convey. “Business is about added value. All levels of our organization are linked to our sustainability agenda and to indicators that are carefully measured. Three times a year, we report our findings to the Executive Team and to the internal network of sustainability coordinators. In our 2014 sustainability report, we have disclosed the figure of 75 million euros of savings by using less water and energy.” Stok added: “We are making significant progress in the development towards circular processes, by remaining true to our core values and leveraging our strengths. Our main strengths are twofold: we have the skills and resources to brew a fabulous product, and we excel at marketing this product.”

Sustainable agriculture
Collaboration is an essential condition for enhancing sustainability in supply chains. By 2020, Heineken aims to procure 50 percent of its raw materials from sustainable sources. Dickstein explained: “Most of the barley we use in many breweries is sourced in Northern France. We pursue the goal of sustainable agriculture by cultivating the available farm land with the utmost care. For this reason, we increasingly work with cooperative farmers’ associations who apply the Sustainable Agriculture Initiative method, a crop rotation method that prevents soil depletion.” In the Netherlands, the Veldleeuwerik Foundation even goes one step further. “Seventy farmers supply us with 8,000 tons of sustainably grown barley for the production of 200,000 hectoliters of beer. In return, we provided the funding for the purchase of flower seeds to be planted at the edges of their fields to promote biodiversity,” according to Stok. This is Heineken’s way of pursuing the goal of ‘sustainable business practice – from barley to bar’.