Who Aro

Brew A Better World

Over the past decade, we have been guided by HEINEKEN's global Brew A Better World sustainability strategy. This strategy has driven us to deliver on our commitment as a responsible and progressive brewer, working towards protecting our planet, growing our people and supporting local communities – all with a focus on delivering the United Nations Sustainable Development Goals (SDGs).

In our 2020 Annual Report, we had reported strong progress on all key indicators against our 2020 targets in the areas of protecting water resources, reducing CO₂ emissions, sourcing sustainably, advocating responsible consumption, promoting health and safety, and growing with communities. We know we can only thrive if our planet and communities thrive. For this reason, in 2021, we announced our Brew A Better World 2030 ambitions, a new set of ambitious commitments aimed at driving

a positive impact on the environment, social sustainability and the responsible consumption of alcohol.

Our Brew A Better World 2030 ambitions are woven into the fabric of a balanced growth strategy, putting sustainability and responsibility front and centre as we write our next growth chapter. Our 2030 ambitions raise the bar across three pillars, nine ambition areas and 22 commitments.

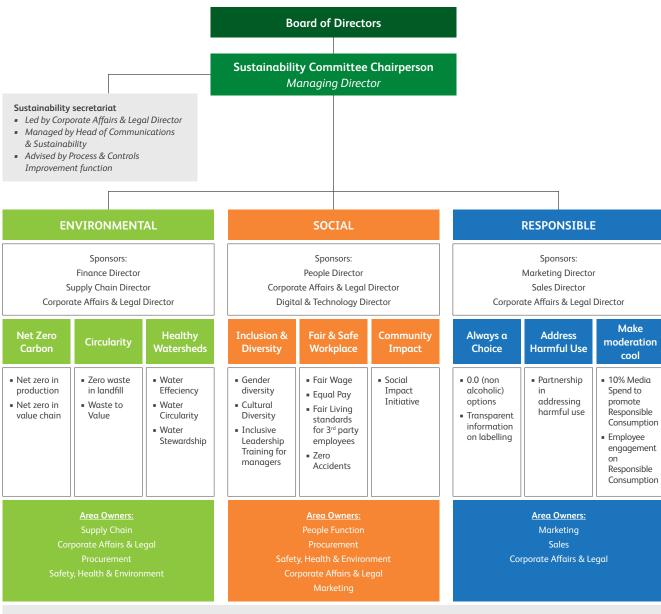
Transparency is key and we have disclosed our sustainability efforts in line with the Global Reporting Initiative (GRI) and Climate Disclosure Project (CDP) for many years. In 2021, HEINEKEN Global committed to the World Economic Forum's (WEF) Stakeholder Capitalism Metrics and to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which aim to advance global efforts to improve quality and consistency of climate-related disclosures.



Brew A Better World

Sustainability Governance

In line with our Brew A Better 2030 sustainability commitments, we have refreshed our sustainability governance structure that comprises key stakeholders across various functions. HEINEKEN Malaysia's Sustainability Committee is chaired by the Managing Director, supported by a secretariat led by the Corporate Affairs & Legal Director, and comprising sponsors and area owners from functions across the business who are responsible for driving progress against our sustainability targets.



SPONSORS ROLE

- Review quarterly progress of respective pillars in line with HEINEKEN's global Brew A Better World 2030 commitments
- Provide direction to respective area owners on roadmap towards achieving the targets
- Ensure sufficient resources to enable success in respective pillars
- Support people development with necessary competencies and coaching in respective areas

WhoOur BusinessPerformanceSustainabilityHow We AreOur Numbers & OtherWe AreModelReviewReviewGovernedInformation

Brew A Better World

Stakeholder Engagement

Our stakeholders are important to our sustainability journey. Through engagement and communication, we are able to work towards delivering our Brew A Better World commitments supported by cross-functional collaboration and partnerships with external stakeholders.



Brew A Better World

Our engagement with key stakeholders and communication strategies to address our materiality are as below.

WHO WE ENGAGE	HOW WE ENGAGE	OUR FOCUS	MATERIALITY
Regulators and Public Authorities	 Courtesy visits Dialogue sessions Workshops and training Regular scheduled meetings Round-table discussions Industry and F&B sector engagement via chambers of commerce and trade associations 	 Industry issues Excise duty Licensing and regulatory matters Anti-contraband initiatives Support for business operations 	Regulatory compliance Economic impact and tax Business continuity
Employees	 Online communication platform – Workplace by Facebook Employee Pulse Survey Employee Climate Survey Quarterly town halls Meetings with Union employees Flexible and open workspace Management Team meetings Leadership Team meetings Union Work-Site Committee engagements Department meetings On-boarding program for new employees Employee engagement gettogethers Annual Dinner Festive get togethers Inclusive Behaviours workshops 	 Safety and health Alignment on business strategy, direction and goals Industrial relationship management Talent development Cross-function collaboration Employee engagement and team morale Employee wellbeing Productivity Addressing grievances Whistleblowing (SpeakUp) Responsible consumption 	Responsible marketing and consumption. Human capital development Industrial relations Human rights
Suppliers	 Compliance with HEINEKEN Supplier Code Supplier meetings Vendor registration briefings/ requirements 	 Safety and health Anti-bribery and corruption Cost and value 	Product safety, quality and hygiene Regulatory compliance Human rights Supply chain management
Customer / Trade partners	 Trade partner engagements Distributor engagement sessions One-on-one engagements Joint business planning/review meetings 	 Business strategy and targets Identification of areas for improvement 	Responsible marketing and consumption Regulatory compliance

Who We Are Our Business Model

Brew A Better World

WHO WE ENGAGE	HOW WE ENGAGE	OUR FOCUS	MATERIALITY
Media/Analysts	 Media briefings Media interviews Media visits Product launches Brand marketing campaigns 	 Strategic direction and business performance Sustainability agenda Brand activities 	Regulatory compliance Economic impact and tax Community investment and development Responsible marketing and consumption
Shareholders and investors	 Annual General Meeting Investor Relations enquiries Enquiries to Company Secretary Analysts and media briefings Investor calls/meetings Quarterly financial announcements via Bursa Malaysia Annual Reports Investor Relations section on corporate website 	 Strategic direction and business performance Business strategy and targets Shareholders' returns Sustainability agenda 	Economic impact and tax Responsible marketing and consumption Regulatory compliance
Industry associations	Engagement sessionDialogue sessionsRegular scheduled meetings	Industry issues	Regulatory compliance Economic Impact and Tax
Consumers	 Brand events Social media campaigns Product sampling Consumer research interviews and focus groups Virtual consumer engagements 	 Brand campaigns and engagement activities Responsible consumption campaigns Product quality and freshness Consumer attitude and behaviour 	Responsible marketing and consumption Product safety, quality and hygiene
Communities	 SPARK Foundation activities NGO partner activities Community engagement programmes Fundraising initiatives Community events 	 Environmental conservation projects Water stewardship projects Fundraising for schools via Tiger Sin Chew Chinese Education Charity Concert HEINEKEN Cares community food aid programme 	Community investment and development

ENVIRONMENTAL SUSTAINABILITY	OUR 2021 PROGRESS	OUR BREW A BETTER WORLD GLOBAL COMMITMENTS
REACH NET ZERO CARBON EMISSIONS	15.7% reduction in CO ₂ emissions compared with 2018 baseline	Net zero emissions in production by 2030
	Carbon footprint for emissions beyond our production being assessed with aim to identify suitable pathways to net zero across the value chain.	Net zero across the value chain by 2040 30% absolute reduction by 2030
MAXIMISE CIRCULARITY	Zero waste to landfill achieved since 2017.	Zero waste to landfill for all production sites by 2025
	Circularity strategy and targets under development.	Turn waste into value and close material loops throughout the value chain
TOWARDS HEALTHY WATERSHEDS	Fully water balanced since 2020. In 2021, we achieved 289% of our water balancing target.	Fully balance* water used in our products in water-stresssed areas * For every 1 litre of water in our products, we aim to balance 1.5 litres of water through water stewardship projects.
	Average water usage of 3.65 hl/hl. Efficiency of water use was impacted by the 11-week suspension of operations at the Sungei Way Brewery due to the Government's Movement Control Order.	Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl globally
	100% of wastewater is treated beyond the standards required by the Department of Environment (DOE).	Treat 100% of wastewater of all breweries

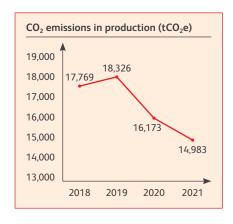
Net Zero Carbon

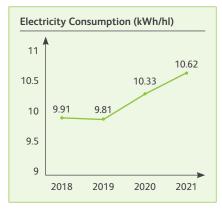
In 2021, we announced our target to reach net zero emissions in production by 2030. The main contributors to emissions in production are electricity consumption and thermal energy generation. During the year, the Sustainability Committee worked on a net zero roadmap that aims at reducing 50% of CO₂ emissions in production by the year 2025 compared with our 2018

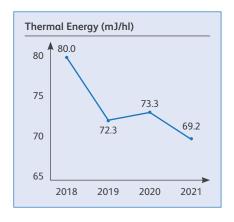
baseline. Our decarbonisation strategy for the years ahead will bring together a combination of innovations and options that will increase the share of renewables in our energy mix, whilst aggressively improving energy efficiency to manage our consumption.

We are happy to report that the total CO_2 emissions in production at our Sungei Way Brewery in Petaling Jaya have reduced by 15.7% to a 14,983

 tCO_2e compared with our 2018 baseline of 17,769 tCO_2e . Electricity consumption was marginally higher at 10.62 kWh/hl compared with 10.33/hl in 2020 due to the 11-week suspension of operations that impacted energy efficiency. Thermal energy efficiency improved by 5.5% to 69.2 mJ/hl in 2021 from 73.3 mJ/hl in 2020. This was attributed to the improvements in piping insulation that reduced losses significantly.







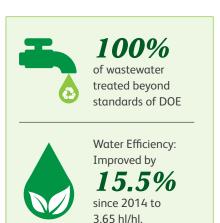
Zero Waste to Landfill

Since 2017, we have practiced zero production waste to landfill. We continue to recycle and upcycle production waste including spent grains, spent yeast, rejected malt, spent kieselguhr, and other materials including cartons, glass and mixed steel scrap. Such waste are managed responsibly through licensed waste management partners. In 2021, we generated a total of 23,834 tonnes of waste, of which 100% were recycled.



Towards Healthy Watersheds

Water is a shared resource that must be protected. Based on projected demand, the world will face a 40% shortfall in freshwater supply within 10 years. HEINEKEN's water strategy is aimed at addressing our water vulnerabilities, especially in water-stressed areas. We believe our long-term impact will be created by adopting three key principles of our water triangle: Water Stewardship (restore watersheds to absorb more water), Water Circularity (treat wastewater and reuse water) and Water Efficiency (using as little water as possible).





Our 2030 water strategy, Towards Healthy Watersheds, looks beyond traditional water metrics and prioritises the health of local watersheds, especially in water-stressed areas.

Our Commitments



Water **Effeciency**

Reduce average water usage to 2.6hl/hl in water-stressed areas and 2.9 hl/hl worldwide by 2030



water **Circularity**

Treat 100% of wastewater of breweries by 2023

Maximise reuse and recycling in waterstressed areas by 2030



Water **Balancing**

Fully balance water used in our products in water-stressed areas by 2030, through water balancing programme and collective action



Water Stewardship

Our goal is to balance the equivalent amount of water used in our products by investing in water stewardship projects that conserve our watersheds. For every 1 litre of water in our beers and ciders, we have a target to balance 1.5 litres of water in the environment. We reached this goal in 2020 and we are happy to report that we have maintained this achievement in 2021, balancing 289% of the targeted volume during the year. Our water balancing volumes are quantified and verified in line with the Volumetric Water Benefit Accounting (VWBA) framework by the World Resources Institute. The volumetric benefit evaluation is independently verified by LimnoTech, a leading water sciences and environmental engineering firm based in the United States.

Our key projects include:

- Rehabilitation and conservation of Sungai Way, a river that flows adjacent to our brewery in Petaling
- Construction and maintenance of a 305-metre clay dyke at the Raja Musa Forest Reserve
- Installation and maintenance of rainwater harvesting systems for communities in Selangor
- Reforestation of degraded peatland at the Raja Musa Forest Reserve

HEINEKEN Malaysia Target:

Balance Volume (m³) = Water Intake (m³) - Treated Effluent (m³)

Balancing amount to be more than water used in our products

1 litres of water per litre produced plus unavoidable losses from evaporation and moisture included in by products like spent grains (~0.5 litre per litre)

Target Water Balancing 2020 (1.5 x water used in our products)



Watershed supplies water to communities and industries



Water consumption for production activities

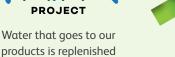


100% of wastewater treated beyond standards of DoE









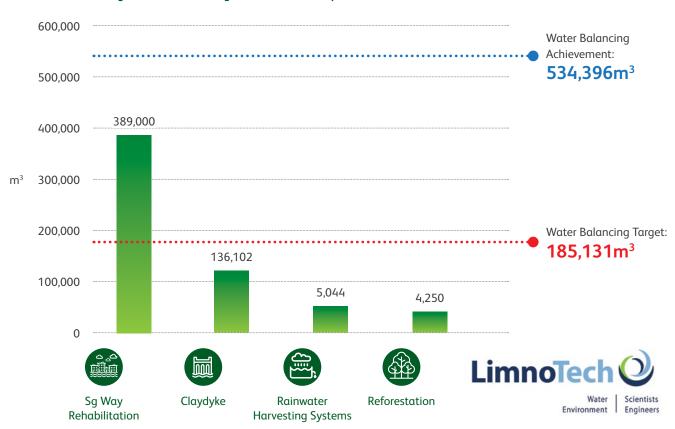


Long term watershed health protection

through water balancing programme. 1.5 litres of water is replenished for every 1 litre

2021: Achieved 289% of target water balancing volume

2021 Water balancing achievement through Water Stewardship initiatives



Water Balancing volumes are measured & quantified in line with the Volumetric Water Benefit Accounting (VWBA) framework by the World Resources Institute.

HEINEKEN Malaysia's water balancing volumetric benefit evaluation is independently verified by LimnoTech, a leading water sciences and environmental engineering consulting firm based in the United States.



Sungai Way River Rehabilitation

WHERE



Sungai Way river Petaling Jaya

WHY

Located next to HEINEKEN
Malaysia's Sungei Way Brewery, this
is where our

treated wastewater is discharged

WHAT

Transformed

water quality from Class IV-V (extremely polluted) to Class III (suitable for living organisms)



VOLUMETRIC WATER BENEFIT

389,000 m³ (389 million litres)

RESULTS

Reduction in pollution

 Improved habitat and biodiversity



HOW

- Pollution reduction: point source mapping, rubbish traps, solid waste monitoring
- Water quality improvement: food oil grease (FOG) traps systems and biological treatment
- River within river concept/Constructed wetlands to improve quality of water in the river



Construction of Clay Dyke for Water Retention

WHERE



Raja Musa Forest Reserve

Hulu Selangor

WHY



as a key water resource

WHAT

Constructed

305-metre

at Raja Musa Forest Reserve



VOLUMETRIC WATER BENEFIT

136,102 m³ (136 million litres)

RESULTS

- Increase in soil water retention
- Decrease in the risks of peatland fires
- Restoration of peatland, contributes to the long-term sustainability of the watershed



- Built 4-5 meters vertical wall of clay below the peat surface to prevent peatland fires by promoting wetter soil conditions
- Blocks water flow from the peatlands into disused mining ponds, effectively raising the water table in the areas upgradient to the dyke





Rain Water Harvesting for Local Communities

WHERE



Klang Valley WHY

Help communities

get access to alternative water sources to reduce reliance on treated water



WHAT

Rainwater Harvesting System

consists of an interconnected rooftop area that serves as a catchment for the rainwater and storage tanks to collect and store rainwater

VOLUMETRIC WATER BENEFIT

5,044 m³ (5 million litres)

RESULTS

- Reduced demands on treated water source
- Rainwater harvesting systems are linked to 10 community farming projects which helps in supplementing income and food

HOW

- The rainwater collected serves as non potable water supply including cleaning, landscaping and irrigation
- Increase water availability in the local community to reduce wastage on treated water and stress on our water resources





Reforestation of Degraded Peatland

WHERE



Raja Musa Forest Reserve

Hulu Selangor

WHY

Prevent peatland fires

by promoting wetter soil conditions



W/HAT

600 trees planted

and maintained on one hectare of degraded peatland. In December 2021, we reforested an additional 1-hectare of degraded peatland. The water benefit from this additional 1-hectare will be accounted for the year 2022.

ear 2022.

VOLUMETRIC WATER BENEFIT

4,250 m³ (4 million litres)

RESULTS

- Offsets 2,000 tonnes of soil carbon
- Prevent further degradation of the peat
- Increased soil water retention



HOW

- Open planting techniques
- Cleared invasive weeds and plants



Social Sustainability

SOCIAL SUSTAINABILITY	OUR 2021 PROGRESS	OUR BREW A BETTER WORLD GLOBAL COMMITMENTS
EMBRACE INCLUSION 50% women in HEINEKEN Malaysia's Management Team.		Gender balance: 30% women across senior management by 2025 40% women across senior management by 2030
	80% of people managers trained in inclusive leadership.	100% people managers trained in inclusive leadership by 2023
A FAIR & SAFE	100% assessments completed.	Fair wage for employees: close any gaps by 2023
WORKPLACE	100% assessments completed and action plan defined.	Equal pay for equal work: assesssments and action by 2023
	1 accident, 0 fatalities in 2021. Continual trainings on HEINEKEN Life Saving Rules to increase awareness and compliance amongst employees and contractors.	Create leadership capacity to drive zero fatal accidents and serious injuries
POSITIVE IMPACT IN OUR COMMUNITIES	 2 social impact initiatives: Tiger Sin Chew Chinese Education Charity Concert HEINEKEN Cares community food aid programme 	A social impact initiative in 100% of markets by 2030

Embrace Inclusion & Diversity

At HEINEKEN, we believe that embracing inclusion and diversity sparks joy and fosters a sense of true togetherness. Our core value of care for people drives us to seek deeper connection with our increasingly diverse employees, consumers and customers. We employ, reward and promote, based on the principle of equal opportunity. We are building an inclusive culture, ensuring our people feel a strong sense of belonging, providing fair and progressive policies as well as listening and dialogue sessions.

In 2021, we trained 80% of our people managers on inclusive leadership behaviours and we are on-track to ensure 100% of people managers are trained by 2023. To foster a culture of inclusion, functional leaders were supported by I&D Ambassadors who listen directly to employees to understand views and inspire action.

Despite the continued challenges of COVID-19 restrictions, we kept our One Strong Winning Team engaged throughout the year, leveraging digital platforms during times of lockdown and bringing back certain physical gatherings whilst observing strict SOPs on testing and social distancing. Our office-based teams continued working on a hybrid, split-teams arrangement to allow everyone back to the office on a rotation basis, whilst ensuring we continued minimising the risk of workplace transmission and the formation of workplace clusters. The results of our 2021 Climate Survey indicate that our people have adapted well to this new normal.



80% of People Managers trained on Inclusive Leadership

Climate Survey Scores 2021:



Employee Engagement 84% (+2% vs 2020)



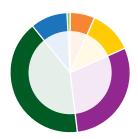
Performance Enablement 80%

Social Sustainability

In terms of gender balance, HEINEKEN Malaysia has a 57:43 male to female ratio at the Board of Directors level, exceeding the 30% target set by the Government. We have a Management Team that has 50:50 representation, whilst middle to senior managers have a 55:45 male to female ratio.

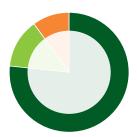
GENDER BALANCE: Board of Directors	57:43
Management Team	<i>50:50</i>
Middle to senior managers	55:45

AGE GROUP



	By age	No. of employees
•	>55	35
-	50-55	59
•	40-49	152
•	30-39	209
•	25-29	51
•	<25	4

LONG SERVICE AWARDS



•	10 years	23	
•	25 years	4	
•	35 years	3	

A Fair & Safe Workplace

Safety continues to be a key priority at HEINEKEN Malaysia. In support of the Government's drive to vaccinate the population against COVID-19, we encouraged all employees and contractors to be fully vaccinated through the National COVID-19 Immunisation Programme (PICK), the Public-Private Partnership COVID-19 Industry Immunisation Programme (PIKAS), or the AstraZeneca Voluntary Opt-in Programme.

In addition to this, we have been implemented a rigorous process to proactively screen for and prevent the spread of COVID-19 at the workplace. Besides fully complying with all required SOPs by the Government, we test our on-site employees and contractors on a bi-weekly basis. Our operations are highly

automated, thus requiring only a minimal number of workers to handle systems and machines on our a 23.72-acre site and allowing physical distancing of at least 10 metres between operators. With no visitors allowed to our brewery, we effectively created a workplace bubble comprised of essential workers who are critical for production operations. This method ensured zero workplace cluster during the year and demonstrated that our industry can indeed operate safely.







Supports

jobs indirectly

Contributed

in taxes

Social Sustainability

Our employees are also educated on the HEINEKEN Life Saving Rules, which set out clear and simple 'Do's' and 'Don'ts' for our highest risk activities. These rules must be followed by employees across our operations. In 2021, although we had no fatalities, we reported one accident involving an employee. Although this is an improvement compared with the 9 accidents recorded in 2020, we are still committed to ensure zero accidents and ensure the wellbeing of every individual.



Positive Impact in our Communities

As a responsible and progressive brewer, we work to be a positive force for change. Our business cannot thrive unless the communities we operate in thrive also. Our biggest contribution to the social and economic well-being of communities is through our core business – the jobs we create, the businesses we support and the taxes we pay.



Social Sustainability

Tiger Sin Chew Chinese Education Charity Concert

After a pause in 2020 due to the COVID-19 pandemic, our long-standing social impact project Tiger Sin Chew Chinese Education Charity Concert returned in 2021 as a virtual event, successfully raising RM5.96 million for five schools. Since 1994, Tiger Beer together with Sin Chew Daily and Guang Ming Daily have helped to raise more than RM361 million for schools in Malaysia. The concerts and events, which are sponsored by Tiger Beer, become a platform for local businesses and communities to come together and raise funds to help schools improve their facilities.



HEINEKEN Cares



In 2021, we launched the HEINEKEN Cares programme, pledging 150,000 meals to vulnerable communities across Malaysia to help mitigate the negative impacts of a prolonged COVID-19 lockdown. The pandemic had taken a toll on many communities, leaving many families without stable income to obtain food and other basic needs. In this challenging period, we reached out with a helping hand to support those in need. The HEINEKEN Cares programme, which connected employee wellness with community purpose, encouraged all HEINEKEN Malaysia employees to take action as every 1,000 steps taken by an employee from July to December 2021 equaled 1 meal for someone in need. In total, HEINEKEN Malaysia's employees exceeded the 150 million steps target by recording a total of 155 million steps during the period.

The HEINEKEN Cares programme was administered by SPARK Foundation, which is HEINEKEN Malaysia's CSR arm. The programme brought together eight organisations across Malaysia in a joint effort, including Epic, Dialogue Includes All, PWD Smart FarmAbility, Soroptimist International Damansara, and the Make It Right Movement in Peninsular Malaysia. In East Malaysia, food aid was channeled through Hope Place Kuching in Sarawak, as well as Kupikupi FM and Hopes Malaysia in Sabah. The type of food aid generally includes cooked meals, groceries, fresh vegetables and fish, and other essentials depending on the needs of the different local communities.



In December 2021, during the flood disaster that hit the Klang Valley and several other areas in Peninsular Malaysia, an additional 100,000 meals and emergency care packages were delivered via our community partners in the Klang Valley. A number of HEINEKEN Malaysia's distributors and industry partners, including the Malaysian International Chamber of Commerce & Industry (MICCI) and the Sarawak Chamber of Commerce & Industry (SCCI), donated graciously to support this urgent effort to bring relief to thousands of flood victims.



Responsible Consumption

RESPONSIBLE CONSUMPTION	OUR 2021 PROGRESS	OUR BREW A BETTER WORLD GLOBAL COMMITMENTS
ALWAYS A CHOICE	Heineken® 0.0 is available in Malaysia since 2019.	A zero-alcohol option for two strategic brands in the majority of our markets
	100% of products disclose clear and transparent consumer information* on our website.	100% of products to include clear and transparent consumer information*
ADDRESS HARMFUL USE	Currently being explored.	100% of markets in scope to have a partnership to address alcohol-related harm
MAKE MODERATION COOL	Over 10% of Heineken® media spend invested in responsible consumption campaigns globally.	10% of Heineken® media spend invested in responsible consumption campaigns annually

^{*} consumer information includes ABV, calories, ingredients, allergens, nutrient information and harm reduction symbols

We are committed to create a responsible consumption culture. As a brewer, we believe that our products should be enjoyed responsibly and in moderation. Since 2012, HEINEKEN has been one of the signatories of the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking. We continue leading the effort in engaging and educating our customers and consumers on enjoying beers and ciders responsibly. The Heineken® brand dedicates 10% of media spend globally to promote responsible consumption campaigns. This investment includes the 'When You Drive, Never Drink' programme, which leverages the reach and appeal of the Heineken® brand to to help change attitudes and behaviours and reduce drink driving around the world.

Our Responsible Marketing Code

Our commitment to advocate responsible consumption is supported by a stringent and comprehensive Responsible Marketing Code (RMC). To help ensure our brands communicate ethically and enable consumers to enjoy our beers and ciders responsibly and in moderation, we have a process in place where all marketing materials are reviewed according to the eight principles below:

We do not primarily appeal to minors

We actively restrict exposure of our branding to minors

We are always legal, ethical and truthful

We advocate drinking responsibly, driving responsibly and general safety

We do not associate our brands with anti-social behaviour of overconsumption

We never claim that consuming our brands leads to social or sexual success or enhanced performance

6

We are committed to our brands being part of a healthy lifestyle We are progressive about cultural context and its evolution

8

Responsible Marketing Code Approval Process Flow:

External agency develops marketing material

Reviewed by brand team

Verified by Marketing Manager

Signed off by Head of Communications & Sustainability Signed off by Senior Legal Manager

Signed off by Marketing Director

Awards & Recognitions







SUSTAINABLE BUSINESS AWARDS 2021

HEINEKEN Malaysia received the Highly Commended Award at the Sustainable Business Awards (SBA) 2020/2021 for the third consecutive year, an award series committed to sustainability, which comprehensively assesses corporate sustainability programmes across areas including sustainability strategy, community, energy and water management, supply chain, business responsibility and ethics, and contributions towards the UN SDGs, among others.

ASIA RESPONSIBLE ENTERPRISE AWARDS 2021

HEINEKEN Malaysia won the Green Leadership Award at the Asia Responsible Enterprise Awards (AREA) 2021 for its water stewardship efforts that culminated with the achievement of balancing more than 100% of the water used in its products in 2020.

SUSTAINABILITY & CSR MALAYSIA AWARDS 2021

For the fourth time since 2017, HEINEKEN Malaysia was recognised for its excellence in social and environmental sustainability, winning the Company of the Year award in the Manufacturing & Beverage Category in recognition of efforts towards supporting microbusinesses and enterprises during the pandemic as well as our water stewardship initiatives that enabled us to reach reach more than 100% water balanced, 10 years ahead of our 2030 commitment.