

ESG Review

SOCIAL SUSTAINABILITY

Why it matters?

Our success lies in the commitment of our people, the satisfaction of our consumers and the support of the communities to which we belong. Therefore, creating value for our people is essential for our growth as they contribute greatly to our long-term success. We strive to empower our workforce by providing rewarding working environments as it is the driving force behind our successful brand.

Fostering a safe, supportive, and conducive work environment facilitates the growth and development of our team. We are committed to creating a high-performing workforce that remains motivated towards a shared vision. We demonstrate our commitment to ensuring fair labour standards and human rights through Group-wide policies such as the HEINEKEN Human Rights Policy and our HEINEKEN Supplier Code.

In fulfilling our aspiration to Brew the Joy of True Togetherness to Inspire a Better World, we are driven by a strong sense of social responsibility. HEINEKEN Malaysia is all about bringing people together and celebrating great moments, and we strive to bring the same positive message to our community through corporate social responsibility programmes.

LINKAGES BETWEEN MATERIAL SUSTAINABILITY
MATTERS AND BaBW AMBITION AREAS

Material Matters	Ambition Areas
Diversity	Embrace Inclusion & Diversity
Employee Health, Safety & Wellbeing	A Fair & Safe Workplace
Human Rights & Labour Standards	
Supply Chain Management	
Human Capital Development	Positive Impact on our Communities
Community Investment & Development	

CONTRIBUTION TO UN SDGs



SOCIAL PERFORMANCE OVERVIEW

We have
43%
of women representation
in the Board of Directors

63%
of women in the
Management Team

0
fatalities and lost time
injuries

94%
of suppliers are local

59%
of procurement spent
on local suppliers

We achieved a total of
437 hours
through our training
and development
programmes.

**The total number of training hours is calculated based on the number of training hours provided by each programme. From 2023, HEINEKEN Malaysia will be reporting the total training hours by employee category.*

ESG Review

EMBRACE INCLUSION AND DIVERSITY

Our top priority is providing our employees with a sense of belonging. We do this by promoting diversity and innovative thinking which ultimately leads to better performance. True to the continuing diversification of our brands, our workforce is equally dynamic, staying abreast of current trends and the evolving economic landscape. Based on our HeiCode, we are committed to making sure that our workplace is free from any form of harassment, bullying, abuse or threats, either internally or externally.

In 2021, we joined the 30% Club Malaysia which is essentially part of an international initiative promoting diversity, equity and inclusion (DEI) in organisations focusing on gender equality in C-suites and on boards of directors. Our membership further cements our efforts to promote inclusion and diversity within the Group in line with our BaBW 2030 strategy.

Our inclusion and diversity (I&D) strategy focuses on three areas which include implementing I&D starting with courageous leadership, collectively fostering an inclusive environment and creating equal opportunities in the working environment. We designate a few employees from each department as I&D ambassadors, who lead sessions on inclusion to learn more about our employees' thoughts and experiences with regards to DEI.

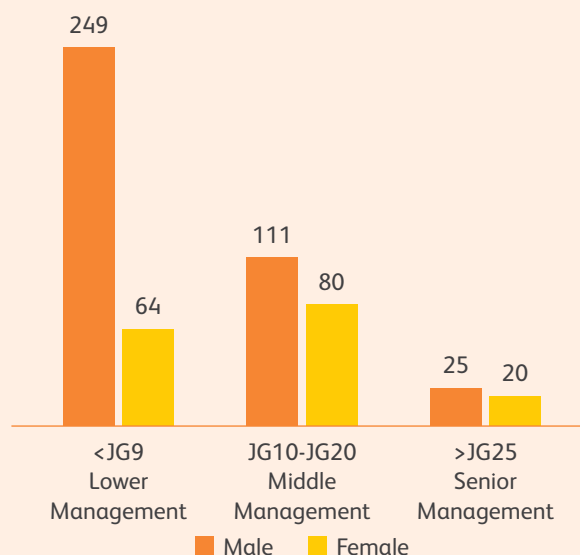
Our DEI initiatives extend towards improving workforce diversity by showcasing our unique and diverse culture through our employer branding which is "Daring to Be Bold" to connect with a diverse pool of talent both globally and locally. For every recruitment process, we ensure that a diverse group of candidates is available at the shortlist stage. Subsequently, we deploy a

diverse hiring panel to ensure that candidates are assessed from various perspectives in a fair manner, and final hiring decisions are made after discussion of a diverse range of views.

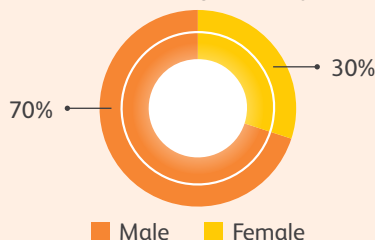
WORKFORCE DIVERSITY

Our hiring, remuneration and promotion practices are made without any discrimination based on race, gender, sexual orientation, religion, national or social origin, age or disability. Overall, our total workforce was 549 employees which consisted of 236 employees from middle to senior management and 8 personnel from the Management Team.

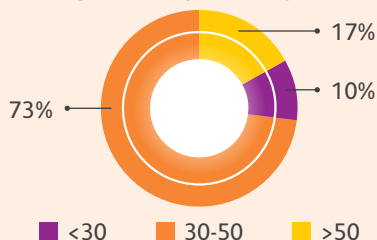
Total Workforce by Job Grade and Gender



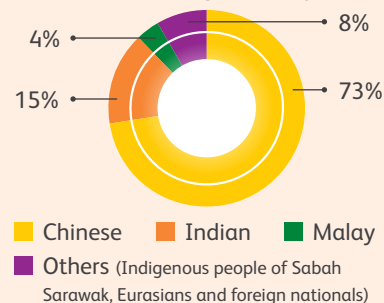
Gender Diversity in Workplace



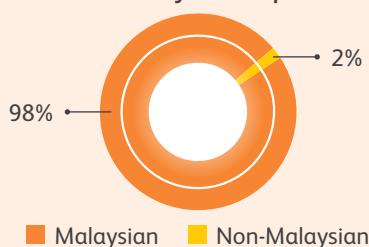
Age Diversity in Workplace



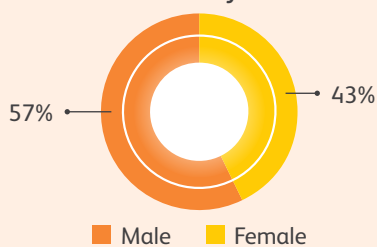
Ethnic Diversity in Workplace



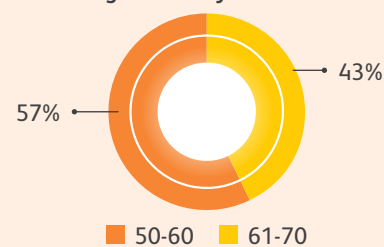
Nationality in Workplace



Gender Diversity of Board

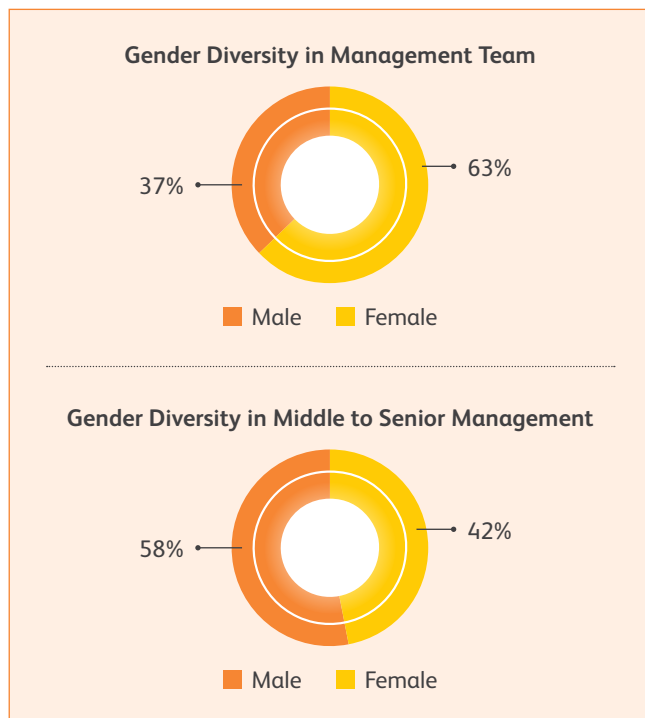


Age Diversity of Board



ESG Review

The Group recognises the value of a diverse and inclusive Board and has remained committed to maintaining the appropriate balance between gender, ethnicity and age diversity. As such, HEINEKEN Malaysia fulfils the recommendation of the Malaysian Code on Corporate Governance (MCCG) of having at least 30% female representation in the Board.



In 2022, we had a 37:63 male to female ratio in our Management Team, an increase of 25% in female representation from the previous year. We also recorded a 58:42 male to female ratio in middle and senior management, a 19% increase in female representation from 2021.

Our target for 2022 was to have 18% female representation in both the Sales and Supply Chain functions. We are greatly encouraged that in the Sales function, we exceeded this target by achieving 23%; while in the Supply Chain function we achieved 13%. We continue our efforts to reach higher in terms of the inclusion and empowerment of women in our workforce.

We also encourage age diversity within the Group as we believe that intergenerational collaboration can have a positive effect on workplace innovation and success.

We commit to ensuring our remuneration practices are benchmarked against external market data to ensure our employees are fairly remunerated. We are pleased to report that we have completed 100% of assessments across our operations in 2022 to track our compliance towards equal compensation without any gender bias.

Since 2020, we have implemented the Inclusive Leadership Programme as part of our capacity building for our managers aimed at increasing awareness of inclusion in the workplace. In 2022, 14% of people managers completed the Inclusive Leadership e-learning training. We aim to continue this training in 2023, with 100% completion by our managers in line with our BaBW target.

Our employees are encouraged to use the HEINEKEN Speak Up channel to lodge any incidences of discrimination and harassment. In 2022, nine (9) reports were lodged in the Speak Up Channel but only four (4) reports were referred to the Company for further investigation whilst the remaining five (5) were found to be frivolous and unsubstantiated. The Internal Audit and People functions conducted the necessary investigations and resolved all the cases.

EMPLOYEE ENGAGEMENT

We believe that engaging with our employees is key to instilling a culture where all employees feel valued, giving them the opportunity to be agents of positive change. In working towards fostering a more inclusive and diverse workplace, HEINEKEN Global created a global community of Functional Inclusion & Diversity Ambassadors who support Management Team of all HEINEKEN operating companies including HEINEKEN Malaysia to deliver its global I&D goals and to respond to local contexts and opportunities. Nominated by the Management Team, the ambassadors work to facilitate awareness programmes for all people leaders and selected employees from across functions and departments. They are empowered to host inclusion sessions to gather the thoughts and experiences of our employees on DEI.

To promote work-life balance, various programmes and activities were conducted to fortify the motivation and well-being of our employees, foster a fun work environment and strengthen relationships between co-workers. HEINEKEN Malaysia continues its commitment to champion DEI this International Women's Day by stepping up to be a part of the #BreakTheBias movement. Recognising how gender bias is a roadblock on the path towards a culture of inclusiveness, the Company brings to the fore the voices of women to share their stories, experiences, and reflections on how Malaysian businesses can help level the playing field.

The #BreaktheBias stories of HEINEKEN Malaysia's women were shared as a social media series with the aim to provide opportunities for women employees and leaders to shed light on the challenges they have faced in the past and how they overcame them throughout their career. The stories originate from inspiring women at various stages of their careers working in traditionally male-dominated fields such as engineering, technology, sales, and packaging. Through these

ESG Review

stories, HEINEKEN Malaysia aims to #BreaktheBias, calling on Malaysian companies to push for gender equality, and empower women for generations to come.

An annual employee 'Climate survey' was conducted to assess feedback from employees on the ways of working and the culture. Through this 'Climate survey', employees were evaluated according to the Employee Engagement Index which assesses their drive, commitment, and capacity to exert discretionary effort, and the Performance Enablement Index which gauges their perceptions of our effectiveness and the level of support they receive to continuously improve.

In 2022, our Employee Engagement Index score improved by 6% to a score of 90 while the Performance Enablement Index improved by 4% to a score of 84 compared to 2021. Through effective engagement mechanisms such as this, we believe that a continuous, two-way communication flow throughout our business operations can be maintained.

A FAIR AND SAFE WORKPLACE

The Group has high standards in terms of maintaining equality and safety in the workplace. We are aware of our responsibility to protect our employees from safety and health-related risks in

the workplace. We are also committed to providing a fair wage and equal pay for all our employees.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

The health and safety of our employees are of utmost importance to us. HEINEKEN Malaysia is dedicated to abiding by all applicable, health and safety laws and regulations as well as upholding and enhancing management systems that guarantee worker safety.

We are governed by the local regulatory requirements under the Department of Safety and Health (DOSH), and we are vigilant in complying with the Occupational Safety and Health Act 1994 and the Factories and Machinery Act 1967. Embedded in our HeiCode, HEINEKEN Health and Safety Policy outlines our approach to the management of health and safety risks and our commitment to fostering a culture of zero fatalities, and 'Put Safety First' as our number one company behaviour.

Our Safety Council monitors the overall health and safety management system of the Group. The council is responsible for ensuring success in the implementation of preventive measures.



ESG Review

As an effort to create a safe environment in our brewery and offices, our Life Saving Commitments (LSCs) are guided by the HEINEKEN Global Safety Standards & Requirements. The LSCs outline the principles of our operation's highest risk activities and are applicable to both employees and contractors. In 2022, we introduced the Golden Principle within the LSC to empower employees to stop work and seek assistance if they observe unsafe workplace behaviours or conditions or if there is a breach in the LSC's requirements. The principle is in line with Section 28a of the Occupational Safety and Health (Amendment) Act 2022.

We introduced the Life Saving Commitments training (LSC e-learning) for all people managers and employees in 2022. As of 2022, 94% of our people managers completed the LSC e-learning training, surpassing our target of achieving a 75% completion rate. We continue our efforts to engage employees and contractors to be guided by the LSC.

Occupational Health and Safety (OHS) Performance

We recorded zero non-compliance from regular inspections by DOSH throughout the reporting period. Our effective OHS

management system has ensured zero fatalities and zero lost time injuries with a total of 51,416 man-hours worked. Only one minor injury was reported in 2022.

We acknowledge that the health of employees comes first in the workplace. In ensuring their well-being, our employees are covered under group term life insurance, group personal accident insurance and a comprehensive health coverage scheme that includes outpatient and inpatient costs, optical as well as dental care.

Our COVID-19 measures

Globally, the COVID-19 pandemic resulted in a significant loss of life and poses an unprecedented threat to food systems, public health, and the workplace. We are cognisant of our responsibility to mitigate the risks of COVID-19 within our organisation and externally as well. In 2022, we followed strict procedures in screening for COVID-19 at our premises, which fully complied with the SOPs issued by the government.

HEINEKEN MALAYSIA'S COVID-19 MEASURES



Regular COVID-19 Screening

- Administered COVID-19 tests to our on-site employees and contractors on a bi-weekly basis.



COVID-19 Test Before Events

- At all company events, employees were required to submit a voluntary self-test, and only those tested negative were permitted to attend.



Keeping People safe at Work

- Implemented split teams basis with office-based employees rotating between working from home and at the office to ensure zero workplace clusters.
- In the second half of 2022, we transitioned our workforce to flexible working arrangements where employees are encouraged to manage their time working on-site and off-site depending on the nature and needs of their job.
- We continued to practise strict protocols restricting with regards to external visitors to our brewery.



Face Mask Use

- Despite the relaxation of COVID-19 restrictions by the government during the year, we encouraged our employees to continue the practice of using face masks in enclosed spaces or during physical meetings.

ESG Review

HUMAN RIGHTS AND LABOUR STANDARDS

At HEINEKEN Malaysia, our business practices are built on respect for human rights and dignity, both within our own operations and throughout our entire value chain. We adhere to the OECD Guidelines for multinationals and the UN Guiding Principles on Business and Human Rights. Guided by our HeiCode, Human Rights Policy and the Supplier Code, we assess, comprehend, avoid and address risks related to human rights. As a member of the Malaysia Employers Federation, we advocate the principles and practices with regards to labour relations and human resources through education, counselling, research and other activities.

The HEINEKEN Human Rights Policy, embedded within the HeiCode to Respect People and the Planet, signifies the Group's strong stance on human rights and sets out 10 clear standards for human rights as a foundation for understanding, avoiding and addressing risks. The policy outlines our principles of non-discrimination without distinguishing, among others, by race, gender, nationality or age. We track and record non-compliance incidents of labour standards and take actions to correct them. In 2022, there were zero complaints concerning labour standards and human rights violations across the Group.

10 Standards for Human Rights

Health & safety

No forced labour

Non-discrimination

Rest and leisure

No harassment and violence

Fair wages and income

Child protection

Access to water

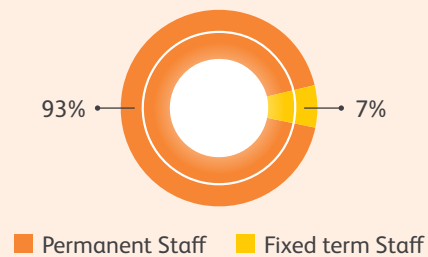
Freedom of association and the right to collective bargaining

Respect for human rights in high risk contexts

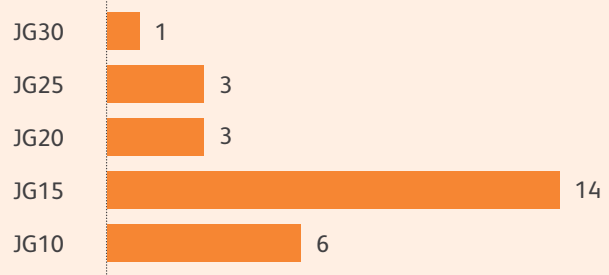
Fair Recruitment Practice

Our recruitment procedures are fair and non-discriminatory. The Group hires local talents including people from underprivileged groups as part of our business practice.

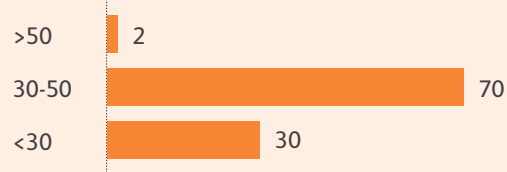
Percentage of Permanent to Temporary Staff



Total Turnover by Job Grade



New Hires by Age



New Hires by Gender



ESG Review

As of 31 December 2022, 7.1% of our workforce consisted of contractors and temporary staff. There were 102 new hires across the Group with a 6.5% turnover rate.

We provide a healthy work-life balance for our employees and comply with local laws on wages and working hours. Adherence to the Malaysian Minimum Wages Order 2022 ensures employee salaries are within the prescribed amounts and we are pleased to report that we have completed our assessment for 2022 to close any gaps by the end of 2023.

In accordance with Malaysia's Employment Act and Industrial Relations Act, the HEINEKEN Human Rights Policy emphasises the right to freedom to form or join a union and the right to collective bargaining. As of 31 December 2022, 49.7% of our employees were part of a trade union.

SUPPLY CHAIN MANAGEMENT

HEINEKEN Malaysia believes that relationships with all suppliers must first be built on trust and integrity. As a responsible company in Malaysia, we have a responsibility to support our extensive supply chain which includes small and medium-sized enterprises (SMEs) amid our reviving local economy. Conversely, our supply chain provides us with essential products and services that ensure the continuity of our business operations.

Our efforts extend throughout our supply chain where our suppliers are required to comply with our HEINEKEN Supplier Code and actively support and uphold our values and principles in their business practices. This code should be read in tandem with the HEINEKEN General Terms & Conditions for Purchase Orders which can be downloaded at www.heinekenmalaysia.com.

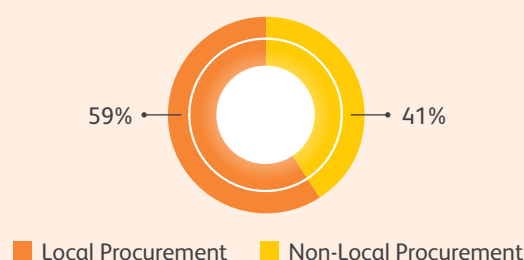
The HEINEKEN Suppliers Code essentially details our commitment to and enforcement of ethical business conduct, human rights, and care for the environment. As outlined in the code, HEINEKEN operates in line with international human rights and labour standards and all environmental laws.

The Speak Up Policy was also clearly communicated to distributors and suppliers enabling them to voice their concerns regarding any actual or suspected misconduct within the supply chain without fear of retaliation or unfair treatment. In 2022, 100% of our suppliers complied with the HEINEKEN Suppliers Code. If a non-compliance is discovered, we work with our suppliers to devise strategies to address it.

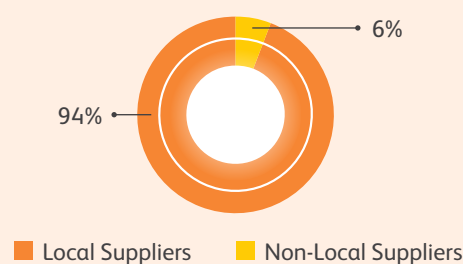
We strive to work with suppliers to incorporate ESG factors such as environmental performance, occupational health and safety, and corporate governance into our suppliers' businesses and our operations to be resilient against risks in the economy and environment. To safeguard the integrity of the Group, risk assessments for new and existing suppliers are periodically conducted.

We maximise the hiring of local suppliers in our operations as it not only reduces the transportation of goods, reduces emissions and contributes to environmental preservation but also helps local suppliers gain access to opportunities for employment and business growth, thus bolstering the local economy.

Procurement Budget Spent



Percentage of Local to Non-Local Suppliers



SMART Outsourcing Initiative

We strive to ensure fair living and working conditions for our third-party vendors who provide labour-based services on our properties. We value their contributions and take responsibility for ensuring that they work reasonable hours and receive fair wages in a safe and healthy environment. In line with this, we have implemented the SMART Outsourcing programme in 2022 where we conducted a survey among contractors and local workers. In order to identify any gaps, we evaluated the results against our fair labour standards and worked with the service providers to close the gaps. We also consistently implement lessons learned through the application of an action plan to enhance workplace procedures and contract management with third-party workers.

HUMAN CAPITAL DEVELOPMENT

In order to advocate a competitive, dynamic and progressive culture, we provide our employees with learning and development opportunities to expand their knowledge, learn new skills and be equipped with the latest industry knowledge. Additionally, we strive to offer ongoing training to develop new multidisciplinary skill sets ensuring that we are better prepared for present and future challenges.

ESG Review

Board ESG Training

In order to enhance the ability of the Directors to discharge their duties and responsibilities more effectively, they are encouraged to broaden their perspectives and keep abreast of changes in the marketplace and regulatory requirements. From time to time, Directors may request training in particular areas that could aid them in carrying out their duties. They are also given access to educational sessions on specific subjects that are crucial to the operation of the Group as needed. In 2022, the Directors attended various development and learning programmes on topics related to sustainability ESG best practices, and TCFD reporting principles.

List of ESG Trainings Attended by Directors in 2022

Sharing of ESG Best Practices by Sunway Group

Briefing on Environmental, Social & Governance
by Crowe Malaysia

Inaugural EY Asean Sustainability Summit 2022

ERM Breakfast meeting – Towards a Sustainable and
Net-zero Future

The Principles and Methodology of Task Force on Climate
Related Financial Disclosure Reporting webinar

Corporate Governance & Remuneration Packages for the
ESG World by Asia School of Business

How to Start Your Sustainability Journey by Climate
Governance Malaysia

EMPLOYEE DEVELOPMENT

We continue to provide opportunities and allocate resources for our employees to develop their skill sets to cultivate a high-performing workforce with increased productivity. Employees can access a wide range of courses including cross-functional business skills and digital trends for self-development through the Group's upgraded integrated learning platform.

As part of the Group's efforts to promote awareness and gauge each employee's comprehension of HEINEKEN Malaysia's ethical business conduct, all employees are required to complete relevant online training annually, the results of which are closely monitored and then reported to the Risk and Control Work Group.

Other training and development programmes are organised into three core themes which are: Strengthen Our Winning Culture, Boost Organisation Capabilities and Unleash Our Diverse Talents.

Strengthen Our Winning Culture

Training programmes that foster good
➤ DEI practices and ethical behaviour
within the Group.

Boost Organisation Capabilities

Courses that help employees develop
➤ their ability to execute the Group's
strategy by helping them develop victory
mindsets and leadership qualities.

Unleash Our Diverse Talents

Programme that improves employees'
➤ leadership skills and enable self-
improvement.

Under our Unleash Our Diverse Talents theme, we implemented the Leadership Culture Journey programme which serves as the cornerstone of our transformational journey and helps to define HEINEKEN Malaysia's culture as a One Strong Winning Team. In order to support our employees' personal development as leaders in HEINEKEN Malaysia, we have developed 98 leaders who make up the top 18% of our organisation.

Leadership Culture Journey

Through this programme, participants were divided into cross-functional teams, where they used design thinking methodology as an 'outside-in' approach to encourage discussion, ideation and feedback from different lenses, particularly the customers', as the team worked on strategies to develop proposals relevant to the Group. Over the course of the 8-month journey, our participants were also able to develop a profound understanding of their identities and how their actions affect others.



ESG Review

POSITIVE IMPACT IN OUR COMMUNITIES

We are dedicated to being a force for good through our BaBW 2030 strategy in a world where inequality and injustice are on the rise and many people struggle to maintain a decent standard of living. From promoting healthy watersheds to distributing free meals for the needy and working with partners to address harmful alcohol use, all our actions are intended to have a positive social impact.

HEINEKEN Malaysia is a progressive and responsible corporate citizen, focused on the sustainability of its business from barley to bar. HEINEKEN Malaysia is proud to contribute to the Malaysian economy in a significant way both directly through taxes paid and indirectly through jobs and value created both upstream and downstream. In 2022, we contributed RM1.6 billion in taxes. Growing with communities, HEINEKEN Malaysia provides direct jobs to 500 people and indirect employment to more than 30,000 people. Our products are also a source of income for more than 25,000 Malaysian businesses and retailers. This contribution is expected to increase, along with the growth of HEINEKEN Malaysia in the brewing industry.

TIGER SIN CHEW CHINESE EDUCATION CHARITY CONCERT

Each year, we conduct the Tiger Sin Chew Chinese Education Charity Concert which is sponsored by Tiger Beer. This long-standing social impact project also acts as a platform for local businesses and communities to raise funds that are used to upgrade school facilities and amenities.

For the reporting year, we invested RM2 million and successfully helped raise RM20 million across eight schools nationwide, exceeding our target of RM8 million. In collaboration with Sin Chew Daily and Guang Ming Daily, we are proud to have raised more than RM380 million as of 2022 for Chinese schools in Malaysia since 1994.



HEINEKEN CARES PROGRAMME

The HEINEKEN Cares Programme was launched in 2021 with the aim of extending food aid to local communities that were negatively impacted by COVID-19. In 2022, we continued to carry out the HEINEKEN Cares Programme to assist communities still struggling to manage the impacts of the pandemic.

Launched in 2021, we committed to donating one meal to a person in need for every 1,000 steps a HEINEKEN employee took and we have managed to donate 250,000 meals through the HEINEKEN Cares Programme. This initiative is beneficial because it not only helps the underprivileged, but also improves employees' fitness and health.

In 2022, we intensified our efforts by setting a higher target. Instead of distributing one meal per 1,000 steps, we contributed three meals for every 1,000 steps. Our current goal is to distribute 600,000 meals to vulnerable communities across Malaysia which will be achieved by employees accumulating 200 million steps.

We established strategic partnerships with seven NGOs nationwide in carrying out the HEINEKEN Cares Programme. They include The Lost Food Project, Epic and PWD Smart Farmability in Peninsular Malaysia. In East Malaysia, Soroptomist International Region of Malaysia, Hopes Malaysia, Hope Place Kuching and Kupikupifm helped us with food distribution.

In partnership with seven NGOs, we coordinated activities empowering local communities and transitioning beyond providing short-term food aid to achieving long-term food security through capacity building. Collaboratively, we work on establishing small-scale community farms and satellite aquaponic systems, establishing and utilising existing alternative water systems to support these community farms and distributing food supplies to the needy.



ESG Review



ENGLISH ENRICHMENT TRAINING PROGRAMME

HEINEKEN Malaysia actively invests in education-based programmes because we believe that knowledge is the foundation of a better life. After a pause in 2020 and 2021 due to the COVID-19 pandemic, our English Enrichment Training Programme (EETP) was relaunched on a small scale focusing on 3 schools and benefiting 100 pupils in East Malaysia.

The EETP was introduced in 2012 through HEINEKEN Malaysia's corporate social responsibility arm, the SPARK Foundation. It aims to equip English language teachers in rural communities with contemporary and creative teaching techniques. Teachers

ESG Review

who participated in the EETP were provided support to conduct additional English language classes for Year 1 to Year 3 students in their respective schools, creating a fun and engaging platform that helped inspire interest in learning the language.

Since EETP's inception, SPARK Foundation has invested close to RM6.6 million in the programme, successfully trained more than 630 educators from 369 schools in rural communities and in turn benefitted approximately 9,800 students in Malaysia.

OUR BREW A BETTER WORLD 2030 TARGETS AND PROGRESS: SOCIAL SUSTAINABILITY

Ambition Areas	Our Brew a Better World Global Commitments	Our 2022 Progress
Embrace Inclusion & Diversity	Gender balance: 30% women across senior management by 2025. 40% women across senior management by 2030.	<ul style="list-style-type: none"> 63% women in the Management Team In HEINEKEN Malaysia (Target: 18%) 13% women in Supply Chain function 23% women in Sales function
	100% people managers trained in inclusive leadership by 2023.	<ul style="list-style-type: none"> 14% of people managers completed the e-learning training 80% of our employees attended the inclusive practices workshop
A Fair & Safe Workplace	Fair wage for employees: close any gaps by 2023.	<ul style="list-style-type: none"> 100% assessments completed
	Equal pay for equal work: assessments and action by 2023.	<ul style="list-style-type: none"> 100% assessments completed
	Create leadership capacity to drive zero fatal accidents and serious injuries.	<ul style="list-style-type: none"> Zero fatalities One minor injury 94% completion rate by people managers in LSC Training
	SMART Outsourcing programme to ensure that the third-party employees work in a safe, healthy and decent environment.	<ul style="list-style-type: none"> Completed Step 1 - Governance and Set-Up Completed Step 2 - Value Mapping
Positive Impact in Our Communities	A social impact initiative in 100% of markets by 2030.	<ul style="list-style-type: none"> Tiger Sin Chew Chinese Education Charity Concert 2022
		<ul style="list-style-type: none"> HEINEKEN Cares community food aid programme
		<ul style="list-style-type: none"> English Enrichment Training Programme