

ESG Review

ABOUT THIS STATEMENT



As a responsible and progressive brewer guided by our purpose - To Brew the Joy of True Togetherness to Inspire a Better World, we are committed to creating long-term sustainable value for our stakeholders. In 2021, we adopted the refreshed Brew a Better World 2030 (BaBW) global sustainability strategy. The three pillars of the strategy put us on the path to achieving net zero impact on the environment, contributing towards an inclusive, fair and equitable company and world and, promoting moderation and responsible consumption. We measure our success not only by the value we provide to our shareholders but also by how we contribute to a resilient and shared future for our people, and the planet.

Featuring nine ambition areas and 22 concrete and measurable commitments, our BaBW 2030 strategy raises the bar across

our three core pillars of environmental sustainability, social sustainability and responsible consumption. Our 2030 targets have been validated by the Science-Based Targets initiative (SBTi) as compliant with the 1.5°C approach to limiting global warming. Overall, we are confident that this strategy will enable a faster transition to a more sustainable world, with specific ambitions including carbon neutrality, moderation, circularity, healthy watersheds, diversity and community impact.

We are committed to meeting our 2030 goal ambitions through close monitoring and a proactive approach to the implementation of our initiatives. Data on each key initiative is tracked and updated regularly during Sustainability Committee meetings. Meetings are conducted quarterly to ensure the desired progress is made throughout the year.

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Building on the tenets of our sustainability strategy and raising the bar on our environmental, social and governance (ESG) performance, Heineken Malaysia Berhad (HEINEKEN Malaysia or the Company) is pleased to present our annual Sustainability Statement highlighting our initiatives and progress as we continue to integrate sustainability in our business and across the value chain.

The year 2022 was significant for us in terms of our sustainability journey as we made big strides within the three core pillars of BaBW 2030. To take stock of and further build on the foundation of our sustainability progress, we refreshed our materiality assessment during the year to identify and prioritise our material sustainability matters vis-à-vis our actions in mitigating the key risks associated with these. This review reports our progress in 2022 against our 2030 commitments. This Sustainability Statement is to be read in tandem with other sections within this Annual Report such as Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control.

SCOPE AND REPORTING FRAMEWORK

Our ESG journey and performance elaborated in this statement cover the period from 1 January 2022 to 31 December 2022 (FY2022). Where relevant, we have included at least three years of comparative data as well as the baseline year to illustrate our yearly trends and monitor performance. The data disclosed are from HEINEKEN Malaysia and its wholly-owned subsidiary Heineken Marketing Malaysia Sdn. Bhd. (the Group) which is involved in the marketing and distribution of HEINEKEN Malaysia's products in Malaysia.

To ensure thorough, relevant and meaningful reporting, our Statement has been prepared with reference to Bursa Malaysia Securities Berhad's (Bursa Malaysia) Main Market Listing Requirements on Sustainability Reporting and Bursa Malaysia's sustainability reporting guide (3rd edition). Our Statement is also guided by the Global Reporting Initiative (GRI) Standards. We strive to raise the bar for transparent climate-related disclosures by adopting elements of the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). In an effort to enhance our disclosures, we have aligned our sustainability initiatives with the targets in the United Nations Sustainable Development Goals (UN SDGs or SDGs) and benchmarked them against the FTSE4Good Bursa Malaysia (F4GBM) Index.



Principal Guideline:

Bursa Malaysia's Sustainability Reporting Guide (3rd edition)



Reporting Framework:

Global Reporting Initiative Standards



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

Aligning with recommendations:

Task Force on Climate-Related Financial Disclosures



FTSE4Good

Benchmark against:

FTSE4Good Bursa Malaysia (F4GBM) Index



Aligning with:

United Nations Sustainable Development Goals

ASSURANCE STATEMENT

The contents of this Statement have been reviewed and approved by the Sustainability Committee and the Board of HEINEKEN Malaysia. To ensure credibility and transparency, the Group has conducted third party assurance through engagement of Rapid Genesis Sdn. Bhd. to undertake external assurance for our environmental performance data including water and energy consumption, Green House Gas (GHG) emissions and waste recycling. In addition, our water balancing initiatives are quantified and verified by Limnotech, a leading water sciences and environmental engineering firm based in the United States of America.

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BREW A BETTER WORLD 2022 HIGHLIGHTS

ENVIRONMENTAL

Path towards Net Zero Impact

-49%

absolute carbon emissions
in production vs 2018 baseline

100%

renewable electricity
since March 2022

Zero

waste to landfill since 2017

-20%

water consumption
vs 2014 baseline

Balanced

203%

water used
in our products



SOCIAL

Path towards inclusive, fair and
equitable company and world

43%

women in Board of Directors

63%

women in Management Team

Zero

**fatal accidents and serious
injuries**

80%

of our employees
attended the inclusive practices
workshop

2

**social impact
initiatives**



RESPONSIBLE

Path towards moderation and
no harmful use

>10%

**of Heineken® brand media
spend on promoting responsible
consumption**

**When You Drive,
Never Drink Campaign**

3,000

consumer pledges,

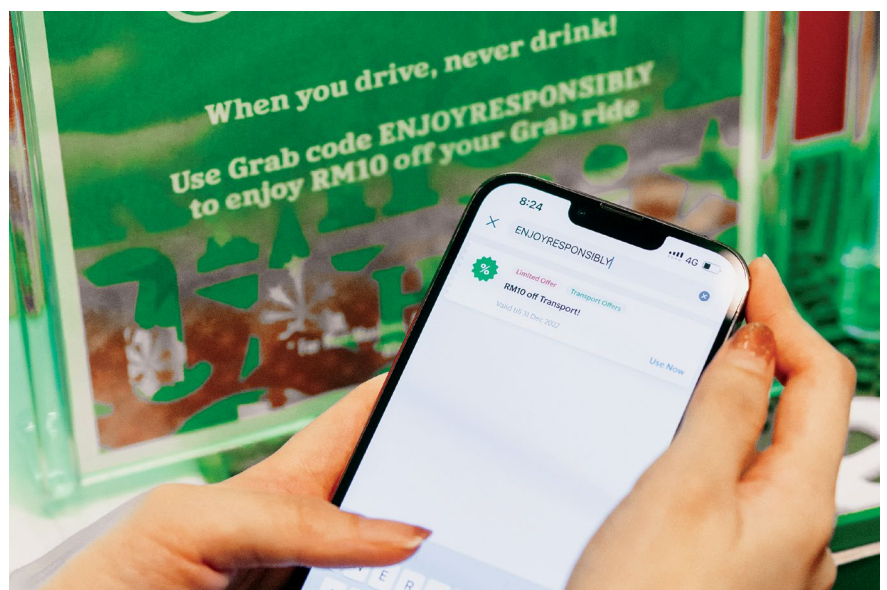
100

industry pledges

10,000

Grab e-hailing promo

codes during year-end festive
campaign

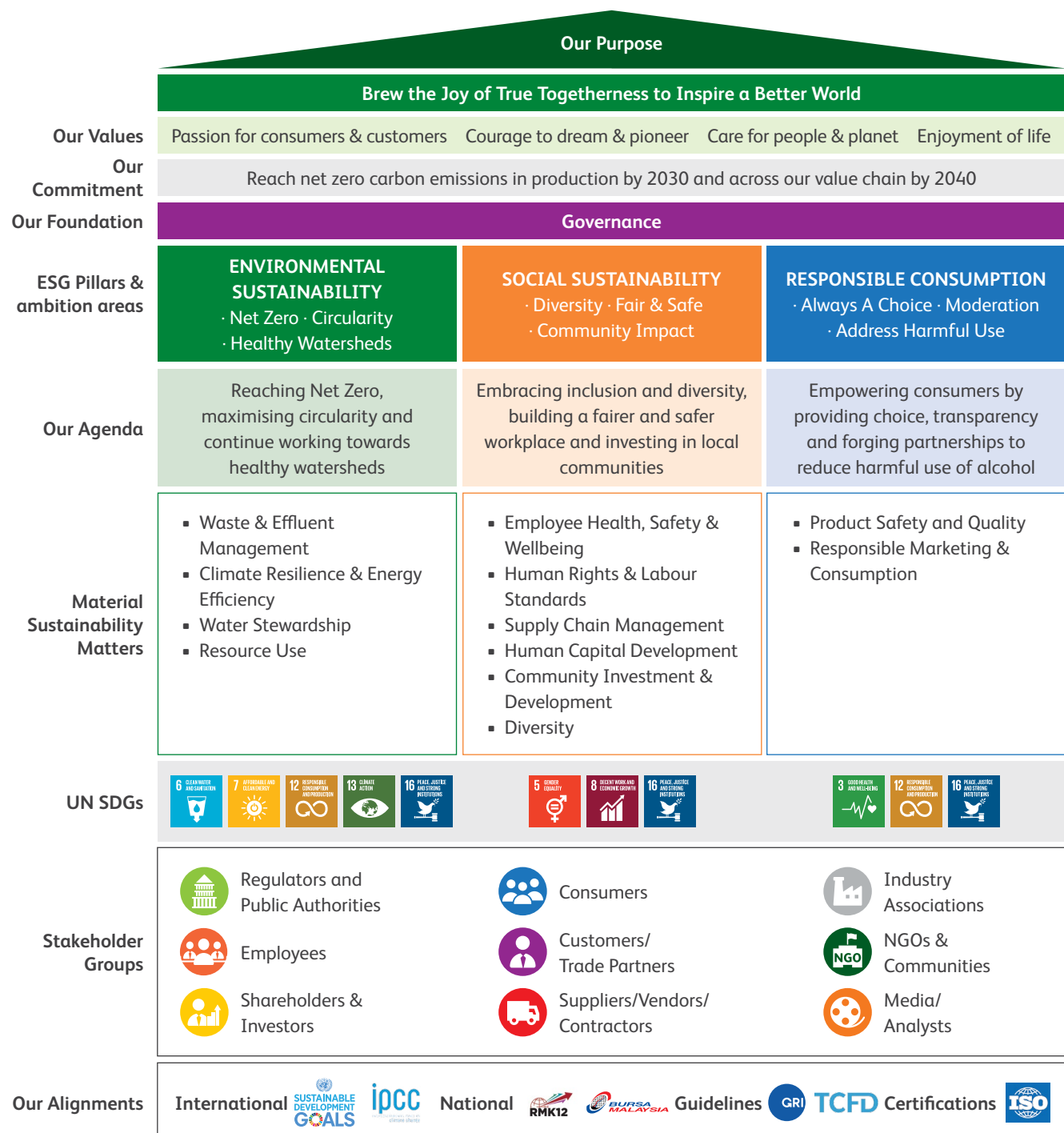


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ESG FRAMEWORK – OUR GUIDE, OUR DIRECTION

Our ESG Framework is aligned with our BaBW 2030 ambition and it highlights key elements of our sustainability agenda. Our ESG Framework serves as the focal point for how we define our long-term sustainability goals and guides our initiatives to best address our key ESG risks and opportunities. We incorporated our stakeholder concerns, operational environment as well as emerging climate risks and opportunities when establishing our framework. Understanding and prioritising material matters of most relevance to our operations enables us to approach our sustainability strategy in a holistic manner.

The framework is further aligned with our ambitions and agendas and is built upon our three major sustainability pillars supported by the Governance pillar: environmental sustainability, social sustainability and responsible consumption.



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Sustainability Policy

We have in place a Sustainability Policy that represents our ESG strategies and commitments towards sustainable development in line with our Purpose and Values. The policy sets out the core principles governing our sustainability strategies and initiatives, a guide for us to ensure sustainable practices are embedded throughout our operations and value chain. The Sustainability Policy also encompasses the codes and policies relevant for the Group.





The Sustainability Policy, which has been approved by our Sustainability Committee and adopted by the Board, communicates the Group's commitments to addressing ESG risks and opportunities across our business operations. This policy promotes and cultivates integrity, transparency and credibility within our sustainability efforts to improve our business decisions and operations. It also integrates the Group's strategies and principles with the relevant sustainability frameworks, which include the international sustainable development agenda – UN SDGs.

Established with consideration to the emerging climate risks and opportunities, the policy will be reviewed on a periodic basis by the Sustainability Committee in order to track the advancement of our sustainability progress.

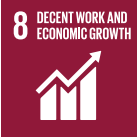



The Sustainability Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>

OUR ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Group is committed to its contribution to the UN SDGs and the universal call for protecting the planet, ending poverty and ensuring peace and prosperity through sustainable development. As such, we have aligned our BaBW 2030 ambitions and commitments in support of the targets and indicators laid out in the UN SDGs. We adopted eight UN SDGs that were most relevant to our business operations with SDG 16 (Peace, Justice and Strong Institutions) being a new addition in 2022. In particular, this reflects HEINEKEN Malaysia's initiatives to cultivate an ethical and compliant culture. Below are the highlights of our contributions to the SDGs:

SDGs	Initiatives	Material Matters
 <p>SDG 3: Good Health and Well-being</p>	<p>Ensure our people managers receive training on HEINEKEN Life Saving Commitments (LSC).</p> <p>Practise strict COVID-19 SOPs to ensure a safe working environment.</p> <p>Dedicate 10% of the Heineken® brand's media spend annually to advocate responsible consumption.</p>	<p>Employee Health, Safety & Wellbeing</p> <p>Product Safety & Quality</p>
 <p>SDG 5: Gender Equality</p>	<p>Employ, reward and promote, based on the principle of equal opportunity.</p> <p>Adopt the HEINEKEN Code of Business Conduct (HeiCode) and the HEINEKEN Human Rights Policy which outline the principles of non-discrimination without distinction according to, among others, race, gender, nationality and age.</p>	<p>Inclusion and Diversity</p>
 <p>SDG 6: Clean Water and Sanitation</p>	<p>Protection and rehabilitation of rivers and watersheds through our Working Actively Through Education & Rehabilitation (W.A.T.E.R) Project.</p>	<p>Water Stewardship</p>
 <p>SDG 7: Affordable and Clean Energy</p>	<p>Continuous effort to develop combinations of innovations and options to utilise renewable energy.</p> <p>Transitioned to 100% renewable electricity through the Malaysia Renewable Energy Certificate (mREC) programme.</p>	<p>Climate Resilience & Energy Efficiency</p>

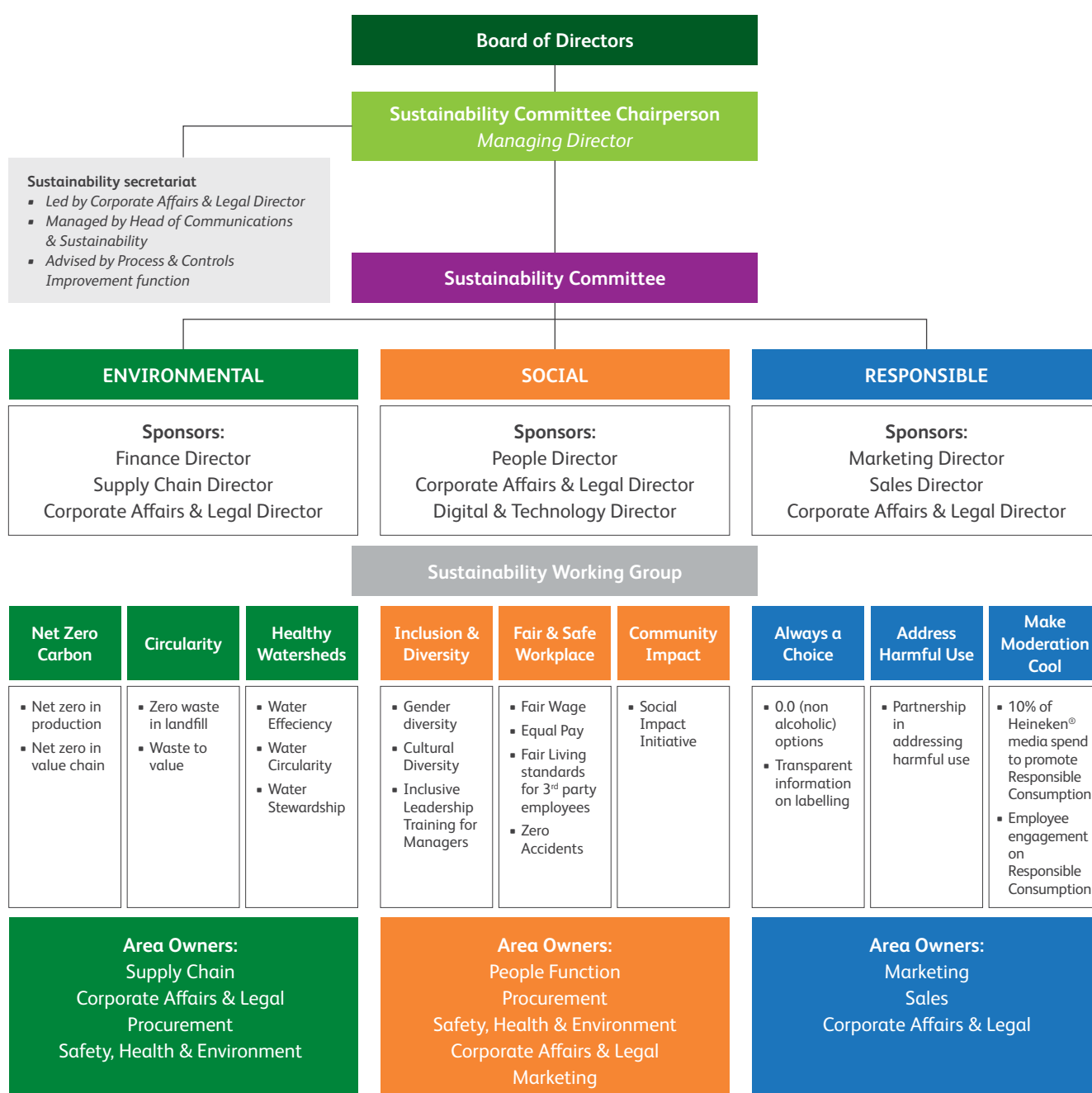
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SDGs	Initiatives	Material Matters
 <p>SDG 8: Decent Work and Economic Growth</p>	<p>The Board gives appropriate weight to diversity considerations in the selection and appointment process.</p> <p>Advocate ethical business conduct, human rights, and care for the environment through HEINEKEN Supplier Code and the Distributor Code of Conduct.</p> <p>Launched HEINEKEN Cares 2022/2023, where we switched from providing short-term food aid to ensuring long-term food security.</p>	<p>Inclusion and Diversity</p> <p>Employee, Health, Safety and Wellbeing</p> <p>Community Investment and Development</p>
 <p>SDG 12: Responsible Consumption and Production</p>	<p>Practise zero production waste to landfill, 100% of production waste is recycled or upcycled.</p> <p>Encourage suppliers to operate sustainably through the HEINEKEN Supplier Code and the Distributor Code of Conduct.</p>	<p>Climate Resilience and Energy Efficiency</p> <p>Community Investment and Development</p>
 <p>SDG 13: Climate Action</p>	<p>Continuous effort towards our net zero carbon roadmap that targets removing 100% of carbon emissions in production by 2030.</p> <p>Carbon footprint for emissions beyond production operations being assessed to identify suitable pathways to net zero carbon across the value chain.</p>	<p>Climate Resilience and Energy Efficiency</p> <p>Community Investment and Development</p>
 <p>SDG 16: Peace, Justice and Strong Institutions</p>	<p>All Board members receive training on Anti-Bribery and Anti-Corruption.</p> <p>Conduct online courses to raise awareness of the Group's Anti-Bribery & Anti-Corruption principles among the employees.</p> <p>Drive awareness of the HEINEKEN's Speak Up Policy to encourage reporting concerns about suspected misconduct.</p>	<p>Ethical Business Conduct</p>

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OUR SUSTAINABILITY GOVERNANCE STRUCTURE

HEINEKEN Malaysia ensures accountability when identifying and managing sustainability matters through a sound sustainability governance structure. In 2022, the Group developed a three-tiered structure comprising the Board, the Sustainability Committee (SC) and the Sustainability Working Group (SWG). The direct oversight provided by the Board allows for the monitoring of HEINEKEN Malaysia's sustainability strategy and its progress as well as potential risks and opportunities. The Sustainability Committee Chairperson reports the progress on our sustainability initiatives to the Board regularly and is supported by a secretariat led by the Corporate Affairs & Legal Director and sponsors from various functions. The SC is supported by the SWG from various departments within the HEINEKEN Malaysia to drive the Group's sustainability initiatives.



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ROLES & RESPONSIBILITIES



Board of Directors

- Oversees the management of sustainability strategies, material sustainability matters, policies and targets.
- Reviews and approves proposed sustainability strategies, policies, material sustainability matters, and annual sustainability statement.
- Reviews and approves Annual Sustainability plan and targets and quarterly progress against the targets set with regards to the BaBW commitments.
- Ensures ESG-related risks and opportunities are incorporated into the Group's business strategy and risk management including climate-related risks and opportunities.
- Ensures communication of strategies, priorities and targets to relevant stakeholders.



Sustainability Committee

- Strategic management of the material sustainability matters and resources.
- Proposes and advises the Board on sustainability strategies, initiatives and targets and ensures their alignment with the Group's overall business strategy and goals.
- Assesses and manages the Group's ESG-related risks and opportunities including climate-related risks and opportunities.
- Reviews quarterly progress of respective pillars in line with the BaBW commitments and updates the progress to the Managing Director and Management Team.
- Oversees the implementation of sustainability strategies and initiatives towards the Group's targets.
- Conduct meetings with the pillar sponsors and collects feedback for improvement.








Sustainability Working Group

- Embeds the Group's sustainability strategies and initiatives into the day-to-day operations to deliver our BaBW commitments.
- Engages with stakeholders regularly to understand and respond to their concerns and expectations.
- Reports the progress and performance in the implementation of sustainability strategies and initiatives to the Sustainability Committee.
- Compiles ESG-related data for sustainability reporting and updates from respective pillar owners on the progress of the key initiatives and plans moving forward.




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STAKEHOLDER ENGAGEMENT

Our stakeholders play an integral part in the decision-making process across our operations. HEINEKEN Malaysia has identified nine stakeholder groups that have a significant impact on our operations and are influenced by our activities. We strive to engage with our stakeholders constantly to develop a two-way communication flow to understand their expectations and concerns. Through engagement and communication, we are able to work towards delivering our BaBW commitments supported by cross-functional collaboration and partnerships with external stakeholders.

WHO WE ENGAGE	OUR FOCUS	HOW WE ENGAGE	FREQUENCY
 Shareholders and Investors	<ul style="list-style-type: none"> Strategic direction and business performance Business strategy and targets Shareholders' returns Sustainability agenda 	<ul style="list-style-type: none"> Annual General Meeting Investor Relations enquiries Enquiries to Company Secretary Analysts and media briefings Investor calls/meetings Financial announcements via Bursa Malaysia Annual Reports in Investor Relations section on Company's website 	<ul style="list-style-type: none"> Annually As needed As needed As needed As needed Quarterly Annually
 Regulators and Public Authorities	<ul style="list-style-type: none"> Industry issues Excise duty Licensing and regulatory matters Anti-contraband initiatives Support for business operations 	<ul style="list-style-type: none"> Courtesy visits Dialogue sessions Workshops and training Scheduled meetings Round-table discussions, Industry and F&B sector engagement via chambers of commerce and trade associations 	<ul style="list-style-type: none"> As needed As needed As needed Regularly As needed
 Customer/Trade Partners	<ul style="list-style-type: none"> Business strategy and targets Identification of areas for improvement 	<ul style="list-style-type: none"> Trade partner engagements Distributor engagement sessions One-on-one engagements Joint business planning/review meetings 	<ul style="list-style-type: none"> Regularly Regularly Regularly Regularly
 Consumers	<ul style="list-style-type: none"> Brand campaigns and engagement activities Responsible consumption campaigns Product quality and freshness Consumer attitude and behaviour 	<ul style="list-style-type: none"> Brand events Social media campaigns Product sampling Consumer research interviews and focus groups Virtual consumer engagements 	<ul style="list-style-type: none"> Regularly Ongoing Regularly Regularly Regularly
 Suppliers/Vendors/Contractors	<ul style="list-style-type: none"> Safety and health Anti-bribery and Anti-Corruption Cost and value 	<ul style="list-style-type: none"> Compliance with HEINEKEN's Supplier Code Supplier meetings Vendor registration briefings/requirements 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing

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WHO WE ENGAGE	OUR FOCUS	HOW WE ENGAGE	FREQUENCY
 Employees	<ul style="list-style-type: none"> 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 (Speak Up) Responsible consumption 	<ul style="list-style-type: none"> Online communication platform – Workplace by Facebook Employee Pulse Survey Employee Climate Survey 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 programme for new employees Employee engagement get togethers Annual Dinner Festive get togethers Inclusive Behaviour workshops 	<ul style="list-style-type: none"> Ongoing Annually Annually Quarterly As needed Ongoing Monthly Monthly Twice a year Weekly As needed Regularly Annually Regularly Regularly
 NGOs & Communities	<ul style="list-style-type: none"> Environmental conservation projects Water stewardship projects Fundraising for schools via Tiger Sin Chew Chinese Education Charity Concert HEINEKEN Cares community food aid programme 	<ul style="list-style-type: none"> SPARK Foundation activities NGO partner activities Community engagement programmes Fundraising initiatives Community events 	<ul style="list-style-type: none"> Regularly Ongoing Ongoing and Annually Regularly Regularly
 Media/Analysts	<ul style="list-style-type: none"> Strategic direction and business performance Sustainability agenda Brand activities 	<ul style="list-style-type: none"> Media briefings Media interviews Media visits Product launches Brand marketing campaigns 	<ul style="list-style-type: none"> As needed As needed As needed As needed Ongoing
 Industry Associations	<ul style="list-style-type: none"> Industry issues 	<ul style="list-style-type: none"> Engagement session Dialogue sessions Scheduled meetings 	<ul style="list-style-type: none"> As needed As needed Regularly

We also engage our stakeholders through participation in various industry and business associations.



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MATERIALITY ASSESSMENT

HEINEKEN Malaysia acknowledges the importance of a robust materiality assessment process to understand and analyse the significance of an ESG topic or material sustainability matter to both our organisation and our stakeholders. The assessment helps the Board and Management Team to better align our sustainability strategy and develop risk management processes.

In 2022, we identified 16 material sustainability matters that are in line with our business operations and are based on a review of relevant ESG risks and opportunities.

The assessment process is summarised below:

Step 1:

Identification

- 16 material matters that are pertinent to our business, operations, and stakeholders have been identified by studying the industry, global trends, benchmarking other companies and Bursa Malaysia Sustainability Reporting Guide.
- The key stakeholder groups have been maintained from the previous year.



Step 2:

Engagement with stakeholders

- Throughout the year, we engaged with different stakeholders including employees, government agencies, ministers and authorities, distributors and trade partners, media, NGOs, communities as well as consumers.
- We then identified and gathered the common material matters and recurring themes through internal engagement sessions and a materiality survey that enabled us to gain insights on the priorities for both HEINEKEN Malaysia, internal and external stakeholders.



Step 3:

Prioritisation of material topics

- The results of the survey were analysed and material matters were prioritised to generate the materiality matrix.
- The matrix maps out the material matters in accordance to "most important", "very important" and "important".



Step 4:

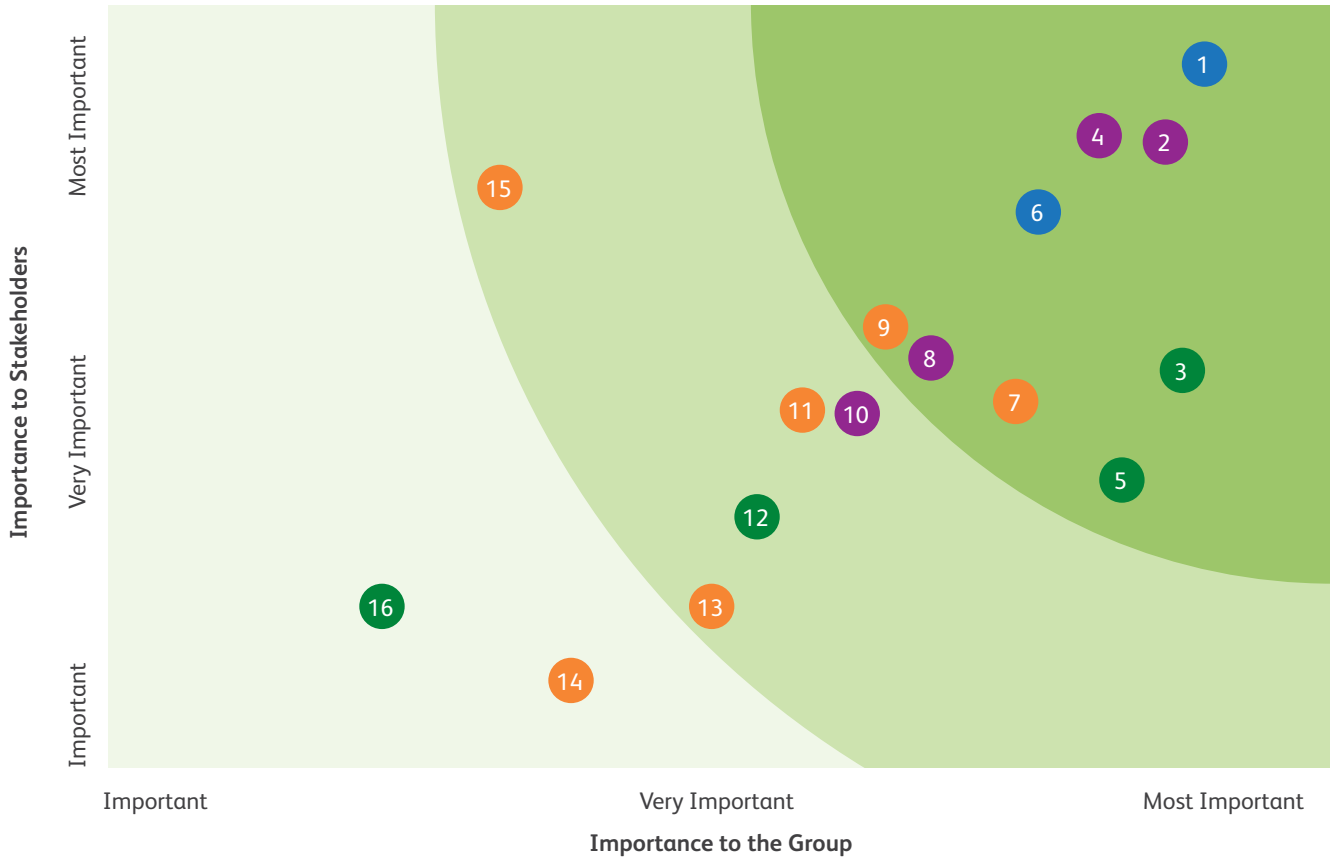
Review and validation

- The outcome of the materiality matrix was reviewed by the Sustainability Committee and the Board, to ensure that prioritisation was in line with the BaBW commitments.



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MATERIALITY MATRIX















GOVERNANCE	ENVIRONMENTAL SUSTAINABILITY	SOCIAL SUSTAINABILITY	RESPONSIBLE CONSUMPTION
<ul style="list-style-type: none"> 2 Regulatory Compliance 4 Ethical Business Conduct 8 Data Privacy & Cybersecurity 10 Risk Management 	<ul style="list-style-type: none"> 3 Climate Resilience & Energy Efficiency 5 Water Stewardship 12 Waste & Effluent Management 16 Resource Use 	<ul style="list-style-type: none"> 7 Employee Health, Safety & Wellbeing 9 Human Rights & Labour Standards 11 Supply Chain Management 13 Human Capital Development 14 Community Investment & Development 15 Diversity 	<ul style="list-style-type: none"> 1 Product Safety, Quality & Hygiene 6 Responsible Marketing & Consumption

As a result of our refreshed materiality assessment, we have identified and prioritised our most important material issues, which include Product Safety, Quality & Hygiene, Regulatory Compliance, Climate Resilience & Energy Efficiency, Ethical Business Conduct, and Water Stewardship. These material matters cut across our four key sustainability pillars – ESG Governance, Environmental Sustainability, Social Sustainability and Responsible Consumption.





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MAPPING OF MATERIAL MATTERS

This table exhibits how our material matters relate to the relevant stakeholder groups, UN SDGs and GRI Indicators:

Material Matters	GRI Indicator	UN SDG	Key Stakeholders Groups
Governance			
Regulatory Compliance	GRI 2: General Disclosures		<ul style="list-style-type: none">Shareholders and investorsRegulators and Public AuthoritiesCustomersSuppliersMedia/AnalystsIndustry associations
Ethical Business Conduct	GRI 205: Anti-corruption		
Data Privacy & Cybersecurity	GRI 418: Customer Privacy		
Risk Management	GRI 201: Economic Performance		
Environmental Sustainability: Path towards net zero impact			
Climate Resilience & Energy Efficiency	GRI 302: Energy GRI 305: Emissions	  	<ul style="list-style-type: none">Shareholders and investorsRegulators and Public AuthoritiesCustomers
Water Stewardship	GRI 303: Water and Effluents	  	<ul style="list-style-type: none">Regulators and Public AuthoritiesCommunities
Waste & Effluent Management	GRI 306: Waste	 	<ul style="list-style-type: none">Regulators and Public AuthoritiesCommunities
Resource Use	GRI 301: Materials		<ul style="list-style-type: none">Regulators and Public AuthoritiesCustomersMedia/AnalystsIndustry associations
Social Sustainability: Path towards inclusive, fair and equitable company and world			
Diversity	GRI 405: Diversity and Equal Opportunity		<ul style="list-style-type: none">Employees
Human Rights & Labour Standards	GRI 401: Employment GRI 404: Training and Education	 	<ul style="list-style-type: none">Regulators and Public AuthoritiesSuppliersEmployees

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Material Matters	GRI Indicator	UN SDG	Key Stakeholders Groups
Employee Health, Safety & Wellbeing	GRI 403: Occupational Health and Safety		<ul style="list-style-type: none">Regulators and Public AuthoritiesSuppliersEmployeesIndustry associations
Human Capital Development	GRI 404: Training and Education		<ul style="list-style-type: none">Employees
Community Investment & Development	GRI 201: Economic Performance GRI 413: Local Communities		<ul style="list-style-type: none">CommunitiesMedia/Analysts
Supply Chain Management	GRI 204: Procurement Practices		<ul style="list-style-type: none">Regulators and Public AuthoritiesSuppliers
Responsible Consumption: Path towards moderation and no harmful use			
Product Safety, Quality & Hygiene	GRI 416: Customer Health and Safety	 	<ul style="list-style-type: none">Regulators and Public AuthoritiesCustomersConsumersEmployees
Responsible Marketing & Consumption	GRI 417: Marketing and Labelling		<ul style="list-style-type: none">Shareholders and investorsCustomersConsumersEmployeesMedia/Analysts

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OUR FOUNDATION: HOW WE GOVERN

Why it matters?

At HEINEKEN Malaysia, we believe that responsible business conduct is the foundation of a successful organisation. As such, we are conscious of our responsibilities as a company to develop an ethical and compliant culture. Our commitments further assist us in maintaining the trust of our stakeholders as we simultaneously hold our directors, officers, employees and business partners to high ethical standards.

MATERIAL SUSTAINABILITY MATTERS

Material Matters

Ethical Business Conduct

Regulatory Compliance

Risk Management

Data Privacy and Cybersecurity

CONTRIBUTION TO UN SDGs



GOVERNANCE PERFORMANCE OVERVIEW

100%

of our **Board of Directors** received training on **Anti-Bribery and Anti-Corruption**

97%

of our **employees** completed **Anti-Bribery and Anti-Corruption e-learning**

100%

of reports received via the **Speak Up channel** were resolved

0

incident of **customer privacy and data breach**

100%

of our **employees** completed training on **HEINEKEN Code of Business Conduct**



ETHICAL BUSINESS CONDUCT

The Group is committed to upholding strong business ethics by ensuring that the policies and procedures in place including those relating to anti-bribery and anti-corruption are driven by the Management Team. In performing their duties or conducting business, all employees of the Group are expected to adhere to and uphold high standards of integrity and ethical behaviour. They must adhere to all applicable regulatory standards and guidelines, including any anti-bribery and anti-corruption policies that have been adopted by the Group. In 2022, we are proud to disclose that 100% of the Board of Directors received anti-bribery and anti-corruption training.

CODES AND POLICIES

The Group has established the following codes and policies that outline our commitment to conducting business with integrity and fairness.

HEINEKEN Code of Business Conduct (HeiCode)

HEINEKEN Malaysia is committed to conducting all of our operations with the highest level of integrity and fairness. The HeiCode is made up of 17 policies that outline the fundamental principles that every employee must uphold when acting on behalf of the Group. These policies fall under four main commitments that support – Responsible Consumption, Respect People and the Planet, Conducting Business with Integrity and Fairness and Safeguarding of Company's Assets.

These policies are regularly reviewed and updated to reflect the dynamic business environment and to keep the Company at the forefront of the industry. As part of our efforts to raise awareness and evaluate our understanding of the relevant codes and underlying principles, all employees are required to complete seven hours of e-learning each year via the Business Conduct Portal.

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Policies embedded in HeiCode

- Policy on Bribery
- Human Rights Policy
- Policy on Health and Safety
- Policy on Money Laundering and Sanctions
- Policy on the Use of Social Media
- Policy on Confidential Information
- IP Policy
- Policy on the Use of Company Resources
- Policy on Fraud
- Policy on Conflicts of Interest
- Policy on Competition
- Media Policy
- Policy on Dealing in Securities
- Policy on Gifts, Entertainment and Hospitality
- Policy on Responsible Alcohol Consumption
- Policy on Political Contributions, Charitable Donations and Lobbying
- Speak Up Policy
- Supplier Code
- Responsible Marketing Code which includes Brand Promoters Policy

Mandatory Training for Employees

- Code of Business Conduct
- Anti-Bribery and Anti-Corruption
- Responsible Marketing Code
- Security Awareness
- Fraud Awareness
- Data Privacy
- Competition Law

97%

of employees completed the Anti-Bribery and Anti-Corruption e-learning

The HeiCode is required to be complied with at all times, and violations of the code can result in disciplinary action, a breach of the terms of employment, and legal action.

HEINEKEN Policy on Bribery

At HEINEKEN Malaysia, we practise zero tolerance towards bribery. Our Policy on Bribery explains what a bribe or bribery is, and what we are expected to do when confronted with bribes. The Anti-Bribery Policy also guides us in dealing with government officials or political figures and outlines the Do's and Don'ts in terms of facilitation payments, improper requests or demands for a bribe. We believe that it is important to adhere to the law at all times and to carefully avoid actions that might qualify as bribes.

The HEINEKEN Policy on Bribery is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>

HEINEKEN Speak Up Policy

In line with best corporate governance practices, we implemented a whistleblowing system called Speak Up to encourage personnel to report any behaviour that violates our HeiCode. The Speak Up Policy provides a confidential platform to report concerns of misconduct such as fraud, discrimination, harassment or corruption within the Group.

All reports can be lodged online or by phone and are managed by a third-party case manager, supervised by the HEINEKEN Global Integrity Committee. The Speak Up Service is available 24/7.

Speak Up Reports can be made via:



Email to businessconduct@heineken.com



Call the integrity line at 1-800-80-8641



For more information, go to <https://www.heinekenmalaysia.com/>

In 2022, nine (9) reports were received via the HEINEKEN Speak Up channel and of these, only four (4) reports were referred to the Company for further investigation. The remaining five (5) cases were not referred to the Company for further investigation upon assessment by the HEINEKEN Global Speak Up Review Team as they were found to be frivolous and unsubstantiated. Internal Audit and People functions conducted necessary investigations and resolved all the four (4) cases. The nature of these Speak Up reports were centered around non-compliances

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with the Group's policies and procedures. Corrective and preventive actions including disciplinary measures as well as process and control improvements were taken by the Company subsequent to the investigations. None of the Speak Up cases have caused any material financial impact to the Group. The Group will continue to encourage its employees and business partners to Speak Up given that this is an effective mechanism to protect the Group against fraud and non-compliance with rules and policies.

The HEINEKEN Speak Up Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>.

REGULATORY COMPLIANCE

At HEINEKEN Malaysia, regulations are an essential part of our operational integrity and these protect us against risks across all our business operations. The Board is responsible for ensuring that the Group is compliant with all relevant regulatory requirements.

In line with regulatory requirements, we have developed relevant codes and policies to guide us in our business operations. These policies include the HeiCode, the Policy on Competition and the Policy on Fraud and our Responsible Marketing Code. Furthermore, we have training programmes in place to ensure the

compliance of our employees such as Fraud Awareness, Brand Promoters training and Anti-Corruption and Anti-Bribery training. Our employees are informed when there are updates to the legislation that might affect the Group's operations.

RISK MANAGEMENT

The COVID-19 pandemic, climate change, and new technology threats and vulnerabilities are just a few of the challenges that businesses today must confront in order to maintain their growth and development. When evaluating opportunities and developing strategies, risks are a crucial component. The Group's system of risk management and internal control was developed based on the COSO Enterprise Risk Management and Internal Control Reference model which forms a crucial part of our HEINEKEN Business Framework.

Embedded within the HEINEKEN Business Framework, the HEINEKEN Risk Management Framework has been adopted to identify and manage the risks that the Group faces when devising our strategies and delivering business objectives. As the issue of climate change becomes critical, a focus on sustainability is no longer an option, but a necessity.

In 2022, the key business risks presented to our Audit & Risk Management Committee for review included the following:

Rising Input Cost	
What Might Happen? Changes in the price of raw and direct materials, commodities, transportation and energy costs causing rise in input costs.	Our actions to manage this risk: Our EverGreen strategy includes a priority on Fund the Growth where we adopt a disciplined approach to cost management. Our end-to-end savings initiatives driven by procurement and the continued sourcing of suppliers who are able to deliver competitive rates and terms help us mitigate this risk.
Supply Chain Disruptions	
What Might Happen? Global geopolitical uncertainties continue to affect the volatility of global supply chains, which may still impact the availability of raw and packaging materials.	Our actions to manage this risk: We are in the midst of upgrading and modernising the facilities and capabilities of our Sungei Way Brewery, which will help improve efficiency and mitigate the risk of supply shortages. At the same time, we collaborate through HEINEKEN Global's task force on supply chain resiliency which focuses on addressing the issue of availability both through immediate interventions and longer-term action plans.
Growing Conservatism	
What Might Happen? Commercial communications including marketing and sales that are not compliant with HEINEKEN's Responsible Marketing Code could potentially draw negative attention and pose significant reputational risks. This could potentially impact commercial freedoms and be detrimental to the commercial objectives of the Group's business.	Our actions to manage this risk: We ensure 100% of commercial communications are vetted against our Responsible Marketing Code and go through multiple levels of reviews including those from Marketing, Corporate Communications and Legal. We operate with the utmost respect for cultural sensitivities and market our brands and products to consumers who are over the age of 21 and who are non-Muslim only.

ESG Review

Cybersecurity Risks

What Might Happen?

Cyber attacks for the purposes of disrupting, disabling destroying or stealing critical data leading to potential loss of intellectual property, fines, legal expenses, operational disruptions and impact on reputation.

Our actions to manage this risk:

Our Management Team performed a Cyber Crisis Preparedness exercise in March 2022. All employees were required to complete the Cyber Security e-learning to raise awareness of the roles and responsibilities of each individuals in preventing cyber attacks. Furthermore, we implemented a framework for cybersecurity, a firewall, a network, and a security operation centre.

In terms of risks related to environmental and sustainability matters, we identified the following ESG risks as most relevant to HEINEKEN Malaysia:

Safety

What Might Happen?

The safety and wellbeing of employees, contractors and other third-parties may be at risk due to incidents, accidents or other unforeseen events during the course of work at our brewery or externally including sales and distribution activities that require transport on the road.

Our actions to manage this risk:

Our Management Team attended a Safety Leadership Workshop and each member have adopted an area of safety to champion. During the year, we also conducted a fire drill in collaboration with the Petaling Jaya Fire & Rescue Department.

During the year, we also launched the refreshed HEINEKEN Life Saving Commitments to all employees and contractors and we continue working to strengthen awareness and the right behaviours through our 'Put Safety First' campaign that minimises the risks associated with activities that pose the greatest dangers to people.

Human Rights

What Might Happen?

Significant alleged or actual violations of the Human Rights Policy as a result of our business activities in our own operations or across the value chain could result in claims, fines and reputational harm.

Our actions to manage this risk:

Our HeiCode e-learning covers the Human Rights Policy. Additionally, the People and Internal Audit functions conduct spot checks on contract workers' payrolls. In 2022, there were no major violations of human rights.

Environmental Compliance

What Might Happen?

Excessive waste, nuisance, pollution or any other non-compliance with legal and regulatory requirements or stakeholders' requirements resulting in legal claims, reputational harm or withdrawal of a licence to operate.

Our actions to manage this risk:

We employ competent employees to manage our key areas requiring compliance with environmental regulations, including waste and water. In 2022, by collaborating with external waste management partners, we recycled and upcycled 100% of waste from our production activities. 100% of our wastewater is also treated at our wastewater treatment plant before release. We remain proactive in our efforts to reduce the amount of scheduled waste in our brewery.

We are also taking proactive measures via our net zero carbon roadmap to ensure we decarbonise our production by 2030 and the wider value chain by 2040. In 2022, we transitioned to 100% renewable electricity and we will continue working towards improving energy efficiency.

ESG Review

Water

What Might Happen?

Disruptions in the water supply to our brewery due to pollution of water sources affecting the ability of water treatment plants to operate normally may cause interruptions in production activities.

Our actions to manage this risk:

We adopt a three-pronged approach to managing water. We focused on improving the efficiency of water use in our production, balancing the water used in our products, and ensuring we treat 100% of wastewater before release. As a responsible water user, we collaborate with local communities and NGOs on water stewardship initiatives to conserve water sources.

DATA PRIVACY AND CYBERSECURITY

In this advancing digital age, cybersecurity is becoming increasingly important for all organisations. To maintain the trust of our stakeholders by safeguarding their data as well as ours, we adopted a Privacy Policy to manage all data in accordance with the 2010 Personal Data Protection Act (PDPA).

The Privacy Policy is available on the Company's website at <https://www.heinekenmalaysia.com/privacy-policy/>.

We are aware of the potential risks surrounding data privacy which include data breaches and identity theft. At HEINEKEN Malaysia, we uphold the integrity of all of our confidential data, including audit reports, product designs, product recipes and business plans. In addition to the Privacy Policy,

the Group has adopted the HEINEKEN Information Security Maturity Assessment (ISMA) framework in order to protect and identify threats to the Company's information systems. The effectiveness of the Group's cybersecurity risk management measures and the strength of the Group's information security management system are assessed on a quarterly basis by ISMA assessments.

In 2022, our employees were required to complete the Data Privacy e-learning course as part of the measures taken to raise awareness about cybersecurity. In addition, a simulated phishing email exercise was conducted to enhance employee awareness of phishing attacks and their methods. There were zero incidents concerning breaches of customer privacy and losses of customer data reported across our operations in 2022.

ESG Review

ENVIRONMENTAL SUSTAINABILITY

Why it matters?

It is our responsibility to preserve and protect the environment for the present as well as future generations. For HEINEKEN Malaysia, this means having bold and progressive measures in place to drive positive change through our environmental endeavours guided by HEINEKEN's sustainability strategy, Brew a Better World.

We strive to minimise our impact on the environment via our BaBW 2030 Strategy where we are committed to reaching set goals such as achieving net zero carbon emissions in production and across our value chain.

We are also maximising circularity through recycling and reusing, contributing to healthy watersheds through water stewardship projects and practising sustainable resource use of electricity and natural gas.

LINKAGES BETWEEN MATERIAL SUSTAINABILITY MATTERS AND BaBW AMBITION AREAS

Material Matters	Ambition Areas
Climate Resilience & Energy Efficiency	Reach Net Zero Carbon Emissions
Waste and Effluent Management	Maximise Circularity
Water Stewardship	Towards Healthy Watersheds
Resource Use	

CONTRIBUTION TO UN SDGs



ENVIRONMENTAL PERFORMANCE OVERVIEW

Transitioned to
100%
green electricity in
March 2022

Reduced absolute
carbon emissions at
our production by
49%
compared to 2018
baseline

Carbon emission intensity
at production reduced by
56%
to 5.18 kgCO₂e/hl

Increase in biogas
production by
54%
from 2021

100%
production waste is
recycled and upcycled

100%
of wastewater treated
beyond the standards
required by DOE

85%
of reduction in absolute
Scope 2 emissions
and Scope 2 emission
intensity lowered by
87%
compared to 2018
baseline

OUR DECARBONISATION PATHWAY: REACHING NET ZERO CARBON EMISSIONS

The impact of climate change is evident in the extreme fluctuations in weather all around the world. In Malaysia, the flooding that started in early 2022 was listed by the World Economic Forum (WEF) as a disaster fuelled by the climate crisis.

HEINEKEN Malaysia is playing its part in achieving the global agenda of reducing GHG emissions by 43% by 2030 as urged by the Intergovernmental Panel on Climate Change (IPCC) to meet the Paris Agreement goal of limiting global warming to 1.5°C.¹

The Group considers climate change a risk to our operations as the nature of our business depends largely on resources such as energy, water and supply of key ingredients. In our efforts to mitigate and adapt to climate change, the Group has set high standards by committing to achieve net zero carbon emissions across our value chain by 2040 with an intermediate goal to achieve net zero carbon emissions in production and 30% reduction in the value chain by 2030.

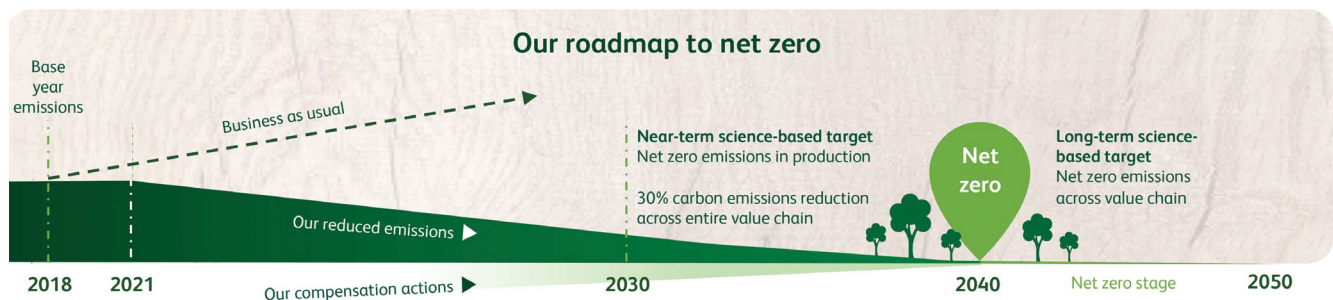
Our emission reduction targets have been validated by the Science Based Target Initiative (SBTi) which is essentially based on climate science. To maintain transparency and accountability, the Group tracks and reports our progress against our targets annually.

¹ Climate Change 2022, Mitigation of Climate Change, Sixth Assessment Report of the Intergovernmental Panel on Climate Change ("IPCC")

ESG Review

Our Net Zero Roadmap

We have developed our roadmap to net zero carbon as the foundation of our journey in decarbonisation across our production and value chain. HEINEKEN Malaysia's Sustainability Committee is responsible for implementing the roadmap to reduce our carbon emissions.



Our 2018 emissions are the baseline against which future emission reductions will be measured. To expedite our journey, we have set production innovation and efficiency as our focal points to reduce total energy demand and consumption. Where possible, we accelerated green energy adoption by deploying renewable energy technologies. We are guided by the TCFD Recommendations to improve our climate-related disclosures for better climate resilience and to communicate effectively the critical impacts of climate change on our business. These also assist us in shaping our action plans to mitigate the identified climate risks and leverage new opportunities.

DRIVING DECARBONISATION

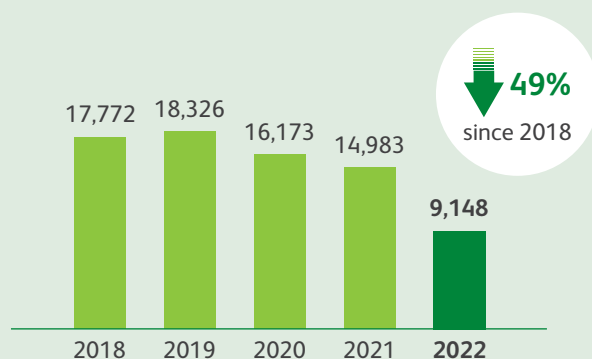
Since 2018, HEINEKEN Malaysia has undertaken various initiatives to achieve carbon neutrality in our production. Some of our key energy-saving initiatives include utility upgrades and production process improvements as well as cooling plants

and CO₂ plant upgrades. The utility upgrade project improved cooling plant electricity consumption by 1kwh/hl.

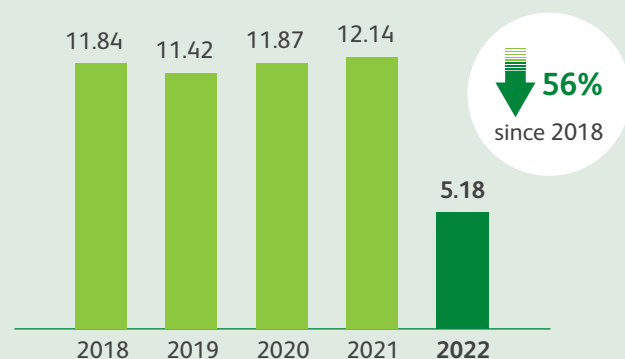
We have also installed insulation on various components of the brewery including steam boilers, hot water tanks and fermentation tanks to reduce heat loss and improve energy conservation. We continue to procure energy efficient and environmentally friendly refrigeration equipment as part of our initiatives to reduce our carbon footprint. In 2022, we procured 202 green fridges.

In March 2022, the Group partnered with Tenaga Nasional Berhad (TNB) in the Green Electricity Tariff (GET) programme and has transitioned to 100% renewable electricity. The GET programme is an initiative by the Malaysian government in line with our nation's initiatives to achieve net zero GHG emissions by 2050.

Absolute CO₂ Emissions in Production (tCO₂e)



CO₂ Emission Intensity in Production (KgCO₂e/hl Beer)

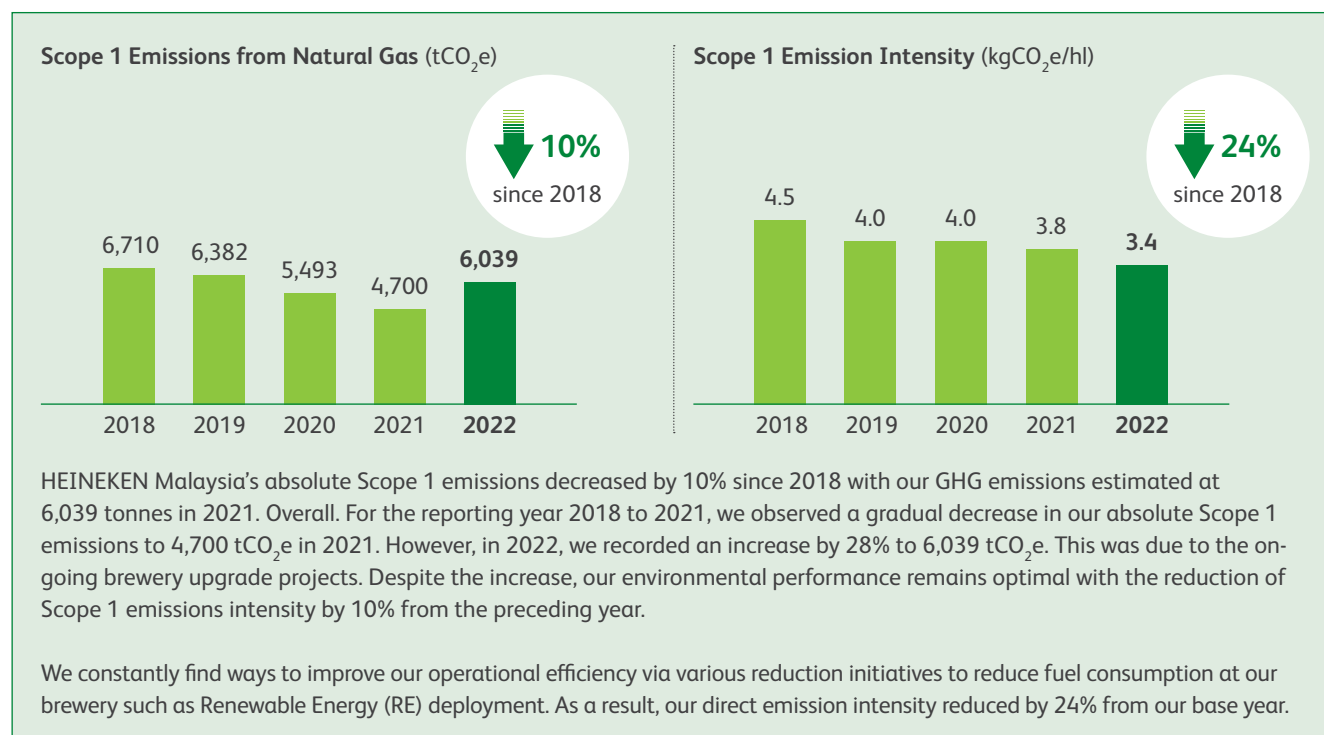


We are pleased to report that our absolute carbon emissions in production have decreased by 49% since 2018, surpassing our target of achieving a 21% reduction in 2022. Although we have recorded a gradual decrease in emissions since 2019, the drop in 2022 as compared to 2021 was highly significant, and was the direct result of our shift in electricity consumption to renewable sources. Our CO₂ emissions intensity decreased by 56% in production during the reporting period recording 5.18 kgCO₂e/hl beer compared to 2018 which was 11.84 kgCO₂e/hl beer. This lower-level emission intensity represents carbon efficiency per hectolitre of beer produced. Overall, we recorded good progress against our 2030 commitments and continue to focus our efforts on reducing our carbon emissions and exploring opportunities to further optimise our energy consumption.

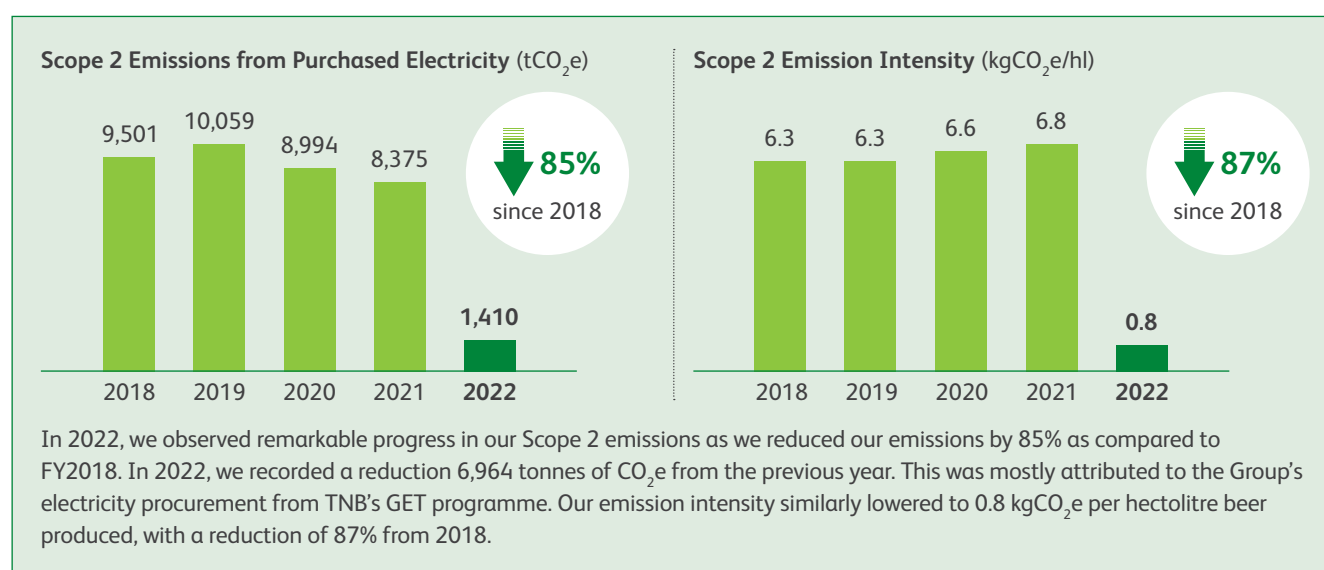
ESG Review

Direct (Scope 1) and Indirect (Scope 2) GHG Emissions

In 2022, we disclosed our Scope 1 and Scope 2 emissions to track and monitor the source of GHG emissions to help build better reduction strategies. Scope 1 emissions from our brewery are direct emissions from the combustion of fossil fuel. At HEINEKEN Malaysia, the source of fuel is natural gas.



Scope 2 emissions are GHG emissions that are indirectly generated from the consumption of purchased electricity.



* **Green Electricity Tariff, or GET**, is the Government initiative to provide the option of green electricity sourced from renewable energy supplies to any electricity consumer to reduce their carbon footprint. This GET programme is a part of the nation's initiatives to achieve net-zero GHG emissions by the year 2050. GET subscribers will be supplied with green electricity coming from Solar and Hydro generators. On top of that, the green electricity is backed by Malaysia Renewable Energy Certificates (mREC) which are based on international REC standards.

ESG Review

ENERGY MANAGEMENT

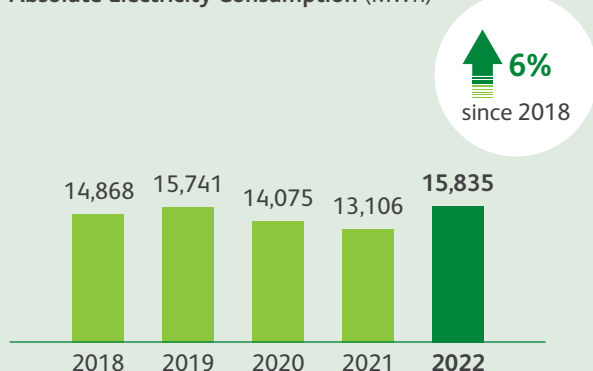
HEINEKEN Malaysia's energy usage mainly comprises thermal energy and electricity consumption. Natural gas is the primary source of thermal energy in our brewery and is used for various processes such as boiling, cooling and sterilisation. Electricity is mainly utilised to power pumps and motors, refrigeration systems for fermentation as well as storage and machinery operations.

We work to improve our energy consumption in the short-term while simultaneously pursuing long-term solutions. Our target is to launch our on-site solar power generation which is expected to replace approximately 15% of our electricity, with an expected launch later in 2023. Apart from the deployment of renewable energy technologies, we are in the midst of exploring the feasibility of Virtual Power Purchase Agreements to be included in our net zero carbon roadmap beyond 2025, a procurement mechanism that enables organisations to purchase renewable energy from offsite projects.

Procured Electricity

In 2022, HEINEKEN Malaysia's total energy consumption increased by 21% to 15,835 MWh from 13,106 MWh in 2021. The increased energy expenditure is attributed to increased production at our brewery which rose by 43%. Our electricity intensity has reduced from 10.6 kWh/hl to 9.0 kWh/hl in 2022, increasing our efficiency by 16%.

Absolute Electricity Consumption (MWh)



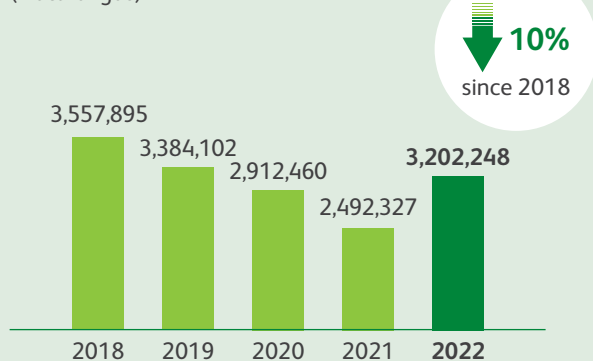
Electricity Intensity (kWh/hl)



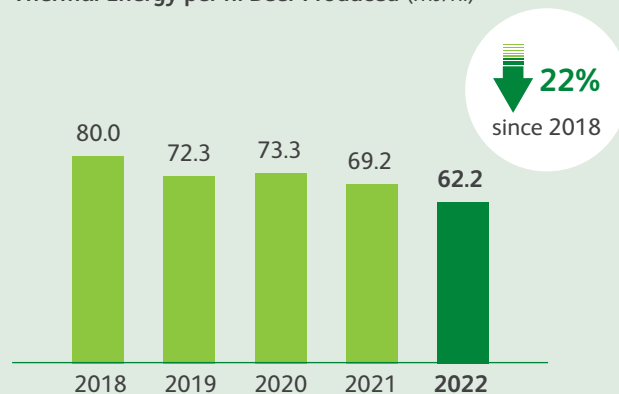
Thermal Energy

Our natural gas consumption reduced by 10% in comparison with our baseline year and energy efficiency improved by 22% to 62.2 mJ/hl in 2022 from 80.0 mJ/hl in 2018. HEINEKEN Malaysia's continuous efforts in optimising fuel consumption include our brewery insulation project which reduces heat loss significantly and increases thermal energy generation from the wastewater treatment plant. We are currently looking into more opportunities to reduce reliance on non-renewable energy sources.

Total Thermal Energy Consumption (Sm³) (Natural gas)



Thermal Energy per hl Beer Produced (mJ/hl)



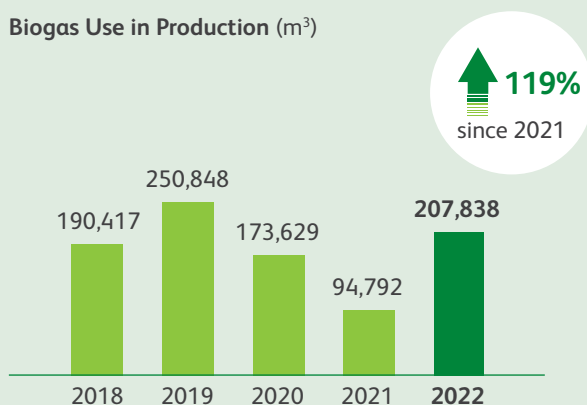
ESG Review

Energy from Biogas

We aspire to leverage clean energy and sustainable energy sources and aim to replace 25% of thermal energy through an increase in biogas² recovery projects to meet our target of achieving an 86% reduction in CO₂ emissions by 2025. Hence, we are constantly exploring measures to decarbonise our thermal energy consumption.

In 2022, Biogas use in our production increased by 119% to 207,838 m³ and 5% of our thermal energy is generated from our wastewater treatment plant.

Biogas Use in Production (m³)

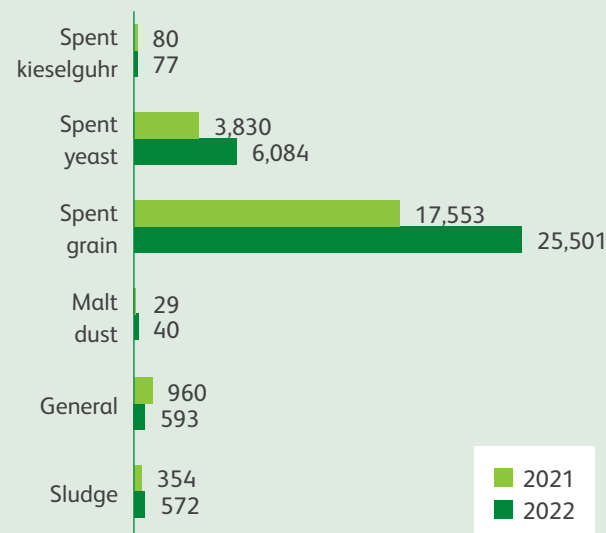


² Biogas is defined as a gas produced by the anaerobic digestion or fermentation of indigenous organic matter under anaerobic conditions including but not limited to manure sewage sludge municipal solid waste and biodegradable waste.

oil, which are sources of protein for animal feed. These insect proteins are then used to feed pets and farm animals, in particular, swine, and also as a substitute for fish meals.

We are constantly looking at how our organic wastes can be converted into biogas using the right technologies before further upgrading into biomethane to substitute up to 50% of HEINEKEN Malaysia, Sungei Way Brewery's thermal energy requirement.

Total Organic Wastes (Tonnes)



MAXIMISE CIRCULARITY

HEINEKEN Malaysia is committed to conserving our natural resources and reducing the consumption of raw materials by adopting waste circularity within our operations where we reduce material use, redesign materials and products to be less resource intensive, and recapture "waste" as a resource to manufacture new materials and products.

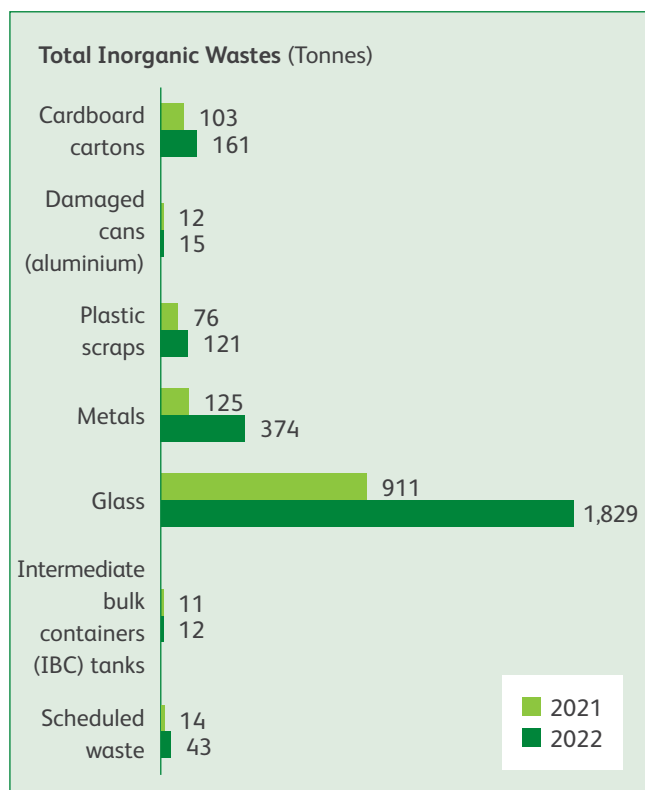
We segregate our waste and aim for zero waste sent to landfill from our operations including our brewery by 2025. The majority of our waste consists of biodegradable co-products such as spent grain, yeast and kieselguhr which have commercial value from reuse in other industrial applications. HEINEKEN Malaysia is working with two contractors to process the spent grains as cattle feed while another is for a bioconversion process that transforms the spent materials into a protein component for livestock feed. The bioconversion process utilises our spent grain from our operations to cultivate black soldier flies. The larvae of black soldier flies are then processed into two main ingredients, insect meal, and insect

In 2022, we produced a total of 32,868 tonnes of organic waste of which spent grain accounted for 78% of the organic waste.

In 2022, our biogas recovery from the wastewater treatment plant generated 5 million megajoules of thermal energy for our brewery in Petaling Jaya. This represented 5% of our total thermal energy needs. We aim to increase our biogas recovery by 2025 to replace 25% of our thermal energy needs, using heat pumps as well as exploring other innovative methods of decarbonising our thermal energy generation, which currently comes from boilers fueled by liquified natural gas (LNG).

We are constantly looking for opportunities to improve the recyclability of our inorganic waste which comprises glass, metals, plastic scraps, cardboard cartons and damaged aluminium cans. The waste is managed and disposed of through our recycling company, a certified waste management partner.

ESG Review



In 2022, we produced a total of 2,555 tonnes of inorganic waste. 72% of our inorganic waste consisted of glass.

As for our contribution towards the eradication of plastic waste, we have successfully eliminated single-use plastics in the primary packaging of our products by procuring scale efficient and sustainable packaging. However, we still use plastic wrap for our multi can packs where plastic film wrap is used to pack our 24-pack cartons together. We will continue to explore innovative packaging solutions to shift to recyclable materials such as paper collars made from recyclable paperboard.



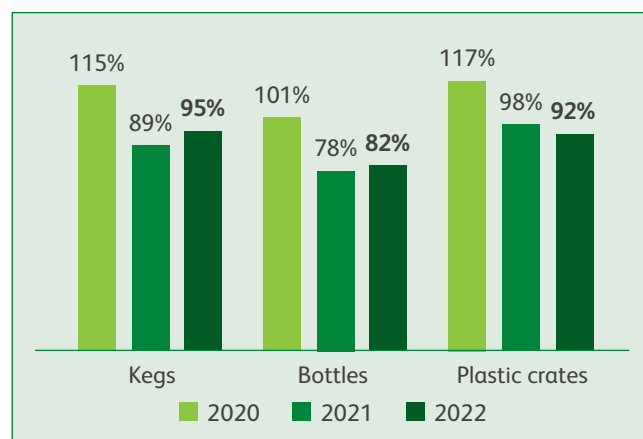
We generated a total of
35,423
tonnes of waste in
2022, of which 100%
were recycled.

Generated
RM1.9
million
in revenue.

PACKAGING WASTE

Our packaging material represents the largest component of our global footprint. In Malaysia, we apply the reduce, reuse and recycle method in managing our bottles, kegs and crates waste. We work with our trade partners through a deposit system and to ensure reusable kegs, bottles and crates are returned to the brewery. Over the years, we have worked to improve our packaging materials to be thinner, lighter yet durable so fewer resources are used.

We utilise returnable packaging materials such as bottles, crates and kegs to distribute our end products to our customers and consumers. We are cognisant of the environmental impact of our packaging waste and are committed to innovating the materials we use as well as increasing the rate of recycling and reusing our packaging materials. In 2022, our 12-month moving average on the return rates are as follows:



In 2022, the returned kegs, bottles and plastic crates are at 95%, 82% and 92% respectively. We continue our efforts to increase the circulation of returned materials in our production.

TOWARDS HEALTHY WATERSHEDS

Water is an essential resource in our operations; we are thus committed to minimising our water footprint throughout our value chain to ensure water security. As a responsible brewer, we continue to play our part in safeguarding this shared precious resource by taking the lead in our water conservation efforts. We embarked on various water optimisation efforts through the three key principles of our water triangle: Water Balancing, Water Circularity and Water Efficiency.

Our 2030 water strategy involves three ambition areas which include reducing water consumption, maximising water circularity and treating wastewater as well as balancing water use through watershed protection programmes. Our approach to managing water goes beyond internal management, where we not only practise responsible water usage and wastewater management, but also commit to long-term water security for the community.

ESG Review



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 Efficiency

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

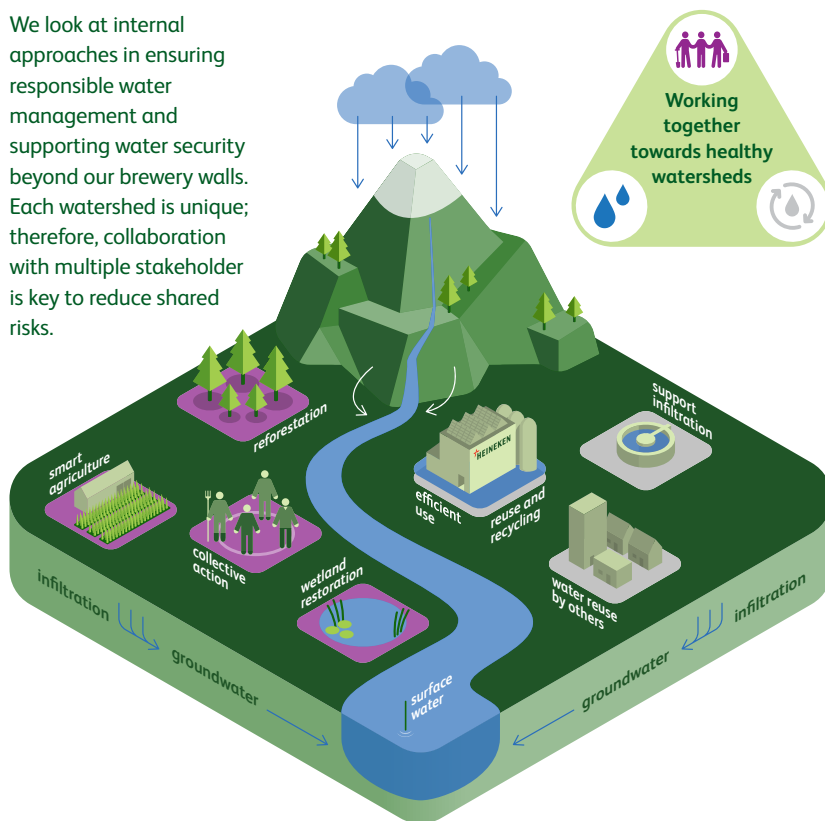
Maximise reuse and recycling in water-stressed areas by 2030



Water Balancing

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

We look at internal approaches in ensuring responsible water management and supporting water security beyond our brewery walls. Each watershed is unique; therefore, collaboration with multiple stakeholder is key to reduce shared risks.



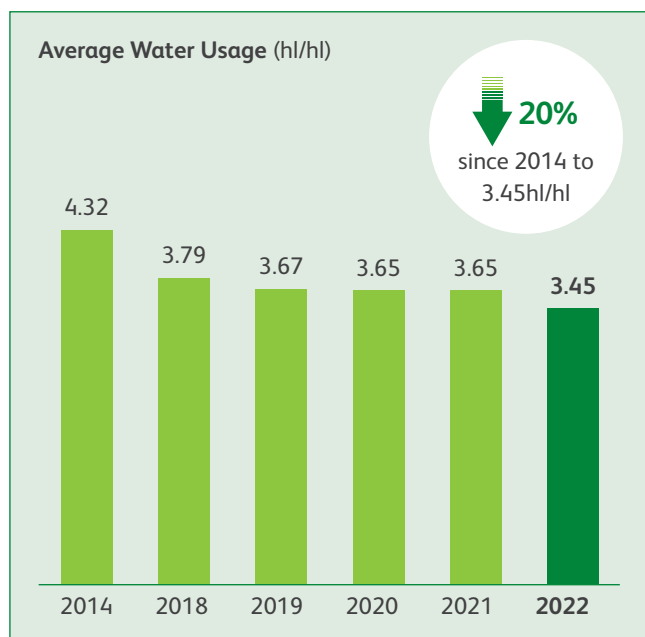
WATER EFFICIENCY

We strive to maximise water efficiency by eliminating the wastage of water within our brewing operations through the practice of responsible water management. Our water-saving efforts are focused on optimising usage by maximising water circularity.

In 2022, we recorded average water usage of 3.45 hl/hl, a reduction of 5% compared to the previous year and a 20% reduction from our baseline year in 2014. This value is higher than our target for 2022 of 3.16 hl/hl and can be attributed to the indirect impact of our brewery upgrading project during the financial year which required additional cleaning cycles and caused irregularities in production planning and packaging line downtimes.

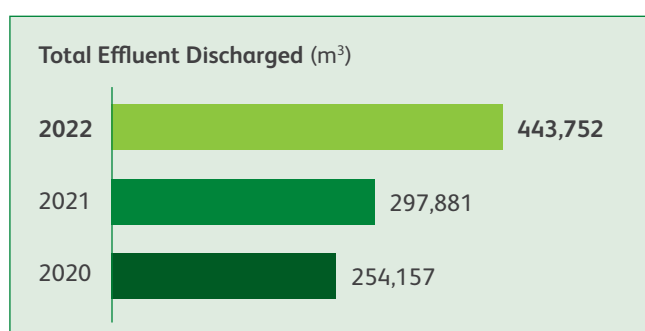
There was a decreasing pattern seen from previous years and we continue to strive to meet our BaBW 2030 commitment of reducing water usage to 2.6 hl/hl by 2030. Our future plans for improvement include introducing the new cleaning-in-place (CIP) process that utilises less water. We are also exploring efficiency improvements in the packaging and bottling line of our brewery and recycling water from carbon filter regeneration for general cleaning purposes. Flow meters will be installed to quantify and monitor progress on reused and recycled water.

ESG Review



WATER CIRCULARITY

In line with our efforts to protect our water resources, we are conscious of the impact we pose from the discharge of our wastewater. We monitor and track our effluent discharge to ensure our wastewater is within the regulatory standards. In 2022, we recorded a 49% increase in the total volume of effluent discharged. This increase can also be attributed to the increased demand for our production during the financial year, despite practising strong circularity throughout our operations.



We are pleased to report that we have achieved our BaBW ambition of treating 100% of wastewater, a standard that we have maintained since 2018. Our brewery is equipped with a wastewater treatment plant with a capacity of 780 million litres per year and we maintain stringent compliance with the Environmental Quality Act 1974, and the Environmental Quality (Industrial Effluent) Regulations 2009 Fifth Schedule when discharging our wastewater. We continue to treat our wastewater 100% beyond the standards prescribed by the Department of Environment. In 2022, we recorded zero non-compliance relating to wastewater standards and regulations.

WATER BALANCING

We aim to balance the amount of water used in our products with our local watersheds through investing in water stewardship projects. For every 1 litre of water in our beers and ciders, we target to balance 1.5 litres of water in our watersheds. We reached this goal in 2020 and continue to maintain it to where we have balanced 203% of our targeted water volume. The percentage of water balanced in 2022 (203% vs target) is relatively lower than in 2021 (289% vs target) due to the recovery in business operations post-pandemic resulting in higher production volumes in 2022, which increased the target balancing volume.

Safeguarding our local watersheds is one of our top priorities. We have embarked on various water conservation projects and will continue to contribute over the years. Our efforts have had a positive impact on improving water security through our third-party verified water balancing results. Our water balancing volumes are quantified and verified in line with the Volumetric Water Benefit Accounting (VWBA) framework by the World Resources Institute; volumetric benefit evaluation is independently verified by LimnoTech, a leading water sciences and environmental engineering firm based in the United States.

Our water conservation programmes are carried out through our Working Actively Through Education and Rehabilitation (W.A.T.E.R Project) which is the flagship initiative of the SPARK Foundation in collaboration with the Global Environment Centre, Government agencies and local communities. SPARK Foundation is the corporate social responsibility arm of HEINEKEN Malaysia which was established in 2007 and has since provided support in the areas of environmental protection and educational enrichment.



ESG Review

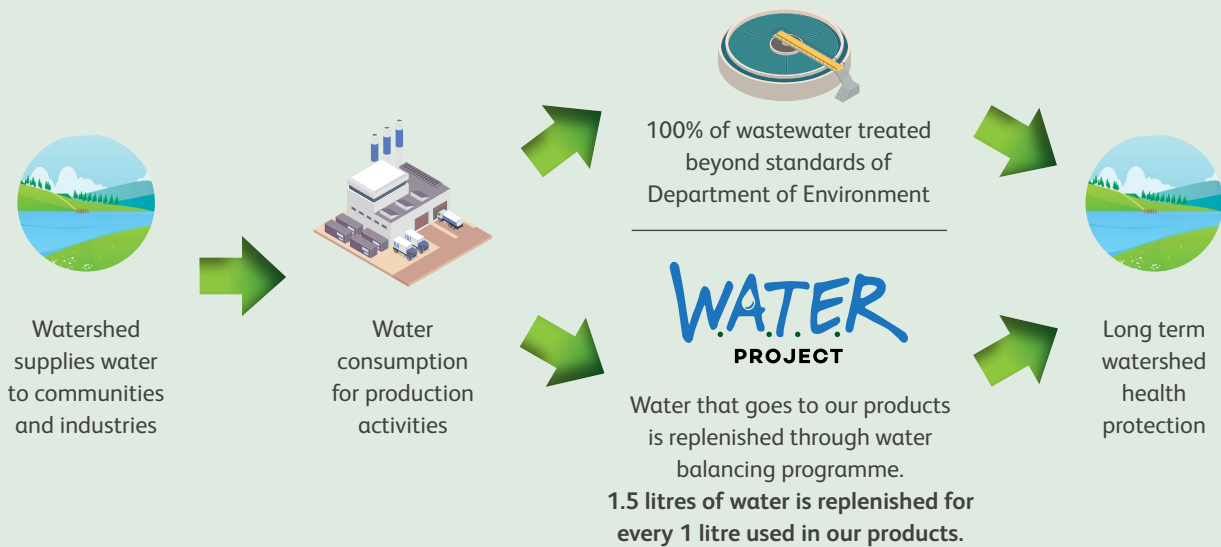
HEINEKEN Malaysia Target:

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

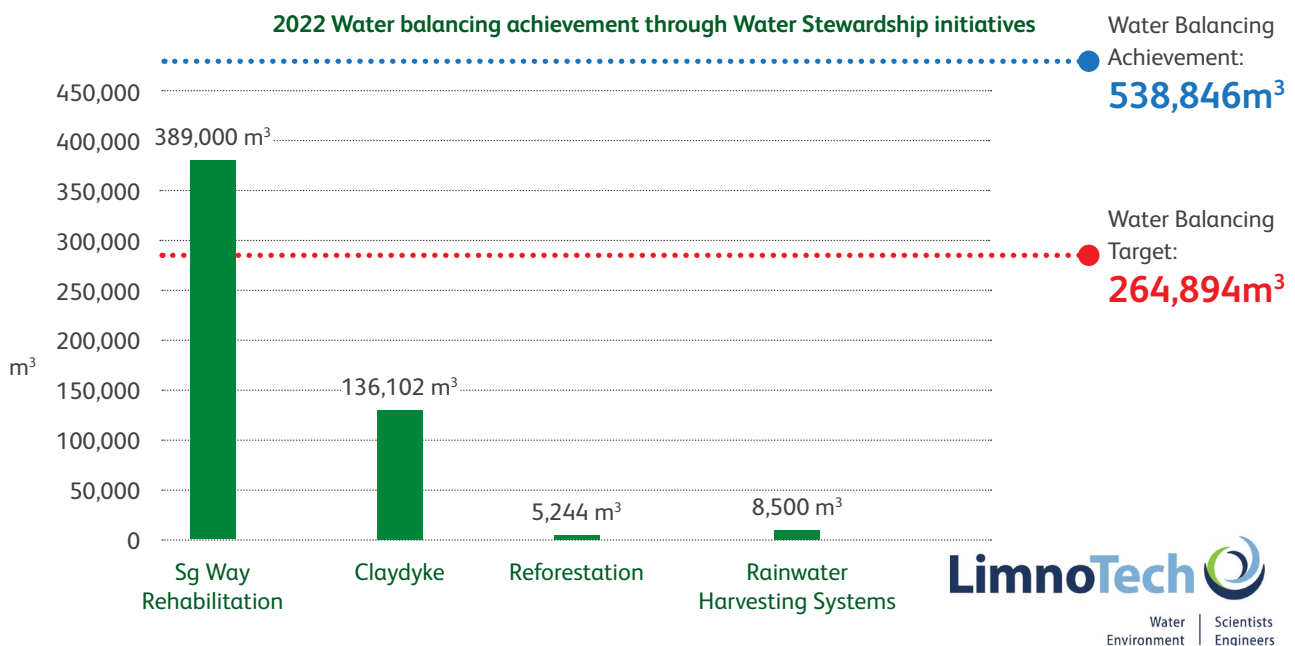
Balancing amount to be more than water used in our products

1.5 litre of water is replenished for every 1 litre of product. 0.5 litre accounts for unavoidable losses from evaporation and moisture

Target Water Balancing 2022 (1.5 x water used in our products)



In 2022: HEINEKEN Malaysia achieved 203% of our target water balancing volume



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.

ESG Review



Sungai Way River Rehabilitation

WHERE



Sungai Way river

Petaling Jaya

WHY

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

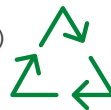
treated wastewater is discharged



WHAT

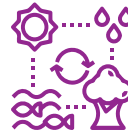
Transformed

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



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



RESULTS

Reduction in pollution

- Improved habitat and biodiversity



VOLUMETRIC WATER BENEFIT

389,000 m³
(389 million litres)



Clay Dyke for Water Retention

WHERE



Raja Musa Forest Reserve

Hulu Selangor

WHY

Sungai Selangor watershed

as a key water resource



WHAT

Constructed
305-metre clay dyke
at Raja Musa Forest Reserve



HOW

- Built 4-5 metres 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



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



VOLUMETRIC WATER BENEFIT

136,102 m³
(136 million litres)



ESG Review



Reforestation of Degraded Peatland

WHERE



**Raja
Musa
Forest
Reserve**

Hulu Selangor

WHY

**Prevent peatland
fires**

by promoting wetter
soil conditions



WHAT

**1,200 trees
planted**

and maintained on
two hectare of
degraded peatland



HOW

- Open planting techniques
- Cleared invasive weeds and plants



RESULTS

- Prevent further degradation of the peat
- Increased soil water retention



VOLUMETRIC WATER BENEFIT

8,500 m³
(8.5 million litres)



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

**23 Rainwater
Harvesting Systems**

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

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



RESULTS

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



VOLUMETRIC WATER BENEFIT

5,244 m³
(5.2 million litres)



ESG Review

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Extreme weather conditions have become increasingly frequent due to climate change, disrupting supply chains and business operations. HEINEKEN is aware of our responsibility in mitigating climate change and we strive to help prevent the current climate crisis from reaching a point of no return. The Brew a Better World 2030 Strategy guides HEINEKEN's effort to lower our carbon footprint in support of the Paris Climate Agreement.

In addressing climate change, there are climate-related possibilities and risks, with the risks being subdivided into physical risks and transition risks. The TCFD recommendations help us analyse and strengthen our resilience, as well as identify the significant effects of climate change on our business. Consequently, we additionally review our action plans to minimise these threats and capitalise on the opportunities.

2022 will be a landmark year for HEINEKEN Malaysia, as we began our TCFD journey by including climate-related disclosures alongside our ESG disclosures. Adopting TCFD recommendations will assist HEINEKEN Malaysia in assessing risks and opportunities and reporting on meaningful climate-related disclosures pertaining to governance, strategy, risk management, metrics, and targets.

CORE ELEMENTS	OUR DISCLOSURES	REFERENCE
GOVERNANCE		
Describe the Board's oversight of climate-related risks and opportunities.	<p>The Board is HEINEKEN Malaysia's highest governance level and is responsible for overseeing and ensuring that the Group's sustainability strategy aligns with our strategic direction and long-term objectives. They also review and approve Annual Sustainability plan, targets, quarterly progress against the targets set with regards to HEINEKEN'S global Brew a Better World 2030 commitments which include climate-related targets as well as the adoption of policies that address climate-related risk issues.</p> <p>Additionally, our Board is vigilant and up-to-date on climate-related concerns, constantly seeking to further their knowledge and awareness of climate-related risks and opportunities. The Board participated in ESG sessions, which included "Principles and Methodology of Task Force on Climate Related Financial Disclosure Reporting," and underwent training on climate governance in 2022.</p>	<p>Sustainability Governance Structure, page 41-42</p> <p>Corporate Governance Overview Statement, page 90</p> <p>ESG Board training, page 76</p>
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Sustainability Committee, chaired by the Managing Director of HEINEKEN Malaysia, assesses and manages initiatives within each ambition area of our BaBW strategies, which include climate-related KPIs under the environmental sustainability pillar. The committee chairperson reports the Group's progress updates on the sustainability initiatives that tackle climate-related risks and opportunities to the Board regularly and is supported by a secretariat led by the Corporate Affairs and Legal Director (CAL) and sponsors.</p> <p>Area owners from various functions under respective BaBW pillars implement initiatives towards 2030 commitments that address climate-related risks and opportunities.</p>	<p>Sustainability Governance Structure, page 41-42</p> <p>Corporate Governance Overview Statement, page 90</p>
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	The major potential climate-related risks faced by HEINEKEN Malaysia are related to energy, water usage, supply of key ingredients and floods.	Risk management page 52-53

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CORE ELEMENTS	OUR DISCLOSURES	REFERENCE
STRATEGY (CONTINUED)		
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>The extreme weather conditions due to climate change such as fluctuations in global temperature and natural disasters (i.e., flooding and wildfires) pose significant impacts on our operations. GHG emissions are the main driver of climate change and we are cognisant that high energy consumption at our production leads to increased GHG emissions which exacerbate the effects of climate change especially in the country we operate in. This has given the Group an opportunity to venture into the deployment of renewable energy.</p> <p>Water is an integral component of our operations. Disruption in water supply is a significant potential impact of climate change and may result in disruption in the brewing process, reduced efficiency and potentially inferior beer quality. The supply of our key ingredients is also at risk as it is crucial for our brewery to produce high-quality beer. Changes in the temperature and precipitation patterns may affect the quality of our raw materials such as barley. It may further affect the timeliness and cost of our key ingredient supply.</p> <p>Additionally, floods are also a common impact of climate change that can have a significant impact on operations which may lead to potential shutdowns and financial losses.</p>	Risk management page 51-53
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>In FY2021, we adopted the HEINEKEN's global BaBW strategy, which incorporates science-based targets approved by SBTi to achieve net zero carbon emissions across the value chain by 2040, in line with the Paris Agreement's goal of limiting global warming to 1.5°C. Our path to net zero carbon emissions necessitates substantial adjustments to our operations, and we are committed to evaluating our impact on climate change continuously.</p> <p>We plan to assess our climate-related risks and opportunities in-depth across the key ESG risks to identify potential impacts and mitigation measures. As such, we aim to integrate the outcome of our risk assessments into our business strategies. We believe that adopting the TCFD recommendations will assist us in reporting our climate-related impacts and maintain transparency in our reporting to provide our stakeholders with robust information on climate-related risks and opportunities over the short, medium, and long term.</p>	Our Decarbonisation Pathway: Reaching Net Zero Carbon Emissions, page 54-55
RISK MANAGEMENT		
Describe the organisation's processes for identifying and assessing climate-related risks.	<p>Risk management is an integral part of HEINEKEN Malaysia's business operations and is at the core of our business framework. The Group's key sustainability risks and opportunities including climate risks are identified via our comprehensive risk management framework which is supported by the EverGreen strategy. The Group's ESG-related risks and opportunities, including climate-related issues, are assessed based on the impact and likelihood of occurrence. The Management approached to mitigate the identified risks are determined periodically.</p> <p>Our refreshed materiality assessment also supports HEINEKEN's Risk Management Framework and allows the Group to identify relevant topics in which climate change is also recognised as a risk.</p>	<p>Statement on Risk Management and Internal Control, page 101-103</p> <p>Risk Management, page 51</p> <p>Materiality Assessment, page 45-46</p>

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CORE ELEMENTS	OUR DISCLOSURES	REFERENCE
RISK MANAGEMENT (CONTINUED)		
Describe the organisation's processes for managing climate-related risks.	<p>The Group has implemented the BaBW strategy where annual KPIs are set to achieve our 2030 targets which include climate-related ambitions. HEINEKEN is accelerating RE adoption to reduce our carbon footprint. We are guided by the TCFD Recommendations to assist us in shaping our action plans to mitigate the identified climate risks and leverage new opportunities. In addition, we are also constantly looking for opportunities to tackle the impact of flooding at our operations.</p> <p>We have also developed a Sustainability Policy to act as guidance to the Group and our stakeholders in embedding sustainable practices throughout our operations and value chain and to communicate our commitments in addressing ESG risks including climate-related risks and opportunities across our operations.</p>	<p>Our Decarbonisation Pathway: Reaching Net Zero Carbon Emissions, page 54-58</p> <p>Sustainability policy, page 39</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	The Group conducts an annual risk assessment where the members of the Management Team are engaged to identify and review key risk areas within their respective functions. The Management Team ensures the adequacy and effectiveness of action plans to manage the risks are identified.	Risk Management, page 51-53
METRICS AND TARGETS		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Our Brew a Better World 2030 targets serve as our compass and provide the metrics to measure our sustainability performance. We have set 2018 emissions as our baseline to track our progress and journey towards emissions reductions. We also monitor our performance against the UN SDGs.</p> <p>We are also guided by the TCFD recommendations in assessing our climate-related risks and opportunities.</p>	Our Brew a Better World 2030 Targets and Progress: Environment Sustainability, page 68
Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.	We disclosed our Scope 1 and 2 emissions for 2022, tracked based on our 2018 baseline year and continue to monitor our emissions performance in the following years.	Our Decarbonisation Pathway: Reaching Net Zero Carbon Emissions, page 56
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Short-term: We are aiming to achieve an 86% reduction in CO₂ emissions by 2025</p> <p>Long-term: We are committed to achieving net zero carbon emissions in production by 2030 and across our value chain by 2040.</p> <p>We monitor our environmental performance and are continuously tracking, monitoring, and reporting our progress against the set KPIs.</p>	Our Decarbonisation Pathway: Reaching Net Zero Carbon Emissions, page 54-58

ESG Review

ENVIRONMENTAL DATA SUMMARY TABLE 2022

The table provides overview of the environmental performance of our operations.

Performance indicator	Unit	2018	2019	2020	2021	2022
Thermal Energy Consumption	Sm ³	3,557,895	3,384,102	2,912,460	2,492,327	3,202,248
Thermal Energy Intensity	mJ/hl	80.0	72.3	73.3	69.2	62.2
Biogas Use in Production	m ³	190,417	250,848	173,629	94,792	207,838
Electricity Consumption	MWh	14,868	15,741	14,075	13,106	15,835
Electricity Intensity	kWh/hl	9.9	9.8	10.3	10.6	8.9
Average Water Usage	hl/hl	3.79	3.67	3.65	3.65	3.45
Effluent Discharged	m ³	267,607	278,564	254,157	297,881	443,752
Water Balancing	m ³			545,406	534,396	538,846

* Water balancing calculation was only verified by LimnoTech from year 2020.

Greenhouse gas and intensity emissions

Performance indicator	Unit	2018 (base-year)	2019	2020	2021	2022
Absolute CO ₂ Emissions in Production	tonnes CO ₂ e	17,772	18,326	16,173	14,983	9,148
CO ₂ Emissions Intensity in Production	kgCO ₂ e/hl	11.84	11.42	11.87	12.14	5.18
Scope 1 GHG Emissions (Natural Gas)	tonnes CO ₂ e	6,710	6,382	5,493	4,700	6,039
Scope 1 Emissions Intensity	kgCO ₂ e/hl	4.5	3.9	4.0	3.8	3.4
Scope 2 GHG Emissions (Purchased Electricity)	tonnes CO ₂ e	9,501	10,059	8,994	8,375	1,410
Scope 2 Emissions Intensity	kgCO ₂ e/hl	6.3	6.3	6.6	6.8	0.8
Total GHG Emissions Scope 1, 2	tonnes CO ₂ e	16,211	16,441	14,487	13,075	7,449

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

Ambition Areas	Our Brew a Better World Global Commitments	Our 2022 Progress
Reach Net Zero Carbon Emissions	Net zero carbon emissions in production by 2030.	<ul style="list-style-type: none"> Absolute CO₂ emission reduction of 49% compared with 2018 baseline. Scope 1 emission reduction of 10%. Scope 2 emission reduction of 85%.
	Net zero across the value chain by 2040. 30% absolute reduction by 2030 across our value chain.	<ul style="list-style-type: none"> Ongoing carbon footprint assessment across our value chain to identify suitable pathways to net zero.
Maximise Circularity	Zero waste to landfill for all production sites by 2025.	<ul style="list-style-type: none"> Zero waste to landfill achieved since 2017.
	Turn waste into value and close material loops throughout the value chain.	<ul style="list-style-type: none"> Circularity strategies and targets under development.
Towards Healthy Watersheds	Fully balance* water used in our products in water- stressed areas. * For every 1 litre of water in our products, we aim to balance 1.5 litres of water through water stewardship projects.	<ul style="list-style-type: none"> 203% water balanced in 2022.
	Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl globally.	<ul style="list-style-type: none"> Reduced average water usage by 20% from our baseline year of 2014.
	Treat 100% of wastewater from breweries.	<ul style="list-style-type: none"> 100% of wastewater treated beyond the standards required by the Department of Environment.

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	
Community Investment & Development	Positive Impact on our Communities

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.

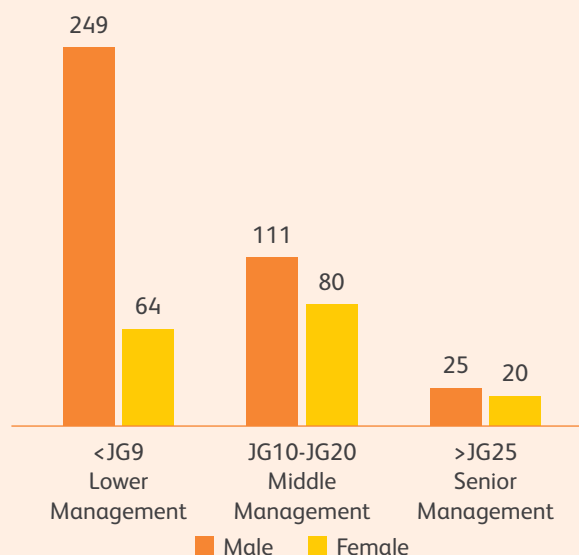
Our DEI initiatives extend towards improving workforce diversity by showcasing our unique and diverse culture through our employer branding which is "Daring to Be Bold" to connect with a diverse pool of talent both globally and locally. For every recruitment process, we ensure that a diverse group of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

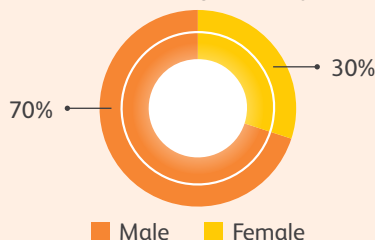
WORKFORCE DIVERSITY

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.

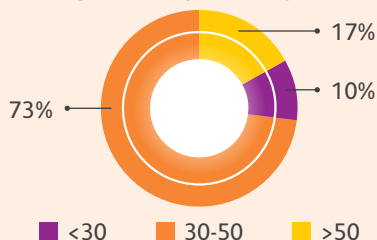
Total Workforce by Job Grade and Gender



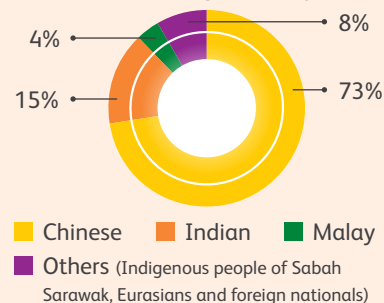
Gender Diversity in Workplace



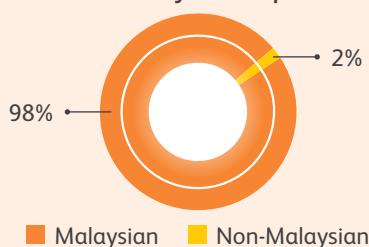
Age Diversity in Workplace



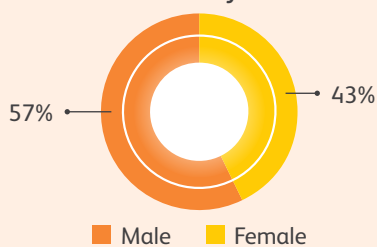
Ethnic Diversity in Workplace



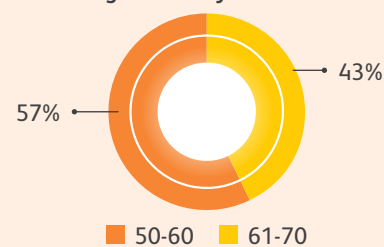
Nationality in Workplace



Gender Diversity of Board

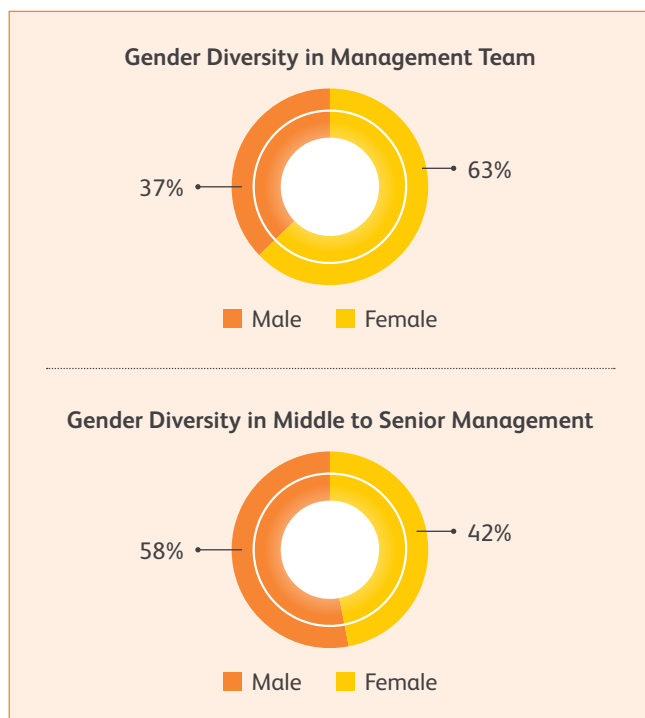


Age Diversity of Board



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

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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.



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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

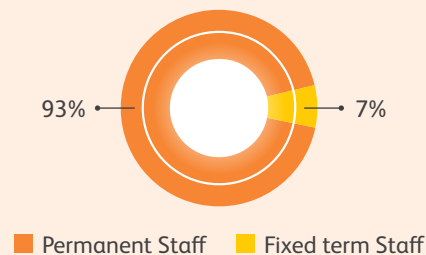
Freedom of association and the right to collective bargaining

Respect for human rights in high risk contexts

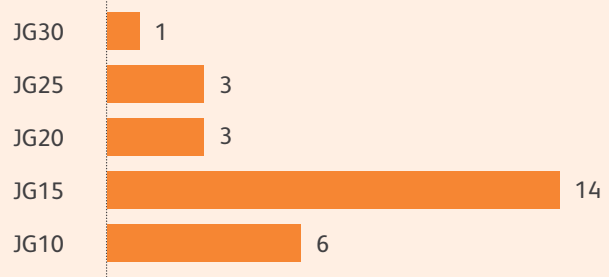
Fair Recruitment Practice

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

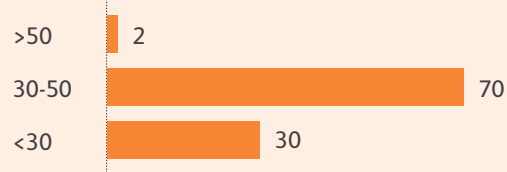
Percentage of Permanent to Temporary Staff



Total Turnover by Job Grade



New Hires by Age



New Hires by Gender



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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.

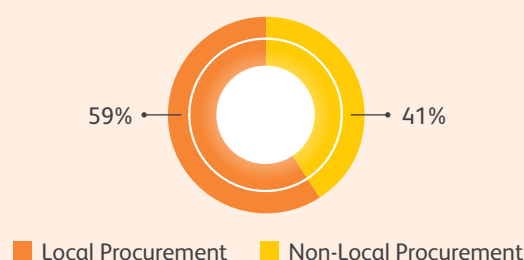
The HEINEKEN Suppliers Code essentially details our commitment to and enforcement of ethical business conduct, human rights, and care for the environment. As outlined in the code, HEINEKEN operates in line with international human rights and labour standards and all environmental laws.

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.

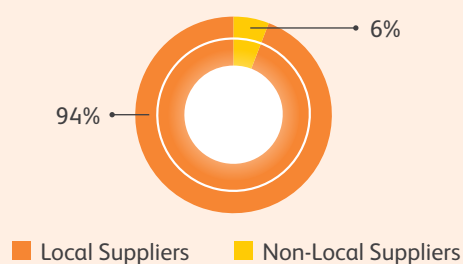
We strive to work with suppliers to incorporate ESG factors such as environmental performance, occupational health and safety, and corporate governance into our suppliers' businesses and our operations to be resilient against risks in the economy and environment. To safeguard the integrity of the Group,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



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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.



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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

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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

ESG Review

RESPONSIBLE CONSUMPTION

Why it matters?

Our brands are made for the enjoyment of the people. We believe that our beers and ciders, when consumed in moderation, can be part of a fulfilling and balanced lifestyle. It is essential for us to address the harmful use of alcohol to help consumers understand and instill greater awareness within society as we market our brands.

We strive to send the message that what you drink is "Always a Choice" by offering non-alcoholic options. We empower our consumers to make informed choices about our products. With Heineken® 0.0, our consumers are given the choice to lead a more balanced lifestyle without compromising the taste of good beer.

As a responsible company, we make it our priority to promote responsible consumer drinking behaviour as part of our aspiration to create a positive impact on society with our brands. Every year, 10% of Heineken® media spend is dedicated to promotional activities and campaigns that promote responsible consumption. Our marketing materials undergo a strict review process to ensure our messages are communicated ethically and clearly to our consumers.

To us, the enjoyment of our beers and ciders is best done responsibly and in moderation. As a company with integrity, we strongly advocate responsible consumption through the marketing and promotion of our products. It is also in line with UN SDG Target 3.5 which is to strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol. There were no incidents of non-compliance concerning marketing communications and product labelling recorded for 2022.

LINKAGES BETWEEN MATERIAL SUSTAINABILITY
MATTERS AND BaBW AMBITION AREAS

Material Matters	Ambition Areas
Product Safety, Quality & Hygiene	Always a Choice
Responsible Marketing & Consumption	Address Harmful Use Make Moderation Cool

CONTRIBUTION TO UN SDGs

RESPONSIBLE CONSUMPTION PERFORMANCE
OVERVIEW

100%

partnerships in addressing
harmful use

>10%

Heineken Media Spend
in FY2022

ALWAYS A CHOICE

Everyone should have the option of selecting the right beverage for the right occasion. Our zero alcohol option, Heineken® 0.0 provides the refreshing fruity notes and soft malty body of beer without the effects of alcohol. This gives consumers a 'real alternative' which promotes moderate alcohol consumption and a more balanced lifestyle.

We are committed to providing clear information about our products, making them available on both brand and corporate websites. Information for consumers include Alcohol by Volume (ABV), calories, ingredients, allergens, nutrient information and harm reduction symbols. We are also working towards our

goal of providing clear and transparent product information on 100% of our products.

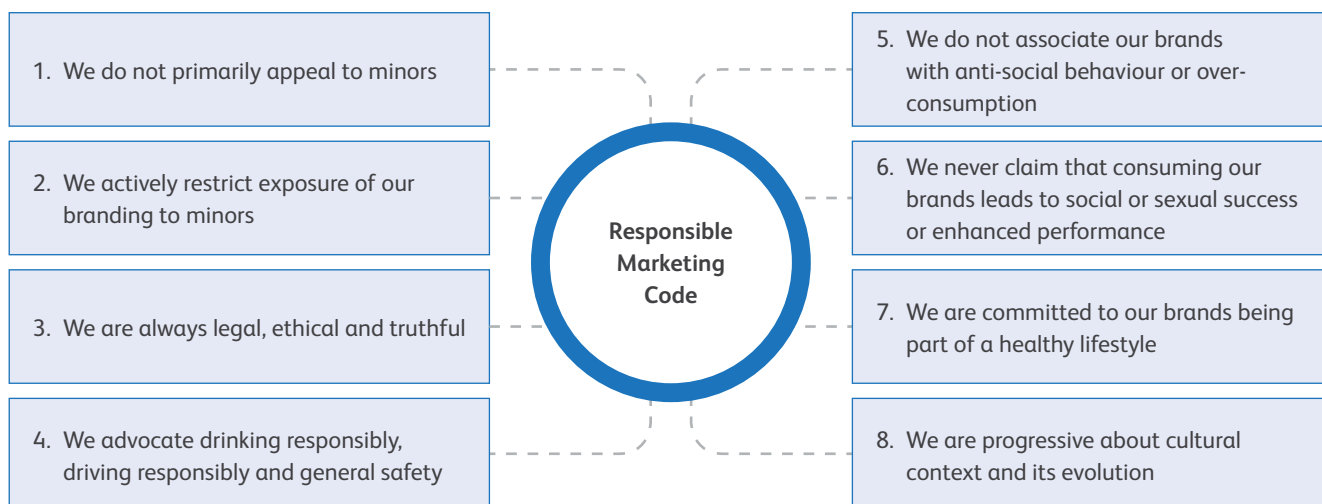
PRODUCT SAFETY, QUALITY & HYGIENE

In promoting the health and wellbeing of our consumers, we practise stringent adherence to hygiene and safety standards and closely monitor our operations throughout production processes. Our brewery was the first in Malaysia to receive the MS 1480: 2007 Hazard Analysis Critical Control Point (HACCP) Certification from the Ministry of Health in August 2002 and we have also been accredited with the global ISO 9001:2015 (Quality Management Systems) certification since 2018.

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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 including point-of-sale materials, are reviewed according to the eight principles below:



Marketing Materials Reviewing Process



ADDRESS HARMFUL USE

HEINEKEN Malaysia continues to be strongly committed to tackling the harmful use of alcohol. We will continue to cultivate local partnerships to address alcohol harm including topics like the prevention of underage drinking, drink-driving and binge drinking.

Illicit Trade

HEINEKEN Malaysia is a member of the Confederation of Malaysian Brewers Berhad which engages with and supports the Government's efforts towards eliminating the sale of illicit alcohol in Malaysia. We are committed to supporting the government in stamping out illicit trade through holistic efforts including strengthening enforcement by working closely with the Royal Malaysia Customs Department as well as raising greater awareness in the Malaysian market.

Advocating Responsible Consumption

We are committed to building a responsible consumption culture. As a responsible company, we believe that our products should be enjoyed sensibly and in moderation. Heineken N.V. has been one of the signatories of the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking (Commitments) since 2012. The Commitments embody five ambitious commitments to build a responsible drinking culture for our internal and external stakeholders. Our progress at the local level is in line with the commitments and aligned with UN SDG 12.

HEINEKEN Malaysia has always led the effort in engaging and educating its customers and consumers on enjoying beers and ciders responsibly. Millions of people across the world have been reached in the mission to combat harmful drinking. The Heineken® brand dedicates 10% of media spend to responsible drinking campaigns. This investment includes

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the 'When You Drive, Never Drink' programme which provides an unprecedented opportunity to help change attitudes and behaviours and reduce drink driving around the world.

We have also joined forces with Grab Malaysia to encourage responsible and safe behaviours among consumers through the 'Enjoy Responsibly and Get Home Safely This Festive Season' campaign. The objective of this campaign was to raise awareness of the dangers of driving under the influence and encourage responsible consumer behaviour. In December 2022, we offered up to 10,000 Grab promo codes for a RM10 discount off Grab rides for various Heineken®, Guinness and Tiger brand events. Through this campaign we were able to encourage consumers to use e-hailing during at-risk times, proving our commitment to being part of the solution to help people make safe choices.

and reminding them, when they drive, they should never drink.

As a result, we received over 3,000 consumer pledges and all the consumers were rewarded with over 3,000 Grab (e-hailing) vouchers.

HEINEKEN Malaysia also calls for its valued business partners including restaurants, coffee shops, bars, hotels, and retailers as well as relevant trade associations to sign the HEINEKEN Malaysia Responsible Consumption Industry Pledge and be an 'Enjoy Responsibly' ambassador. Through the pledge, HEINEKEN Malaysia aims to inspire its business partners to join forces as part of a responsible and progressive industry in Malaysia. Over 100 signatures were obtained from various industry players who committed to being our responsible partners and our Enjoy Responsibly ambassadors!

HEINEKEN

Enjoy RM10 OFF to and from our brand events during this festive season when you book a ride with:

Grab

PROMO CODE

ENJOYRESPONSIBLY

*Limited to 2x redemptions per user While Stocks Last

Do Not Drink & Drive.

e RESPONSIBLY

HEINEKEN

About Us | Brands | Investor Relations | Corporate Responsibility | Careers | News Room | Contact Us | Beer Order Enquiry

SIGN THE PLEDGE

Signatories

THE BARN
WINE • SMALL PLATES
PIZZERIA

SHIP
SINGAPORE
RESTAURANT

THE MARINIS GROUP

聯和有限公司

LA BODEGA
TAPAS Y VINOS

When You Drive, Never Drink Pledge Campaign

Earlier in 2022, we also launched the When You Drive, Never Drink campaign. We reinforced the Company's commitment to advocating against harmful consumption and behaviours through a series of initiatives to encourage consumers, business partners and employees to take a stand against drink-driving.

The campaign aims to encourage consumers to be the hero who drives sober by taking the leap to pledge to never drink when they drive. It also serves to inspire consumers to adopt healthy drinking habits towards drinking to protect their health, families and society and to turn peer pressure into peer support. Through the campaign, the Company reiterates that there is no better way to get home safely after drinking than by supporting your friends

I TOOK A STAND
AGAINST DRINK-DRIVING

WHEN YOU DRIVE
NEVER DRINK

Heineken

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MAKE MODERATION COOL

The Heineken® brand dedicates 10% of our media spend to promote responsible consumption campaigns annually. In 2022, we invested 11% of our media spend in educational and promotional campaigns which included the 'When You Drive, Never Drink' campaign in the third quarter of 2022.

Additionally, we endeavour to promote responsible alcohol consumption by setting a good example. HEINEKEN's Policy on Responsible Alcohol Consumption outlines our commitment as ambassadors for responsible consumption. Our employees are expected to comply with the Policy as they represent our brand in promoting the enjoyment of our products in moderation as part of a balanced and healthy lifestyle. The Policy is strongly communicated throughout our workforce and failure to comply will lead to disciplinary measures which may include dismissal.

OUR BREW A BETTER WORLD 2030 TARGETS AND PROGRESS: RESPONSIBLE CONSUMPTION

Ambition Areas	Our Brew a Better World Global Commitments	Our 2022 Progress
Always a Choice	A zero-alcohol option for two strategic brands in the majority of our markets.	Heineken® 0.0 has been available in Malaysia since 2019.
	100% of products to include clear and transparent product information.*	Artwork designs for Heineken®, Tiger, and Anchor brand labels were approved in 2022 and a changeover will take place in 2023.
Address Harmful Use	100% of markets in scope to have a partnership to address alcohol-related harm.	Launched partnership with Grab Malaysia offering up to 10,000 Grab promo codes to promote responsible drinking.
Make Moderation Cool	10% of Heineken® media spend invested in responsible consumption campaigns annually.	11% of Heineken® media spend invested in responsible consumption campaigns.

* Product information includes ABV, calories, ingredients, allergens, nutrient information and harm reduction symbols

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AWARDS AND RECOGNITIONS

HEINEKEN Malaysia is passionate and committed to fulfilling our purpose which is to 'Brew the Joy of True Togetherness to Inspire a Better World' and become the best brewer in the country. In 2022, our One Strong Winning Team received several awards in the pursuit of excellence in environmental and social sustainability.

 <p>Global Compact Network Malaysia & Brunei</p> <p>UNGCMYB Sustainability Performance Awards 2022</p> <ul style="list-style-type: none"> SDG Ambition Benchmark 2: Net-positive water impact in water-stressed basins SDG Ambition Benchmark 3: Zero waste to landfill and incineration 	 <p>HR Excellence Awards 2022</p> <p>Heineken Malaysia Berhad received a Gold award for excellence in Diversity, Equity, and Inclusion category</p>	 <p>Sustainability & CSR Malaysia Awards 2022</p> <ul style="list-style-type: none"> Long-Standing Excellence in Sustainability Award Company of the Year for Environmental Sustainability & Social Initiatives Award
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At the United Nations Global Compact Malaysia & Brunei (UNGCMYB) Sustainability Performance Awards 2022, HEINEKEN Malaysia was recognised in two categories for our dedication and efforts to fulfil our commitments in the environmental sustainability pillar, in line with our BaBW sustainability strategy. HEINEKEN Malaysia was awarded the SDG Ambition Benchmark 2 for our water stewardship initiatives.

We are proud to report that we have fully balanced the water used in our products since 2020 and we continue to improve our water efficiency. We received the SDG Ambition Benchmark 3 for our achievement of ZERO Waste to Landfill since 2017. In order to prevent our waste from going to landfills, we are dedicated to constantly enhancing the ways in which we turn waste into value by recycling and upcycling.

ESG Review



In recognition of our ongoing sustainability commitment and consistent efforts to give back to society through various initiatives, HEINEKEN Malaysia received two awards at the Sustainability & CSR Malaysia Awards 2022 which are the Long-Standing Excellence in Sustainability Award and Company of the Year for Environmental Sustainability & Social Initiatives Award.

A Gold Award for Excellence in the Diversity, Equity and Inclusion category was also obtained at the HR Excellence Awards 2022 for consistently showing dedication to foster an environment that values diversity of culture, gender, physical abilities and other minority groups.



In addition to the awards received in 2022, HEINEKEN Malaysia actively participates in multiple industry bodies and civil society organisations as we are strong proponents of incorporating ESG into our business operations.

To bolster our efforts in fostering a diverse culture at HEINEKEN Malaysia, we joined the 30% Club Malaysia in 2021 which is part of an international initiative aiming to promote DEI. The focus is on gender equality to be implemented on boards and in C-suites. Chairs and CEOs are encouraged to adopt DEI best practices in their respective organisations.