



HEINEKEN MALAYSIA BERHAD
ANNUAL REPORT 2020





57th

**VIRTUAL ANNUAL
GENERAL MEETING**

**FRIDAY, 21 MAY 2021
9.30 A.M.**



For more information, visit:
[https://www.
heinekenmalaysia.com/
annual-general-meetings.
html](https://www.heinekenmalaysia.com/annual-general-meetings.html)

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Note:

This annual report focuses on our activities, performance and results for the financial year ended 31 December 2020. This report has been prepared in accordance with the GRI Standards: Core option.



Scan the QR code for the Annual Report 2020 microsite.

WE ARE



HEINEKEN

We build true human connections and break down barriers, because we believe great moments of shared experiences are the best in life.

We are inspired by consumers to brew the best beers and extend that same passion to all of our brands, products and activities.

We are proud of our family history and Dutch heritage and derive from them our entrepreneurial spirit that takes us to every corner of the world.

We are brand builders. The Heineken® brand defines and unites us while our many local, regional and global brands make our portfolio diverse and unique.

People are at the heart of our company. We see our strength in trust, diversity and progress.

We stand by our values: passion for quality, enjoyment of life, respect for people and for the planet.

We always advocate for responsible consumption. We are committed to our communities and strive to consistently improve the impact we make on the planet.

We work with our customers and partners to grow together and seek to win with integrity and fairness.

And we are convinced that by staying true to these commitments, we create value for our shareholders.

WE ARE HEINEKEN.

About Us

Heineken Malaysia Berhad (HEINEKEN Malaysia) is the leading brewer in the country, with a portfolio of iconic international brands that includes:

- The World's No. 1 international premium beer – Heineken®
- The great taste of Heineken® with dealcoholised Heineken® 0.0
- The World-acclaimed iconic Asian beer – Tiger Beer
- The crystal-cold filtered beer – Tiger Crystal
- The World's No. 1 stout – Guinness
- The World's No. 1 cider – Strongbow Apple Ciders
- The New Zealand inspired cider – Apple Fox Cider
- The all-time local favourite – Anchor Smooth
- The premium Irish ale – Kilkenny
- The real shandy – Anglia



HEINEKEN Malaysia also produces the wholesome, premium quality non-alcoholic Malta. HEINEKEN Malaysia's brand portfolio also includes the No. 1 German wheat beer Paulaner and Japan's No. 1 100% malt beer Kirin Ichiban.

HEINEKEN Malaysia history in the country dates back to 1964, and the Company's shares have been listed on the Main Market of Bursa Malaysia since 1965.

HEINEKEN Malaysia is 51% owned by GAPT Pte Ltd (GAPT) and 49% by the public. The Company's name was changed to Heineken Malaysia Berhad on 21 April 2016 following Heineken NV's acquisition of Diageo Plc's stakes in GAPT in October 2015. GAPT is now a subsidiary 100% owned by Heineken NV, the world's most international brewer.

Our 23.72-acre Sungei Way Brewery is 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. The brewery also received the ISO 9002 Certification since 1995 and has upgraded to MS ISO 9001: 2008 in 2010 and, subsequently, to ISO 9001:2015 in 2018.

HEINEKEN Malaysia employs about 600 people at our headquarters and brewery in Petaling Jaya, Selangor, as well as our sales offices throughout Peninsular and East Malaysia.

Our people are the heart of the Company, driving us forward with their energy and dedication. Through their every action and day-to-day interactions, they reflect HEINEKEN's values of Passion for Quality, Enjoyment of Life, as well as Respect for People and for the Planet.

These values strengthen our stakeholder relationships From Barley to Bar, and underline our global sustainability strategy of Brewing a Better World. We believe it is critical to be responsible in order to be sustainable, and take our responsibility to our people, planet and performance seriously.

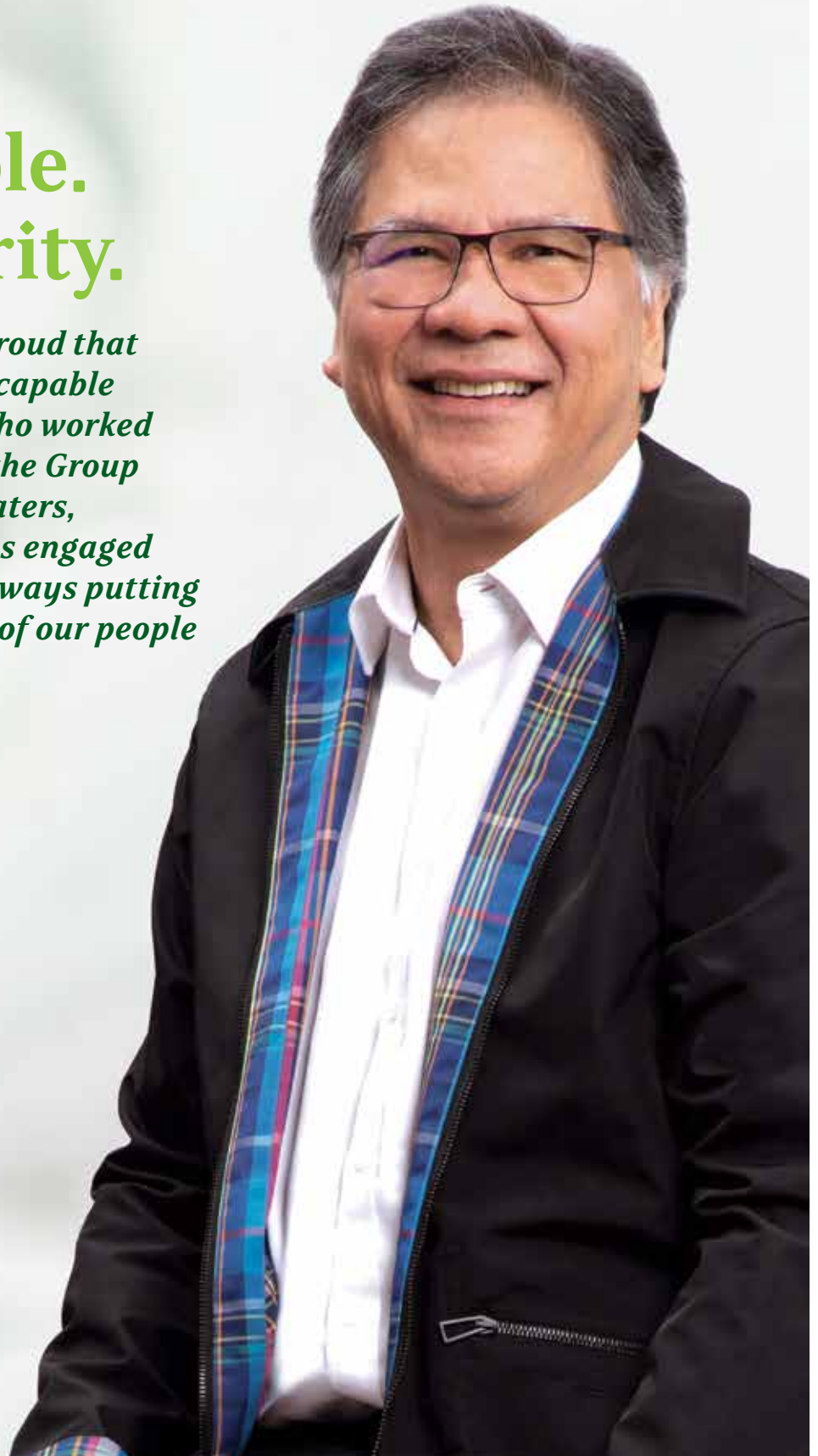
While promoting the enjoyment of our beers and ciders, we take the lead in advocating responsible consumption. Through HEINEKEN Malaysia's corporate social responsibility arm SPARK Foundation, we extend our commitment to grow with local communities in the areas of environmental conservation and education for a better tomorrow.

Our Chairman's Message

Our People. Our Priority.

“Looking back, I am proud that we have a strong and capable Management Team who worked tirelessly in steering the Group through uncharted waters, keeping our employees engaged and focused, whilst always putting the health and safety of our people as a key priority.”

Dato' Sri Idris Jala
Chairman



Our Chairman's Message

Dear Shareholders,

2020 was a year filled with unprecedented challenges. Globally, humanity faced the threat of the Covid-19 pandemic, which debilitated healthcare systems in many countries, forcing governments to implement lockdowns in a bid to keep infection rates under control. As the health crisis swept across countries, a new normal began to emerge. Societies learned social distancing. Face masks and hand sanitisers became daily necessities. Travel plans were put on hold indefinitely. Workers transitioned to work from home. Students learned through virtual classrooms. 'Lockdown' and 'quarantine' were amongst the most overused words that we did not need to use in previous years. And the list goes on.

In Malaysia, the Government introduced a lockdown called the Movement Control Order (MCO) from 18 March 2020. The impact was immediately felt and the economy ground to a halt. Only industries recognised as essential were allowed to continue operating. To comply with the MCO, Heineken Malaysia Berhad (HEINEKEN Malaysia) had to suspend production at our Sungei Way Brewery and our business operations nationwide for a period of 46 days until 3 May 2020. Throughout this dark period, we kept our stakeholders informed proactively through stock exchange announcements as well as on our corporate website¹. Looking back, I am proud that we have a strong and capable Management Team who worked tirelessly in steering the Group through uncharted waters, keeping our employees engaged and focused, whilst always putting the health and safety of our people as a key priority.

In responding to the crisis and to mitigate its impact to the business, the Group embarked on various initiatives to accelerate recovery whilst improving operational efficiency to protect profitability. These efforts include:

- Aggressive cost saving measures which include revision of commercial and marketing spend.
- Optimising working capital management and utilising borrowing facilities to ensure the ongoing liquidity of the Group.
- Acceleration of e-commerce channel and digital campaigns.
- Continuing to support key stakeholders to restart their respective business.
- Actionable and pragmatic commercial initiatives to meet the new business conditions.

Unfortunately, the mandatory closure of non-essential business activities and restrictions on social activities imposed by the Government, posed significant challenges to our business, particularly in the on-trade channel (restaurants, food courts, hotels, pubs, etc) which faced the most severe restrictions, including the suspension of dine-in, reduction in tourism, and the general shift towards consumption at home. The combined effect of the

¹ <https://www.heinekenmalaysia.com/covid-19>

“

Tiger's 'Save Our Street Food' campaign channeled

RM1.5 million to help restaurants, coffee shops and street food vendors.”

suspension of our business as well as the restrictions on the on-trade thus impacted our performance in a significant way, resulting in a pre-tax loss of RM24 million for the second quarter of the financial year ended 31 December 2020 (FY20).

Nevertheless, I do take pride in the efforts of the team at HEINEKEN Malaysia who demonstrated commendable passion and commitment to go above and beyond the expectations to deliver our commercial targets. We recognise that in a year filled with such challenges, our wider society is also impacted in many ways. The lockdowns have resulted in unavoidable damage to the economy, industries, businesses, communities and families. During the year, we rolled out comprehensive programmes to support our stakeholders across the value chain. From our employees to our distributors, and from our consumers to our surrounding communities, we reached out with a helping hand to lend support in times of need. In total, we invested more than RM3.5 million in such initiatives, including Tiger's 'Save Our Street Food' campaign which channeled RM1.5 million to help restaurants, coffee shops and street food vendors. We further launched the HEINEKEN Malaysia 'Raise Our Bars' campaign and donated RM1 million to support pubs and bars to reopen safely when they are allowed to. We did not forget the most vulnerable segments in society and reached out to provide more than 80,000 meals for families from B40 communities, and further supported more than 1,000 flood victims by providing food aid during one of the worst flood disasters in Sabah.



The lockdowns have remained a perpetual fixture since March 2020, although there were several months of respite in the third quarter as the rate of new Covid-19 cases reduced and the Government was able to adopt a more relaxed stance over the lockdowns, transitioning to a "recovery phase" where most businesses were allowed to resume operations.

Our Chairman's Message

However, as the infection rate picked up again towards the end of September 2020, Malaysia began witnessing a new wave of Covid-19 infections in the fourth quarter. The Government then reintroduced stronger restrictions, putting most states under a Conditional MCO. Although our business was gradually recovering in the second half of the year, the impact to our performance has been significant.

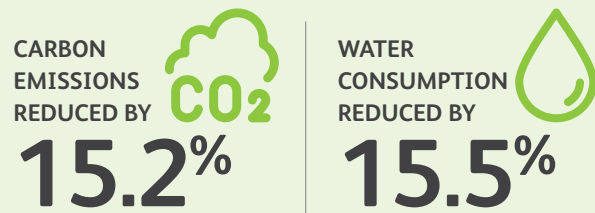
For the full year 2020, Group Revenue decreased by 24% whilst Profit Before Tax declined by 52%, mainly due to lower sales, heavily disrupted by the prolonged suspension of brewery operations during the first MCO in March 2020. The Board at HEINEKEN Malaysia has proposed a first and final single tier dividend of 51 sen per stock unit for the year ended 31 December 2020, subject to approval of shareholders at the forthcoming Annual General Meeting (AGM). The single tier dividend will be paid on 28 July 2021 to shareholders registered at the close of business of 30 June 2021.

Unfortunately, attempts at combating the new wave of Covid-19 infections since October 2020 has been less fruitful. Even as I write this note in 2021, we are yet in another lockdown. Indeed, the Government's Director-General of Health has said that the healthcare system is at breaking point. On 12 January 2021, His Majesty, the Yang di-Pertuan Agong proclaimed a state of emergency in Malaysia with the aim of enabling the Government to fight the Covid-19 crisis in a more effective manner. The emergency is expected to last until 1 August 2021 or an earlier date if Covid-19 cases are reduced or stabilised. HEINEKEN Malaysia will continue to operate responsibly and ensure we always put the safety and wellbeing of our people ahead of any commercial consideration.

I take this opportunity to thank the Government for not increasing excise duties on beer and stout during its Budget 2021 announcement. As it is, Malaysia's excise rate for beer and stout ranks second highest in the world behind Norway and alongside Singapore. We also commend the Government for committing to further clamp down on illicit trade. As part of the wider Industry, we remain committed in supporting the authorities on addressing the issue of contraband beers and illicit alcohol through the holistic efforts of the Government's Multi-Action Task Force. We greatly appreciate this approach by the Government and we believe that this will be a win-win solution for both Industry and Government.

We also take note of the Government's move to increase penalties for drink driving in 2020. As a responsible and progressive brewer, HEINEKEN Malaysia has consistently advocated for responsible consumption. Leveraging on the reach of the Heineken® brand as a global F1 partner, we continue to educate consumers by reinforcing the message "When You Drive, Never Drink" through our social media campaigns. I am proud to share that annually, we spend 10% of the Heineken® media budget on promoting the message of responsible consumption.

Sustainability remains at the core of our business, in 2020 we continued to strengthen our initiatives in line with HEINEKEN's global sustainability strategy – Brewing a Better World. Since



2014, we have reduced our carbon emissions by 15.2% and reduced our water consumption by 15.5%. Efficiency was undoubtedly affected by the suspension of operations at our Sungei Way Brewery in the second quarter of 2020, nevertheless we are making holistic progress towards our sustainability goals. We are proud that we have maintained our Zero Waste to Landfill practice since 2017 and we are proud to announce in this report that we have fully balanced the water used in brewing our beers and ciders in 2020.

Acknowledgements

On behalf of the Board, I would like to welcome Choo Tay Sian, Kenneth back to the Board. Kenneth is a widely experienced leader for HEINEKEN in the APAC region. He replaces Evers, Leonard Cornelis Jorden who resigned from the Board on 30 September 2020. I would also like to welcome Seng Yi-Ying who succeeds Lim Rern Ming, Geraldine following the latter's retirement from the Board on 14 August 2020. The other Board members and I look forward to serving together with Kenneth and Yi-Ying.

I would also like to announce the upcoming retirement of Martin Manen, Senior Independent Non-Executive Director, from the Board which will take effect after the conclusion the upcoming AGM. We would like to convey our heartfelt gratitude and appreciation to Mr Manen for his invaluable contributions as a long-serving member of the Board. The appointment of his successor will be announced by the Company in due course.

I would also like to thank our Management, led by Roland Bala, as well as all employees at HEINEKEN Malaysia for their passion, dedication, and relentless commitment towards our purpose, which is to Brew a Sustainable Future for our People, Business and Planet. Our appreciation extends to all our shareholders and business partners - including our suppliers, distributors and customers – for their continued partnership with HEINEKEN Malaysia.

2021 will no doubt be another challenging year. However, with the Government now rolling out the national Covid-19 immunisation programme, I am confident that we are on the path of recovery and we will soon emerge stronger together.

Thank you.

Dato' Sri Idris Jala

Chairman
15 March 2021

Directors' Profile



DATO' SRI IDRIS JALA

Chairman,
Independent Non-Executive Director

Malaysian	Male	62
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Appointed on : 1 January 2017

Qualifications

- Bachelor's Degree in Development Studies and Management (Universiti Sains Malaysia)
- Master's Degree in Industrial Relations (University of Warwick)

Board Committees Membership

- Nomination & Remuneration Committee – Chairman
- Audit & Risk Management Committee – Member

Working Experience

- Presently, President and Chairman of PEMANDU Associates.
- Former Managing Director of BFR Institute and CEO of PEMANDU, a unit in the Prime Minister's Department, Malaysia, the organisation tasked with spearheading Malaysia's transition towards high income status by 2020.
- Served as Minister in the Prime Minister's Department for 6 years, and later as the Advisor to the Prime Minister on the National Transformation Programme.
- A renowned transformation guru in turning around companies' performance through his big fast results methodology and transformational strategies that are innovative, rigorous and relevant to today's demands.
- Has continuously delivered sustainable social economic reforms which, in 2014, saw Bloomberg place him among the top 10 most influential policy makers in the world.
- Founder and Executive Chairman of the Global Transformation Forum (GTF), the world's singular platform for influential, global leaders to engage and share experiences and best practices on how to drive transformation.
- An Expert Resource Speaker at the Harvard Health Leaders' Ministerial Forum and a Visiting Fellow of Practice at the Oxford Blavatnik School of Government.
- Served on the Advisory panel for the World Economic Forum (WEF) on New Economic Growth and also on the Advisory Panel of World Bank.
- Former Managing Director / CEO at Malaysia Airlines (MAS) for 3 years. He was brought on board to turn around the airline which was in crisis brought about by a prolonged bout of losses from operational inefficiencies.
- Prior to MAS, he spent 23 years at Shell, rising up the ranks to hold senior positions including Vice President, Shell Retail International and Vice President Business Development Consultancy, based in UK. This included successful business turnarounds in Malaysia and Sri Lanka.

Directorship of Public Companies / Listed Companies

- Sunway Berhad
- Jeffrey Cheah Foundation

Directors' Profile



ROLAND BALA

Managing Director,
Non-Independent Executive Director

Malaysian	Male	55
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Appointed on : 1 September 2018

Qualifications

- Bachelor's Degree in Business Administrations (UiTM Malaysia)

Board Committees Memberships:

Nil

Working Experience

Within HEINEKEN Group:

- From February 2012 to August 2018, Managing Director of Cambodia Brewery Ltd (CBL), HEINEKEN's operating company in Cambodia. In this role, he has led CBL to increase its market share by more than double, establishing CBL as the market leader in Cambodia.
- From March 2009 to February 2012, General Manager for Danang and Quang Nam Breweries in the central region of Vietnam.
- From February 2008 to February 2009, Special Assistant to the Regional Director of Asia Pacific Breweries.

Previous experience

- Started his career with British Petroleum (BP) where he spent 16 years working in sales, logistics, operations and planning roles in retail, gas and lubes businesses.
- He was then appointed as the General Manager for BP Vietnam from 2003 to 2005 and subsequently as the Sales Director for the lubes business for Malaysia and Singapore from 2005 to 2007.

Directorship of Public Companies / Listed Companies

- Confederation of Malaysian Brewers Berhad



MARTIN GILES MANEN

Senior Independent Non-Executive Director

Malaysian	Male	66
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Appointed on : 29 August 2008

Qualifications

- Chartered Accountant
- Member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants

Board Committees Membership:

- Audit & Risk Management Committee – Chairman
- Nomination & Remuneration Committee – Member

Working Experience

- Served more than 21 years with Sime Darby Group, holding various senior positions including Group Tax Controller, Group Company Secretary, Group Finance Director and Divisional Director of the Allied Products & Services Division.
- After leaving the Sime Darby Group in 2007, he served as Chief Executive Officer of a public relations and communications consultancy until May 2009.
- Started his career at KPMG with whom he served 11 years in Malaysia and the United Kingdom, undertaking audit, tax and business advisory assignments.

Directorship of Public Companies / Listed Companies

- Hong Leong MSIG Takaful Berhad
- BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd)
- Bermaz Auto Berhad

Directors' Profile



DATIN NGIAM PICK NGOH, LINDA
Independent Non-Executive Director

Malaysian	Female	66
Appointed on : 3 December 2012		

Qualifications

- Bachelor of Arts (Hons) in Social Sciences (University of Malaya)
- Diploma in Advertising and Marketing (Institute of Communications, Advertising and Marketing (CAM) of United Kingdom)

Board Committees Membership

- Audit & Risk Management Committee – Member
- Nomination & Remuneration Committee – Member

Working Experience

- Former Group Managing Director/Chief Executive Officer of Star Publications (M) Bhd (The Star) from 1 July 2008 to 30 June 2011. First employed in The Star as Advertising Sales Promotions Manager in 1985 before serving as General Manager, Advertising and Business Development in 1995. In 2004, she was appointed as Deputy Group General Manager and in 2007 she was promoted to Executive Director/Group Chief Operating Officer before assuming the office as Group Managing Director/Chief Executive Officer of The Star in 2008, a position she held till her retirement in 2011.
- Former Board Member of the Audit Bureau of Circulations (ABC) Malaysia and Chairperson of the ABC Content & Communications Committee.
- Represented The Star on the Malaysian Newspapers Publishers Association (MNPA) as its Honorary Secretary.
- Former Board Member of the Advertising Standards Authority (ASA) Malaysia.

Directorship of Public Companies / Listed Companies / Others

- MUI Properties Berhad
- Hong Leong Assurance Berhad
- Yayasan Sin Chew
- Make A Wish Malaysia Welfare Association



YU YU-PING
Non-Independent Non-Executive Director

Taiwanese	Female	52
Appointed on : 10 December 2018		

Qualifications

- Master in Business Administration (Babson College, Massachusetts)

Board Committees Membership

- Audit & Risk Management Committee – Member
- Nomination & Remuneration Committee – Member

Working Experience

- Presently the Senior Director, Human Resources (HR) of HEINEKEN APAC.
- Began her career with HEINEKEN in April 1996 as Singapore's Regional HR Manager Far East before moving to Heineken International Amsterdam in September 1998 as a Benchmarking Analyst with Corporate HR. She subsequently took on a different role as a Policy & OD Consultant before relocating back to Asia in 2005 as the Regional HR Manager, Asia Pacific.
- In October 2010, she assumed the role of Group HR Director with Asia Pacific Breweries Limited (APB). In that position, she played a key role in creating a shared HR Vision for a diverse HR team across Asia Pacific. With the successful integration of APB business into the HEINEKEN Group, she was then appointed as the Regional HR Director.
- Promoted to Senior Director, Human Resources on 1 July 2015.

Directorship of Public Companies / Listed Companies

Nil

Directors' Profile



SENG YI-YING

Non-Independent Non-Executive Director

Singaporean	Female	48
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Appointed on : 1 September 2020

Qualifications:

- Bachelor of Law, 2nd Class Upper (Honours) (University of Nottingham, U.K.)
- Diploma in Singapore Law (National University of Singapore)

Board Committees Membership:

Nil

Working Experience

- Presently, Regional Legal Director of Heineken Asia Pacific Pte Ltd, responsible for the functional oversight of legal in Asia Pacific. She is also a member of the HEINEKEN APAC Management Team.
- Has more than 20 years of in-house legal experience, with close to 15 years in the alcohol and beverage industry.
- Joined the HEINEKEN Asia Pacific team as Senior Legal Manager in 2006.
- In 2015, she moved to Asia Pacific Breweries (Singapore) Pte Ltd (APB Singapore) as Legal Director and a member of the Management Team.
- In 2018, she undertook a short term assignment to HEINEKEN Cambodia for three months to establish a robust legal framework and processes.
- In 2019, she moved back to the APAC Legal Affairs team to take on the position as Legal Manager for APAC where she was responsible to oversee a broad range of legal issues for various Heineken operating companies across the region as well as manage a range of mergers and acquisitions and joint venture matters.
- Prior to joining HEINEKEN, she was the Legal Counsel for Sembcorp Utilities Pte Ltd for five years.

Directorship of Public Companies / Listed Companies

Nil



CHOO TAY SIAN, KENNETH

Non-Independent Non-Executive Director

Singaporean	Male	53
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Appointed on : 26 October 2020

Qualifications

- Advanced Management Program (Harvard Business School, Cambridge, USA)
- Bachelor of Accountancy (Honours Degree) (Nanyang Technological University, Singapore)
- Chartered Accountant (Institute of Singapore Chartered Accountants)

Board Committees Membership

- Audit & Risk Management Committee – Member
- Nomination & Remuneration Committee – Member

Working Experience

- Currently serves as Managing Director of Heineken Asia Pacific Pte Ltd ("APAC") responsible for overseeing HEINEKEN operating companies in the Asia Pacific region (2014 – present).
- Since joining APAC in 2003, he has held a number of strategic positions including Chief Financial Officer of APAC.
- Before joining HEINEKEN, he was the Regional Business Development Director of Royal Ahold N.V., a global retailer.
- He was a Non-Independent Non-Executive Director of HEINEKEN Malaysia from 15 August 2013 until 30 September 2019 prior to his re-appointment on 26 October 2020.

Directorship of Public Companies / Listed Companies

Nil

Management Team's Profile



ROLAND BALA
Managing Director

Malaysian	Male	55
Appointed on : 1 September 2018		

Qualifications

- Bachelor's Degree in Business Administrations (UiTM Malaysia)

Working Experience

Within HEINEKEN Group:

- From February 2012 to August 2018, Managing Director of Cambodia Brewery Ltd (CBL), HEINEKEN's operating company in Cambodia. In this role, he has led CBL to increase its market share by more than double, establishing CBL as the market leader in Cambodia.
- From March 2009 to February 2012, General Manager for Danang and Quang Nam Breweries in the central region of Vietnam.
- From February 2008 to February 2009, Special Assistant to the Regional Director of Asia Pacific Breweries.

Previous Experience:

- Started his career with British Petroleum (BP) where he spent 16 years working in sales, logistics, operations and planning roles in retail, gas and lubes businesses.
- He was then appointed as the General Manager for BP Vietnam from 2003 to 2005 and subsequently as the Sales Director for the lubes business for Malaysia and Singapore from 2005 to 2007.



SZILARD VOROS
Finance Director

Hungarian	Male	44
Appointed on : 1 November 2017		

Qualifications

- Master of Science Degree in Corporate Finance and Accounting (University of Pecs, Hungary)
- Bachelor's Degree in Foreign Economics (College of Commerce and Economic, Hungary)

Working Experience

Within HEINEKEN Group:

- Joined HEINEKEN in July 2015 as Finance Director in HEINEKEN Hungary, where he led the Finance, Procurement and IT functions and co-pilot the business to drive HEINEKEN Hungary back on a growth path after years of decline.

Previous Experience:

- Over 15 years of experience working with the British American Tobacco (BAT) Group in various financial roles.
- Among some of the positions he held at BAT were Regional Marketing Investment Manager for BAT European Region, and Head of Finance Baltic Cluster.



VASILY BARANOV
Sales Director

Russian	Male	43
Appointed on : 4 February 2019		

Qualifications

- Bachelor's Degree in Environmental Engineering & Ecology (Russian State Environmental University, St. Petersburg, Russia)

Working Experience

Within HEINEKEN Group:

- Head of Sales at HEINEKEN Hanoi from November 2015 to January 2019. In this tenure, he developed and implemented long-term company commercial strategy; as well as maximised company top line and profit growth; while he also strengthened and built the sales team with talent development and succession planning programs implementation.
- He was previously the Commercial Manager at Mongolian Beverages Company Pte Ltd, HEINEKEN's operating company in Mongolia, from 2012-2013; then as a Sales Development Manager at HEINEKEN APAC from 2013 to 2015. In total, he has 7 years of experience managing sales performance in the Asia Pacific region.
- First joined HEINEKEN in 2001 at its Russia operating company where he worked his way up from Area Sales Manager to Business Development Manager and finally Regional Sales Manager before pursuing a career outside of HEINEKEN in 2009.

Previous Experience:

- He worked at Nike Russia from 2009 to 2012, where he held various roles such as Regional General Manager (St. Petersburg region), Field Sales Director, and Football & Team Sports Category Sales Manager.

Management Team's Profile



PABLO CHABOT
Marketing Director

Dutch	Male	38
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Appointed on : 1 May 2019

Qualifications

- Master of Science in Marketing Management (Erasmus University, Rotterdam, Netherlands)

Working Experience

Within HEINEKEN Group:

- Joined HEINEKEN in 2008 as a Commercial Management Trainee and has held various roles in both Marketing and Trade Marketing across multiple HEINEKEN operating companies, including Netherlands, Nigeria, and Switzerland.
- In his most recent role, he was Heineken® Marketing Manager at HEINEKEN China from November 2017 to April 2019. In this role, he focused on building a winning team while championing a more digital and mobile first marketing approach. He also leveraged on partnership platform such as F1 and thematic campaigns to drive growth.
- He was with HEINEKEN China from April 2016, where he was first appointed as the Commercial Organisation & Capability Manager then subsequently the Head of Innovation.
- A strong track record of working across the Heineken® brand and other portfolio brands, driving both equity and commercial performance.



RENUKA INDRARAJAH
Corporate Affairs & Legal Director

Malaysian	Female	53
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Appointed on : 1 February 2002

Qualifications

- Formerly an Advocate and Solicitor of the High Court of Malaya
- Solicitor of the High Court of Australia
- Solicitor of the Supreme Court of Queensland
- Post Graduate Diploma in Legal Practice (QUT)
- Bachelor of Laws (University of Queensland)

Working Experience

Within HEINEKEN Group:

- Close to 20 years of experience within the Group.
- Held various roles including Head of Legal Affairs before being promoted to Corporate Affairs & Legal Director.
- Trustee of SPARK Foundation since 2013.

Directorships:

- Since June 2007, serving as a Governing Council Member of the Confederation of Malaysian Brewers Berhad.
- General Committee Member of Malaysian International Chamber of Commerce & Industry (MICCI).

Previous Experience:

- Over 20 years of working experience in legal including 14 years of experience in corporate affairs.
- Advocate & Solicitor specialising in corporate law at Skrine.
- Regional Legal Counsel at Sema Group.
- Vice President of Legal at Schlumberger Sema.



SALIMA BEKOEVA
Supply Chain Director

Russian	Female	50
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Appointed on : 1 April 2019

Qualifications

- Economist – Mathematician (Moscow Plekhanov University of Economics)
- Certified Professional Accountant and Auditor (Moscow Professional Educational Center, Russia)

Working Experience

Within HEINEKEN Group:

- Brewery Manager at Sampang Agung, Multi Bintang Indonesia (MBI), HEINEKEN's operating company in Indonesia, from October 2017 to March 2019. During her time with MBI, she enhanced its route to market efficiencies and cost management, as well as played a key role in the brewery's expansion.
- Previously the Branch Director at the Volga Brewery in Russia where she developed and implemented the vision and strategic direction of the brewery amongst others. Under her leadership, Volga Brewery was the first brewery to achieve TPM Bronze and was nominated as the best employer in Nizhegorodsky region in 2014. In 2017, the brewery achieved the highest productivity and lowest cost results, successfully passed ISO 14000 and OHSAS standards audits. Volga Brewery became a winner of Heineken AMEE region Supply Chain award on a basis of 2017 results.
- Joined the HEINEKEN Group in 2005 and has held multiple roles across the finance and supply chain divisions.

Previous Experience:

- More than 13 years of experience in audit and finance; 3 years in sales and distribution; and more than 8 years in supply chain.

Management Team's Profile



JANINA VRIESEKOOP
Digital & Technology Director

Dutch	Female	38
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Appointed on : 15 January 2020

Qualifications

- Pre-master Culture, Organisation & Management (Vrije University Amsterdam)
- Bachelor of Communications (INHolland Rotterdam)

Working Experience

Within HEINEKEN Group:

- Started her career in HEINEKEN Netherlands in 2013 as a Digital Media Consultant and worked her way up to a Senior Digital Consultant and then to her current role as Innovation Digital Manager.
- Key milestones included kick starting iDDM (Individualised Data Driven Marketing), creating an Innovation mindset within her organisation and being the frontrunner in Agile by defining the organisation's ambition and programmes.

Previous Experience:

- Owner and founder of online publisher 'Ons Woord'.
- Account Manager & Project Manager in Internet agency, Virtual Affairs.
- Site Manager Internet & Intranet, AkzoNobel.



AILEEN AUMENTADO
Human Resources Director (Interim)

Filipino	Female	40
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Appointed on : 21 December 2020

Qualifications

- Bachelor of Science in Commerce (De La Salle University, Manila)
- Bachelor of Arts in Psychology (De La Salle University, Manila)

Working Experience

Within HEINEKEN Group:

- Head of Human Resources for AB HEINEKEN PHILIPPINES from January 2019 to December 2020, co-leading the People Agenda with the Management Team.
- Delivered stellar results in Employee Engagement by strengthening leadership capabilities of all people managers and by building quality pipeline of talents for HEINEKEN Asia Pacific.

Previous Experience:

- 14 years in Unilever Human Resources in Philippines & Singapore, handling various complex roles as HR Business Partner, Employer Brand Lead, Transformation leader and cluster HR role for Southeast Asia and Australasia (SEAA).

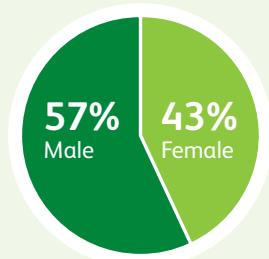
People • Planet • Performance

At HEINEKEN Malaysia, we believe in the long-term sustainability of our business and in creating value for our key stakeholders. We believe that business growth and sustainability go hand in hand with our focus on people, planet and performance.

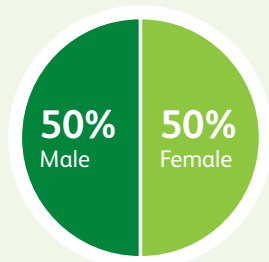
People

Total
Employees
596

Board of Directors



Middle to Senior Management



Employee Engagement
score
82%
(+1% vs 2019)

My Manager
score
83%
(+7% vs 2019)

COVID-19 Response
score
88%

Supporting Our Stakeholders Through Covid-19:



Tiger Save Our Street Food
pledged
RM1.5 million
for restaurants, coffee shops and street
food vendors



Sabah Flood Relief Effort
brought
food aid
for 1,000 flood victims

Raise Our Bars donated
RM1 million
to help bars and pubs during the
pandemic



80,000 meals
for 3,600 B40 families during the MCO

Planet



15.5%
reduction in water
consumption since
2014



Balanced
more than
100%
of water used
in our products



15.2%
reduction in CO₂
emissions since
2014



92%
increase in
renewable
bio gas usage
since 2014



**Zero
Waste**
to landfill

Performance



Contributed
RM1.05 billion
in taxes to the Government

FY20 Dividend
51 sen
per stock unit

Revenue
-24%
vs 2019

Profit Before Tax
-52%
vs 2019

Our Business Model

We are committed to embedding sustainability at the core of our business. This means looking at Brewing a Better World in every one of our activities – from sourcing, producing, marketing and selling our products all the way to how they are consumed, and how we can reuse and recycle waste.



Agriculture



Brewing



Employees



Packaging

Agriculture



We brew beer and make cider from natural ingredients. We support the sustainable cultivation of agricultural raw materials to brew our drinks. Our suppliers comply with the HEINEKEN Supplier Code, which details our commitment and enforcement of ethical business conduct, human rights, and environment.

Brewing



At our Sungei Way Brewery in Petaling Jaya, Selangor, the highest quality and safety standards are adhered to in the brewing process. We are committed to improving energy and water efficiencies, including increasing our use of renewables.

Employees



We employ about 600 full-time employees and we are committed to developing our people. At HEINEKEN Malaysia, we always aim to dream big and uncage our courage to inspire with our world class brands, guided by a purpose to brew a sustainable future for our people, business and planet.

Packaging



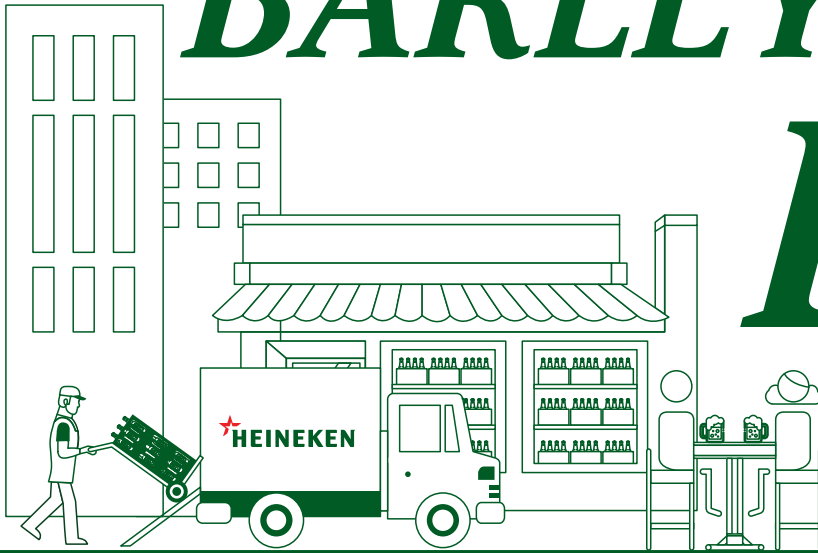
Our beers and ciders are served in bottles, cans and kegs. We aim for our packaging design to stand out from the crowd while we also strive to reduce its environmental footprint by innovating the materials we use as well as improve recycling and reusing.

United Nations Sustainable Development Goals



Our Business Model

OUR IMPACT FROM BARLEY TO BAR



Distribution



Customers



Consumers



Communities

Distribution

3 12

We work to optimise efficiencies throughout our distribution networks across Malaysia. Put Safety First is our number one behaviour and we continually engage our employees and distributors to stay safe on the road.

Customers

3 12 17

Thousands of businesses rely on selling our products for a source of revenue. We promote awareness of responsible serving with the aim of ensuring our products are enjoyed responsibly. Through our quality programmes, we also improve product knowledge and empower our customers to promote appreciation of brand heritage, product taste, and service etiquette.

Consumers

3 12 17

Millions of consumers enjoy the great tasting beers and ciders brewed by HEINEKEN Malaysia. We strictly market our products to those who are non-Muslims and aged 21 and above only. We are committed to advocate responsible consumption and dedicate 10% of the Heineken® brand's media spend annually to promote responsible consumption.

Communities

4 6 8 15 17

We believe in growing with our surrounding communities. Through our corporate social responsibility arm, SPARK Foundation, we reach out to communities with projects that focus on three key areas – Environment, Education and Partnerships.



Brewing a Better World

Scope

This section covers our performance under the six focus areas outlined by the HEINEKEN Global sustainability strategy, Brewing a Better World (BaBW). We are pleased to share that we are making good progress towards fulfilling our BaBW commitments and targets set for 2020.

Through the Brewing a Better World sustainability strategy, we support the United Nations Sustainable Development Goals (SDGs) mainly Good Health & Well-being, Quality Education, Clean Water & Sanitation, Affordable & Clean Energy, Decent Work & Economic Growth, Responsible Consumption & Production, Climate Action, Life Below Water, Life on Land, Zero Hunger and Partnerships for the Goals.

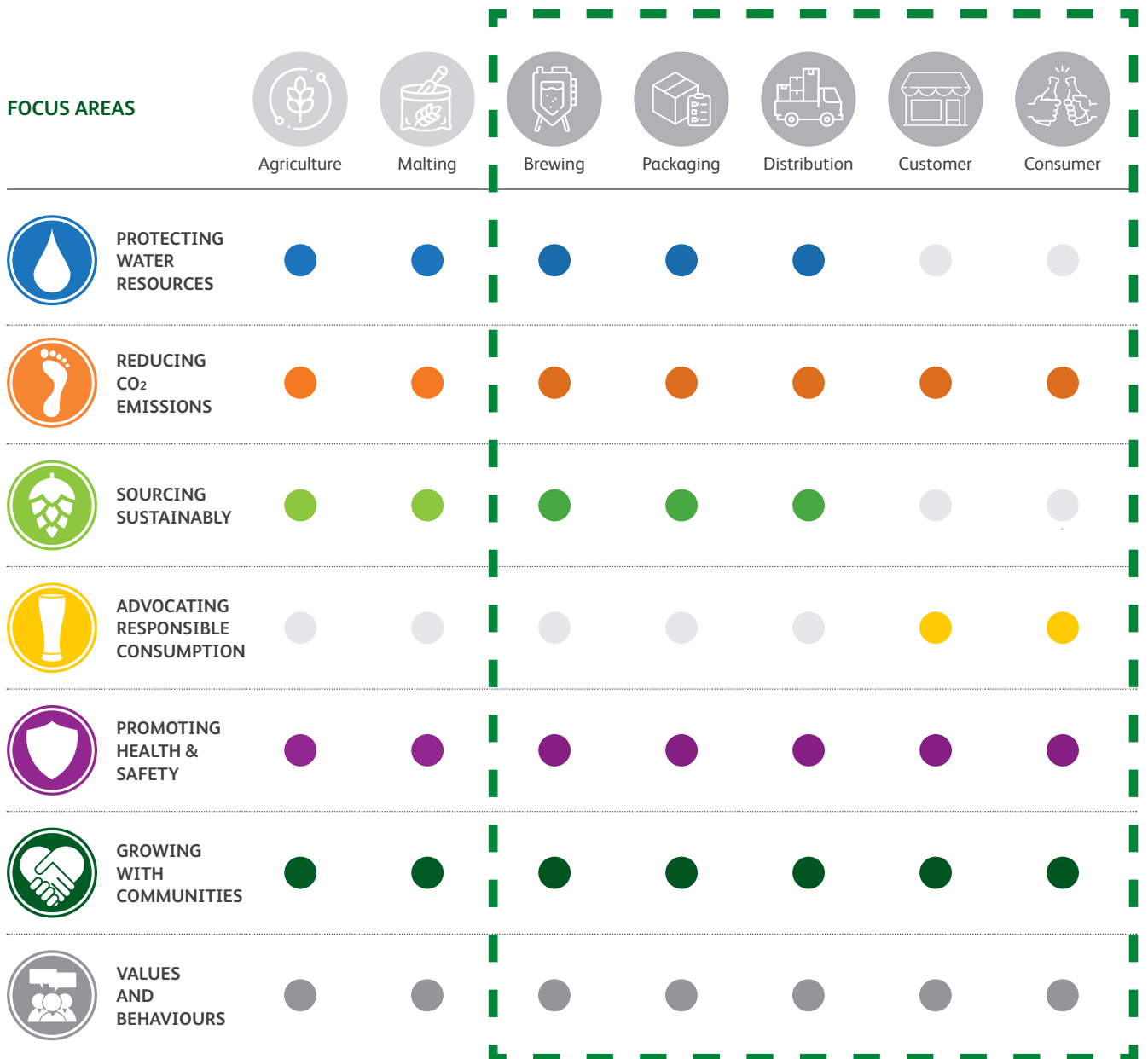
Our focus areas are linked with specific SDGs and their targets, to make a meaningful and transparent contribution to protect the planet, ensure prosperity and end poverty.



Brewing a Better World

HEINEKEN Malaysia's Value Chain

Our sustainability strategy is aligned with HEINEKEN Global's approach. Our raw materials, mainly malted barley and hops, are imported from HEINEKEN pre-approved suppliers in Europe and our agricultural sourcing practices are aligned with the HEINEKEN Supplier Code. In Malaysia, our commitments and responsibilities begin from the brewing process and end with the consumer. We aim to report our sustainability performance annually to create transparency in our actions and to be accountable to our valued stakeholders.



Brewing a Better World

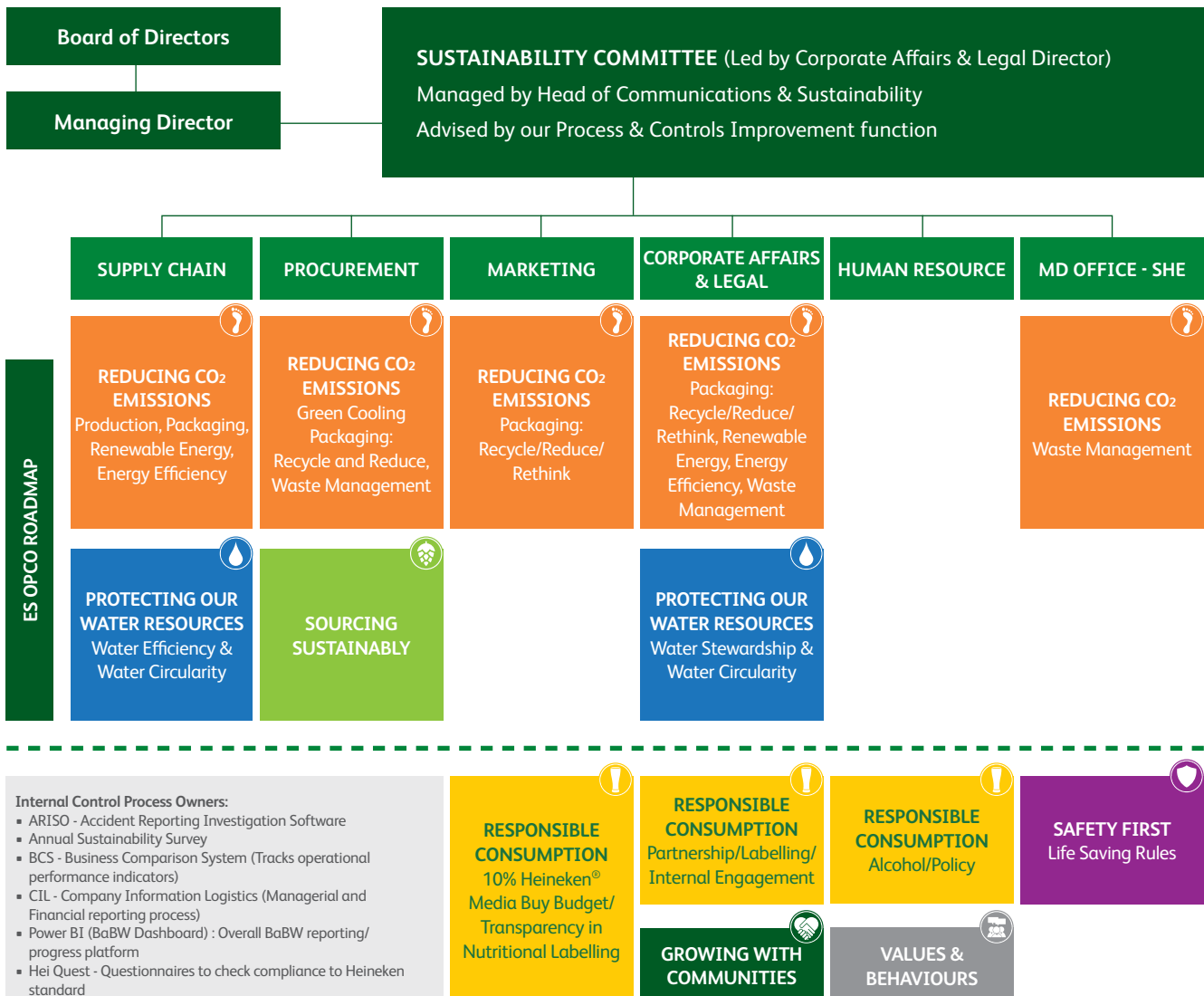
Sustainability Governance

HEINEKEN NV and HEINEKEN Malaysia

HEINEKEN NV	HEINEKEN Malaysia - Corporate Affairs	HEINEKEN Sustainability Governance	Business Units / Support Functions
Curates sustainability strategy, sets commitments, assesses our progress and discusses challenges and opportunities.	Receives advice, leads implementation of Brewing a Better World Sustainability Strategy in Malaysia and ensure compliance.	Ensures BaBW sustainability strategy is present across operations in Malaysia.	Implements BaBW initiatives in Malaysia.

HEINEKEN Malaysia

Our sustainability governance is led by the Sustainability Committee on a quarterly basis and reporting to the Board of Directors and Managing Director on a bi-annual basis, the structure comprises of key stakeholders across various functions with the objective to ensure that key sustainability targets are met. The governance structure includes a sustainability committee that is led by the Corporate Affairs & Legal Director, supported by the Head of Communications and Sustainability and advised by the Process & Controls Improvement function, who consults and reviews on the internal controls within the framework. In March 2021, the structure was further aligned, taking into consideration global goals and local deliverables.



Brewing a Better World




Reliability, Completeness and Methodology

We aim to improve our sustainability milestones by seeking feedback from our stakeholders, refining our internal controls and better extracting meaningful data from our data collection systems.




Our data are extracted from internal control system as below:

1. Accident Reporting & Investigation Software (ARISO) system, for safety reporting
2. Annual Sustainability Survey, for all other sustainability-related reporting
3. Business Comparison System (BCS) for environmental reporting
4. Company Information Logistic (CIL), for business control and taxation tracking
5. Power BI (BaBW Dashboard) : Overall BaBW reporting/progress platform
6. Hei Quest for the monitoring of the 12 HEINEKEN Life Saving Rules and questionnaires to check compliance to Heineken standards

What we said and what we have done

Focus Areas	2019 Achievement	2020 Achievement	Indicator	2020 Global Commitments	Materiality
 <p>Protecting Water Resources</p>	<p>Water efficiency: 3.67 hl/hl Reduced by 15% since 2014.</p> <p>Water circularity: All wastewater treated beyond the standards of the Department of Environment.</p> <p>Water stewardship: Year 2 implementation of strategy. A science based method to quantify water stewardship programme identified.</p>	<p>Water efficiency: 3.65hl/hl Reduced by 15.5% since 2014.</p> <p>Water circularity: All wastewater treated beyond the standards of the Department of Environment.</p> <p>Water stewardship: Year 3 implementation of high impact initiatives. Balanced more than 100% of water used in our products.</p>	<p>Partially achieved</p> <p>Ongoing initiatives to improve efficiency and circularity</p>	<p>Reduce specific water consumption to 3.5 hl/hl</p>	<p>Regulatory compliance</p> <p>Water management</p> <p>Community investment and development</p>
 <p>Reducing CO₂ Emission</p>	<p>Carbon emissions of 11.42 kg CO₂eq/hl.</p> <p>Zero waste to landfill.</p>	<p>Carbon emissions of 11.87 kg CO₂eq/hl representing a reduction of 15.2% since 2014.</p> <p>Maintained zero waste to landfill.</p>	<p>Partially achieved</p> <p>Compared with 2019, the rate of CO₂ emissions in 2020 due to closure of brewery for 46 days impacting on efficiencies</p>	<p>Reduce CO₂ emissions by 40% in production compared to 2008</p>	<p>Regulatory compliance</p> <p>Waste management</p> <p>Energy and carbon management</p>
	<p>Purchased 284 fridges in compliance with HEINEKEN policy.</p>	<p>Zero fridges were purchased in year 2020.</p>	<p>Ongoing</p>	<p>All new fridges must be environmentally friendly as defined by Global standards</p>	<p>Energy and carbon management</p>
 <p>Sourcing Sustainably</p>	<p>100% of suppliers compliant with HEINEKEN Supplier Code.</p>	<p>100% of suppliers compliant with HEINEKEN Supplier Code .</p>	<p>Achieved</p>	<p>100% compliance with HEINEKEN Supplier Code</p>	<p>Supply Chain management</p>

Brewing a Better World

Focus Areas	2019 Achievement	2020 Achievement	Indicator	2020 Global Commitments	Materiality
 <p>Advocating Responsible Consumption</p>	<p>Partnered with GRAB Malaysia (ride hailing service) and with 2 influencers.</p> <p>10% Heineken media budget committed to advocate responsible consumption.</p> <p>Ongoing education on responsible consumption to more than 18,000 consumers on Drink Sensibly Facebook page.</p> <p>100% transparency on nutritional information for all brands available on brand and corporate websites.</p>	<p>More than 10% Heineken media budget committed to advocate responsible consumption.</p> <p>100% transparency on nutritional information for all brands available on brand and corporate websites.</p> <p>Partnership on ride-hailing service was put on hold due to Covid-19 restrictions.</p>	Achieved	<p>Reports publicly on a measurable partnership aimed at addressing alcohol abuse</p>	<p>Responsible marketing and consumption</p> <p>Regulatory compliance</p>
 <p>Promoting Health and Safety</p>	<p>Ongoing implementations of Life Saving Rules action plan.</p>	<p>Ongoing implementations off Life Saving Rules action plan.</p> <p>Covid-19 pre-cautionary measures are taken such as health screening, social distancing, increased sanitization measures at the workplace and working from home.</p>	Achieved	<p>Life Saving Rules action plans fully implemented</p>	<p>Product safety, quality and hygiene</p> <p>Occupational health and safety</p>
 <p>Growing with Communities</p>	<p>Contributed RM1.26 billion through taxes to the Malaysian Government.</p> <p>Reached out to 46,000 Malaysians.</p> <p>Built 19 alternative water supply solutions in Selangor and Sabah since 2017.</p> <p>English Enrichment Programme: Reached out to 70 teachers from underprivileged schools across 7 states.</p>	<p>Contributed RM1.05 billion through taxes to Malaysia Government.</p> <p>Reached out to 54,000 Malaysians.</p> <p>Maintained 22 alternative water systems in Selangor and Sabah.</p> <p>Built a 305-meter clay dyke.</p> <p>Reforested 1 hectare of degraded peatland.</p> <p>Donated 80,000 meals over 30 days to 3,120 B40 families through HEINEKEN Malaysia Food Aid programme.</p> <p>Save Our Street Food Pledged RM1.5 million to support 1,200 street food vendors, coffee shops and food courts nationwide.</p> <p>Raise Our Bars Committed RM1 million in supporting bars and pubs through Covid-19.</p>	Achieved	<p>Global commitments to be decided in the coming years</p>	<p>Economic impact and tax</p> <p>Community investment and development</p>

Brewing a Better World

Stakeholder Engagement

Our stakeholders are important to our sustainability journey. Through engagement and communication, we are able to work towards delivering our BaBW commitments through cross-functional collaboration and partnerships with external stakeholders.



Brewing a Better World

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

Who We Engage	How We Engage	Our Focus	Materiality
 <p>Regulators and Public Authorities</p>	<ul style="list-style-type: none"> Courtesy visits Dialogue sessions Workshops and training Regular scheduled meetings Round-table discussions Industry and F&B sector engagement 	<ul style="list-style-type: none"> Industry issues Excise duty Licensing and regulatory matters Anti-contraband initiatives Support for business operations 	<p>Regulatory compliance</p> <p>Economic impact and tax</p>
 <p>Employees</p>	<ul style="list-style-type: none"> Online communication platform – Workplace by Facebook Employee Climate Survey Quarterly Town halls Department Away Day/Teambuilding Quarterly meet & lunch with Union employees Inclusive, supportive & open work environment Quarterly LT meetings Union Work-Site Committee engagements Department meetings On-boarding program for new employees Employer value proposition agenda Festive get together Monthly MT meetings Periodic visits from regional offices Opportunities for career growth through assignments SpeakUp 	<ul style="list-style-type: none"> Insight gathering for better work environment Industrial relationship management Strategic direction and cross-function collaboration Developing Talent Fostering industrial harmony and positive employee relations Employee welfare Employer value proposition Asia Pacific Graduate Programme Short term assignment Addressing employee grievance 	<p>Responsible marketing and consumption.</p> <p>Human capital development</p> <p>Employees' labour relation</p> <p>Human rights</p>
 <p>Suppliers</p>	<ul style="list-style-type: none"> Engagement and education programme on new requirements Familiarisation of the HEINEKEN 4-Step Supplier Code 	<ul style="list-style-type: none"> All suppliers to comply to HEINEKEN Supplier Code and HEINEKEN Malaysia Supplementary code Win-win situation Long-term partnership Communication on changes i.e. payment terms 	<p>Product Safety, Quality, Hygiene</p> <p>Regulatory compliance</p> <p>Water management</p> <p>Supply chain management</p>
 <p>Customer/Trade Partners</p>	<ul style="list-style-type: none"> Trade partner engagements Distributor engagement sessions One-on-one engagements Joint business planning 	<ul style="list-style-type: none"> Business strategy and targets Identification of areas for improvement 	<p>Responsible marketing and consumption</p> <p>Regulatory compliance</p>

Brewing a Better World

Who We Engage	How We Engage	Our Focus	Materiality
 <p>Media/Analysts</p>	<ul style="list-style-type: none"> Media and analyst briefings One-on-one interviews 	<ul style="list-style-type: none"> Strategic direction and business performance 	<p>Regulatory compliance</p> <p>Economic impact and tax</p> <p>Community investment and development</p>
 <p>Shareholders and Potential Investors</p>	<ul style="list-style-type: none"> Q&A session at Annual General Meeting Write-in to Company Secretary and investor relations Enquiry via telecommunications Analysts and media briefings One-on-one meetings with investors Timely announcement to Bursa Securities and press releases Annual Report and quarterly financial results report Investor Relations platform in Company website 	<ul style="list-style-type: none"> Strategic direction and business performance Shareholders' returns Sustainability agenda 	<p>Responsible marketing and consumption</p> <p>Regulatory compliance</p>
 <p>Industry Association</p>	<ul style="list-style-type: none"> Engagement session Dialogue sessions Regular scheduled meetings 	<ul style="list-style-type: none"> Industry issues 	<p>Regulatory compliance</p> <p>Economic impact and tax</p>
 <p>Consumers</p>	<ul style="list-style-type: none"> Brand events Social media contest Third party one-on-one interviews/online interview Focus groups 	<ul style="list-style-type: none"> Brand campaigns and engagement activities Drink Sensibly Product quality and freshness Consumer attitude and behaviour 	<p>Responsible marketing and consumption</p> <p>Product safety, quality and hygiene</p>
 <p>Communities</p>	<ul style="list-style-type: none"> Direct engagement through SPARK Foundation Facilitated engagement through local non-governmental organisation Engagement with local communities through one-on-one meeting Positive social impact programmes Collaboration with likeminded partners 	<ul style="list-style-type: none"> W.A.T.E.R Project in collaboration with the Global Environment Centre English Enrichment Training Programme Tiger Sin Chew Chinese Education Charity Concert (CECC) East Malaysia alternative potable water solution project 	<p>Community investment and development</p>

Five-Year Financial Indicators

Financial year/period ended 31 December	2016*	2017	2018	2019	2020
KEY OPERATING RESULTS (RM'000)					
Revenue	2,810,308	1,874,322 [#]	2,029,672	2,320,249	1,762,396
PBIT	551,051	366,403	383,134	414,399	203,652
Tax Expense	(121,963)	(93,116)	(98,244)	(99,159)	(44,519)
Profit After Tax	427,260	270,058	282,520	312,968	154,197
Net Cash from Operating Activities	445,543	357,856	348,437	411,333	226,300
OTHER KEY DATA (RM'000)					
Total Assets	841,654	867,780	940,323	1,099,993	1,046,708
Total Liabilities	(449,099)	(507,265)	(569,176)	(705,892)	(697,325)
Reserves	241,506	209,466	220,098	243,052	198,334
Total Equity	392,555	360,515	371,147	394,101	349,383
Capital Expenditures	87,195	77,235	99,522	117,112	63,422
FINANCIAL RATIOS (%)					
Operating Working Capital % of Revenue	7.7	10.3 [#]	8.3	6.1	7.3
EBITDA Margin	22.1	22.3 [#]	21.1	20.3	15.5
Return on Equity	140.4	101.6	103.2	105.2	58.3
SHARE INFORMATION					
Earnings per stock unit (sen)	141.4	89.4	93.5	103.6	51.0
Net Dividend per stock unit (sen)	145.0 [^]	90.0	94.0	108.0	51.0
Dividend Yield (%)	8.9 [^]	4.8	4.6	4.0	2.2
Net Assets per stock unit (sen)	130.0	119.0	123.0	130.0	116.0
Market Capitalisation (RM'billion)	4.9	5.7	6.2	8.2	7.0

EBITDA : Earnings before interest, tax, depreciation and amortisation

PBIT : Profit before interest and tax

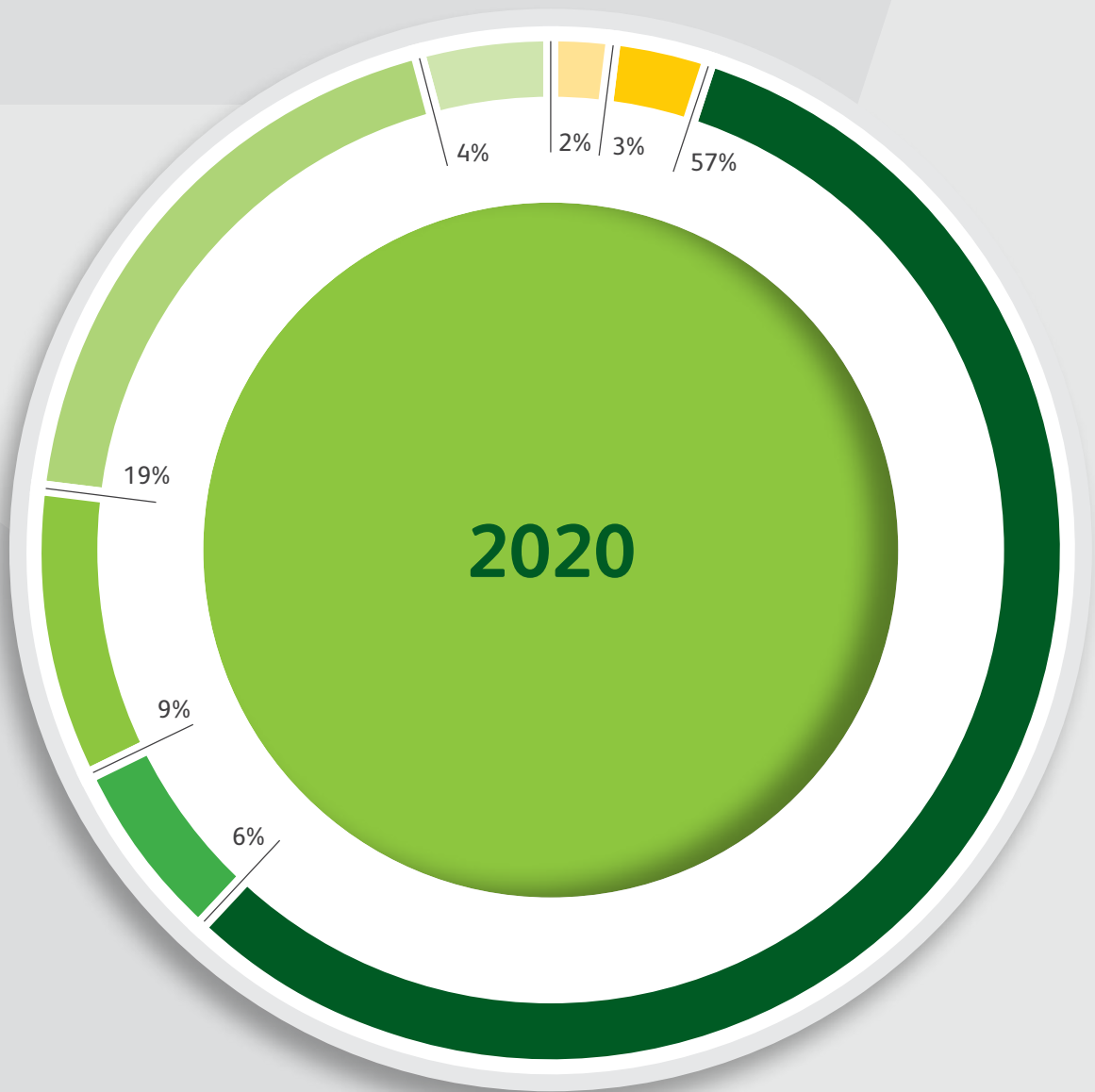
* The financial reporting period in 2016 is for an 18-month period from 1 July 2015 to 31 December 2016 as a result of the change of financial year end from 30 June to 31 December in November 2015.

[^] Includes special dividend.

[#] Revenue was restated to conform to Malaysian Financial Reporting Standard 15 : Revenue from Contracts with Customers.

Analysis of Group Revenue

For The Financial Year Ended 31 December 2020



Excise, Custom Duties & Sales Tax
57%

Personnel Expenses
6%

Profit After Taxation
9%

Distribution, Sales & Administrative Expenses
19%

Depreciation & Amortisation
4%

Corporate Tax
2%

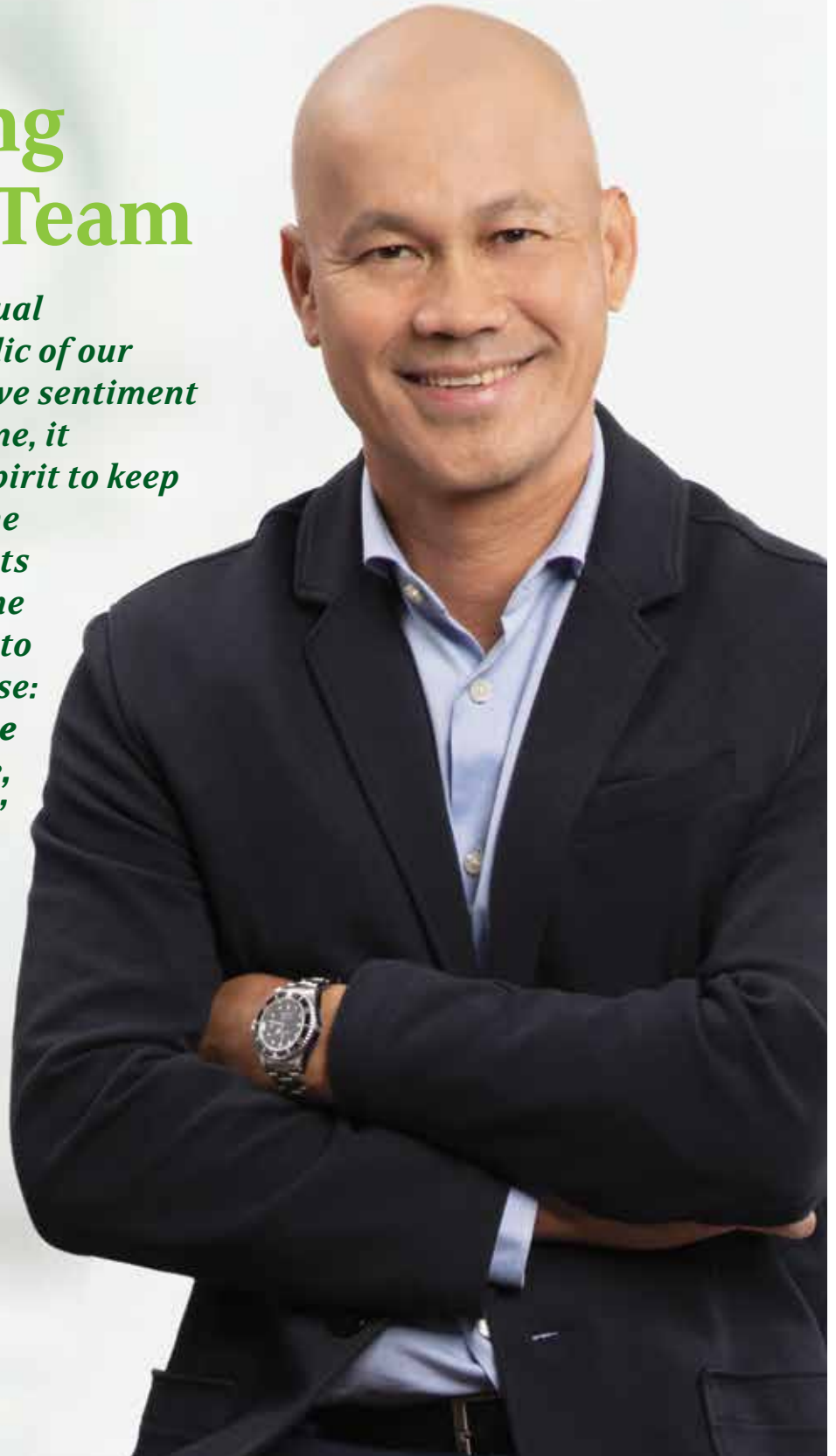
Raw Materials & Packaging Costs
3%

Management Discussion & Analysis

One Strong Winning Team

*“The cover of our Annual Report 2020 is symbolic of our organisation’s collective sentiment during the difficult time, it represents our team spirit to keep the lights shining in the darkness, and it reflects our commitment as One Strong Winning Team to stay true to our purpose: **Brewing a Sustainable Future for Our People, Business and Planet.**”*

Roland Bala
Managing Director



Management Discussion & Analysis

2020 was a difficult year. The Covid-19 global pandemic brought the economy to a standstill. Faced with the immediate need to bring the contagion under control, the Malaysian Government introduced the Movement Control Order (MCO) in March 2020, allowing only essential sectors of the economy to continue operating, whilst putting strict restrictions on all other activities, including social activities.

Looking back at the 46 consecutive days from 18 March to 3 May 2020, it can be said that those were the darkest days of our Company's history in Malaysia as we had to suspend operations at our Sungei Way Brewery during this period to comply with the MCO. The cover of our Annual Report 2020 is symbolic of our organisation's collective sentiment during the difficult time, it represents our team spirit to keep the lights shining in the darkness, and it reflects our commitment as One Strong Winning Team to stay true to our purpose: Brewing a Sustainable Future for our People, Business and Planet.

We are the leading brewer in the country, with a portfolio of iconic international and local brands that are supported by consumers who share the same Passion for Quality that is a key HEINEKEN value. In 2020, we had to respond to the drastic changes in the external environment caused by the global pandemic and nationwide lockdown, which had a significant impact on our industry and business. In navigating the crisis, our key priorities were (1) safeguarding the health and safety of our people, (2) adapting the business to the new landscape, and (3) prudent cost control to preserve cash.

Our Key Priorities

1 safeguarding the health and safety of our people	2 adapting the business to the new landscape	3 prudent cost control to preserve cash
--	--	---

PROTECTING THE HEALTH & SAFETY OF OUR PEOPLE

To ensure the health and safety of our employees, we instructed all staff to work from home immediately upon the commencement of the MCO. When we were allowed to resume operations on 3 May 2020, only essential employees were asked to return to our brewery whilst non-essential staff continued working from home. From July to October 2020, during the Recovery MCO phase, we transitioned all employees to return to the office on a split team arrangement.



However, when the rate of new infections increased again in September 2020, the Government then re-introduced stricter Standard Operating Procedures (SOPs) and brought back restrictions on various social activities to stem the new wave of infections. The Government also introduced a 30% limit on office workers whilst allowing most sectors of the economy to continue operating. In the interest of minimising risks on our people's health, we made the decision to allow all non-essential office based employees to work from home fully and this practice continued for the rest of 2020.

At the work place, we introduced new rules and practices with an aim to prevent infection. For example, we have put in place guidelines on social distancing, strict segregation of staff between production and non-production workers, wearing of face masks, as well as setting up hand sanitisation stations to encourage all employees to clean their hands regularly. We also tightened entry requirements to our brewery, with all employees and visitors being required to check in daily via MySejahtera (the Government's Covid-19 mobile application that aids with contact tracing), have their body temperature taken, and submit a health declaration.

As a further proactive step, we have also introduced the Covid-19 screening requirement for all production workers, contractors and vendors who need to enter the Sungei Way Brewery. We are pleased that so far, no workplace cluster has been detected in our organisation. This clearly demonstrates the effectiveness

Management Discussion & Analysis

of the proactive interventions that we have undertaken. As such, we aim to continue maintaining a high level of discipline in enforcing the health-related SOPs and continually remind employees about the necessary health and safety precautions.

STAYING CONNECTED WITH CUSTOMERS & CONSUMERS

We started 2020 with the Chinese New Year festive campaign led by Tiger Beer, Malaysia's No. 1 Beer. The year of the rat coincided with Tiger's 88th anniversary and we went all out to give consumers an exciting festive season. Aptly named 'Double The Huat' in honour of the double celebration, we ran a successful series of promotions, contests and activations on a grander scale than ever before across all channels, including restaurants, coffee shops, supermarkets, convenience stores and e-Commerce.



However, due to the pandemic and nationwide lockdown, most of the commercial plans for the rest of the year were affected. For example, the annual Guinness St. Patrick's celebration in March had to be canceled. Meanwhile, we had to adapt to the new realities that Covid-19 had forced upon society. Consumption drivers such as dining out and having social gatherings at restaurants, pubs and bars were curtailed significantly by various restrictions. Indeed, certain outlets with liquor licenses such as pubs and entertainment outlets were prohibited from operating. Unfortunately, the perpetual restrictions have significantly impacted the economy and consumer sentiment. Local businesses who depend on beer as a source of revenue have struggled to survive. The Confederation of Malaysian Brewers Berhad estimates that around 3,800 of these outlets have remained closed during the year with some 38,000 jobs at risk.

During this challenging year, it was important to remain connected with our customers and consumers. We leveraged the power of our brands to help re-connect consumers to businesses. Through our Tiger Save Our Street Food campaign, we channeled RM1.5 million to help restaurants, food courts and street food vendors who were affected directly by the lockdown. During the campaign, supporters could purchase a voucher for a big bottle of Tiger or Tiger Crystal. Proceeds from the sale of the vouchers



were then fully donated to participating outlets, on top of the retail price of the beer that the outlets also receive. We are proud that this campaign brought consumers together to support their favourite restaurants and coffee shops, whilst demonstrating HEINEKEN Malaysia's commitment to navigate the storm together with our business partners.

As mentioned earlier, most pubs and entertainment outlets were not allowed to operate. In view of this, we launched the Raise Our Bars initiative, with a commitment of RM1 million to help affected pubs and bars during the crisis. The Heineken® brand also launched its Socialise Responsibly campaign, giving a fresh perspective to social distancing in bars, educating consumers that although new bar experiences can be awkward, it is important to respect the rules of social distancing.

In a year when staying at home became the norm, we further engaged consumers with exciting campaigns that cut through the monotony due to the lack of social interactions. When Tiger was not able to host the large-scale street food festivals it is famous for, the brand took the street food festival experience to the next level: from the streets, and onto consumers' screens. The World's No. 1 Stout, Guinness created a home edition for its Flavour by Fire campaign by engaging celebrity chefs to create new recipes using leftover ingredients suggested by consumers. Heineken® brought an electrifying countdown party experience to all living rooms, helping to usher in the New Year and connecting more than 200,000 Malaysians virtually to end the year on a memorable note, while enjoying social experiences responsibly.

I am pleased to report that HEINEKEN Malaysia's world-class brands continued to be recognised by Malaysian consumers at the Putra Brand Awards 2020. Tiger Beer clinched the most prestigious Platinum Award, while Heineken® achieved Gold, and Guinness won Silver. The latest wins bring HEINEKEN Malaysia's total awards tally at Putra Brand Awards to 33 since 2010.

Management Discussion & Analysis

Revenue

-24%

vs 2019

Profit Before Tax

-52%

vs 2019

OUR PERFORMANCE

Group revenue for the 12 months ended 31 December 2020 declined by 24%, impacted by the implementation of the first MCO during which the brewery suspended its operations. Despite the gradual recovery of economic activities after the second quarter, the Group's business performance particularly in the on-trade channel continued to be affected.

With the slowdown in the on-trade channel, we refocused our efforts to win in the off-trade channels including supermarkets and convenience stores, which were allowed to continue operating throughout the lockdowns. The rapid adoption of e-commerce in Malaysia was further accelerated by the pandemic, with many consumers switching from visiting physical stores to doing their shopping online. HEINEKEN Malaysia's official e-commerce platform, Drinkies.my, grew its total number of orders by 93% vs 2019. The on-demand delivery service is currently available in major cities of Peninsular Malaysia.

Group profit before tax dropped 52%, principally due to the same reasons mentioned above and the one-off settlement of the Customs' Bills of Demand amounting to RM7.2 million in June 2020 as well as and a one-off provision of RM14 million in December 2020 for costs associated with the organisational restructuring exercise being implemented in 2021. Nevertheless, this was partially mitigated by the cost savings measures.

Net cash from operating activities for FY2020 decreased by 45% to RM226 million, in tandem with the decline in Group revenue and operating profit and also due to the reduction in business activities in line with the cost saving initiatives undertaken by the Group during the year.

Net assets for FY2020 was recorded at RM349 million, 11% lower versus FY2019 mainly due to the decline in Group business performance and the reduction in capital expenditure in line with the cost saving measures.

The Group paid a total of RM1.05 billion in excise, custom duties, and sales tax for the year. The Group incurred a total of RM44 million in income tax, translated into an effective tax rate of 24%.

Based on our FY2020 results, the Board has proposed a first and final single tier dividend of 51 sen per stock unit. Subject to approval of the shareholders at the forthcoming Annual General Meeting, the single tier dividend will be paid on 28 July 2021 to shareholders registered at the closing of business on 30 June

2021. The dividend payout ratio for the year is approximately 100% of the Group's profit after tax.

PEOPLE & PLANET

Despite the challenges, the results of our performance was attributed to the hard work and commitment of our employees. During the year, we kept people connected through regular internal communications including Town Halls and Virtual Drinks. Employee engagement initiatives were supported with the use of digital platforms such as Workplace and Microsoft Teams, enabling productivity whilst ensuring our people stayed connected while being apart. Our response to the Covid-19 crisis and actions taken to safeguard the health of our people was positively received. 88% of employees surveyed rated these initiatives favourably. In 2020, HEINEKEN Malaysia's employee engagement score improved to 82% whilst performance enablement improved to 78%.

We recognise that diversity and inclusion as important drivers of performance. Women's representation on the Board has exceeded the Malaysian Government's target of 30% for public listed companies, with a 57:43 male to female ratio. Amongst our employees, we have a 50:50 male to female ratio in middle to senior management positions. We continue to tap on the rich diversity and experience of HEINEKEN's global community as we work towards creating a more inclusive workplace for all. Overall, our employee engagement initiatives were recognised by HR Asia who named HEINEKEN Malaysia amongst the Best Companies to Work For in Asia 2020.

Sustainability remains the the core of our business. We are guided by our global sustainability strategy, Brewing a Better World. Our key focus is in three areas, namely protecting water resources, advocating responsible consumption, and growing with communities. Our sustainability efforts continued to be recognised externally as HEINEKEN Malaysia was named Company of the Year (Manufacturing – Beverage) at the Sustainability & Corporate Social Responsibility Malaysia Awards 2020.

Compared to 2014, we have reduced our water consumption for production by 15.5%, cut CO2 emissions by 15.2%, and continued to increase use of renewable sources of energy such as bio gas, practice sustainable sourcing as well as zero waste to landfill. We also go beyond our immediate operations and collaborate with NGOs and communities in high impact water stewardship initiatives, focusing our efforts on protecting the Sungai Selangor and Sungai Penchala river basins. Through the work we have done through SPARK Foundation's W.A.T.E.R Project initiatives, we are proud to report that HEINEKEN Malaysia has balanced more than 100% of the water used in our products.

We take pride in the work that has been done to protect water resources, cut emissions, recycle waste, and source sustainably.

Management Discussion & Analysis

As a progressive brewer, we are taking the necessary steps to ensure we continue operating in a responsible way.

In 2020, the Government introduced stiffer penalties to combat drink driving. HEINEKEN Malaysia reaffirmed our commitment towards advocating responsible consumption. With a history dating back to 1964 in the country, HEINEKEN Malaysia has always been leading the effort in engaging and educating its customers and consumers on enjoying beers and ciders responsibly. Locally, HEINEKEN Malaysia has invested RM7.3 million since 2010 on various initiatives to create awareness amongst consumers. Through its 'Drink Sensibly' and 'Enjoy Responsibly' platforms, over RM5.3 million have been invested into outreach and education campaigns through brand and corporate communications, on-ground events, as well as digital campaigns including the annual year-end festive period awareness drive. As part of these programmes, consumers are educated on the importance of moderation and are encouraged to use alternative modes of transportation including e-hailing to go home safely.

The Heineken® brand has also activated the "When You Drive, Never Drink" platform in Malaysia, investing more than RM2 million since it was launched in 2016. Leveraging on the global partnership with F1®, Heineken® has been amplifying the simple but clear message urging consumers not to drive when they have consumed any amount of alcohol. Heineken® has communicated the message through various brand communications and

campaigns, making extensive use of traditional and social media and influencers to reach out to more than 15 million people.

During the year, the pandemic and nationwide lockdowns brought significant impact to communities who endured the effects of loss of income due to the economic slowdown. HEINEKEN Malaysia reached out with a helping hand, providing more than 80,000 meals to 3,120 B40 families at the height of the crisis. We further reached out to support communities in the East Malaysia state of Sabah during a major flood disaster in June 2020, collaborating with local radio station Kupikupi FM to deliver basic food aid to more than 1,000 flood victims.

Since 1994, the Tiger Chinese Education Charity Concert (CECC) has raised more than RM355 million for schools across Malaysia. However, holding such fundraising concerts in 2020 was not possible due to the various restrictions on social gatherings. Instead, Tiger collaborated with Sin Chew Daily to donate 30,000 pieces of face masks to schools in Peninsular Malaysia as part of the 'Wear Mask, Love Yourself' campaign.

MANAGING OUR RISKS

Our approach to risk management is detailed in our Statement on Risk Management and Internal Control on page 71 to 77. The following table contains a general description of different areas of risks and actions undertaken by Management:

Type of Risk	Actions to Mitigate Risk
Regulatory & Tax	We continue to engage the Government on key issues affecting the industry, in support of the country's growth ambition as well as recovery from the significant economic impact attributed to the ongoing global pandemic.
Illicit Alcohol	We fully support the Government's efforts in eradicating illicit alcohol, which represents a loss of revenue to both Government and Industry. We continue to work proactively to raise awareness about the dangers of illicit alcohol through engagements with relevant enforcement authorities, our trade partners and consumers.
Growing Sensitivities	We advocate responsible consumption. The Heineken® brand spends 10% of its media budget annually on promoting moderation and responsible consumption. Through our global partnership with F1, we reinforce a bold message – When You Drive, Never Drink. We also adhere strictly to the HEINEKEN Responsible Marketing Code to ensure that all promotional activities are in line with cultural sensitivities in Malaysia.
Safety & Security	We continue to increase awareness and practice of the HEINEKEN Life Saving Rules amongst our people. With regards to the ongoing Covid-19 pandemic, we have put in place strict guidelines and practices which are in line with the Government's Standard Operating Procedures, with daily monitoring and reporting that ensure compliance.

Management Discussion & Analysis

Our 2021 Focus



Cost & Value

- Right size our cost base
- Right size our organisation



Growth

- Focus on innovations & growing segments



Digital

- Accelerate B2B & B2C



Sustainability & Responsibility

- Protect Water Resources
- Advocate Responsible Consumption
- Empower Communities



People & Culture

- Build Talent Pipeline
- Invest in Future Leaders

OUR OUTLOOK

On outlook, the Covid-19 pandemic and perpetual lockdowns with restrictions on social activities are expected to continue impacting the business. We expect that continued uncertainties due to the Covid-19 pandemic which will impact the speed of our business recovery. On 16 February 2021, the Government launched its National Covid-19 Immunisation Programme which is aimed to help the population achieve herd immunity by 2022. We are in support of this initiative and have encouraged our employees to register for the programme.

We will navigate the crisis while building for our future, with a strategy aimed at delivering superior growth in a fast-changing world, placing consumers and customers at the core, accelerating our digital route to consumer, as well as raising the bar on our sustainability and people agenda. We will also front load our agenda to implement continuous productivity improvements to drive efficiency in 2021. At the same time, we will continue to prioritise the health and wellbeing of our employees, trade partners, and consumers.

The overall business environment is expected to remain challenging. Contraband beer remains a key Industry issue that needs to be addressed. I take this opportunity to thank the Government for not increasing excise duties on beer, especially as Malaysia already ranks second highest in the world behind Norway and alongside Singapore. We also commend the Government for its commitment to address contraband through the setting up of the Multi Action Task Force, which is expected to strengthen enforcement initiatives against illicit trade. We are committed to continue to engaging the Government on Industry issues and play our role as a progressive partner in the economy.

ACKNOWLEDGEMENTS

In December 2020, our Human Resources Director, Kukarajan (Kuhan) Kanagarajan left the Group to pursue external opportunities. I would like to thank Kuhan for his contributions and wish him the best in his future endeavours. In the interim, Aileen Aumentado who is presently Head of Human Resources for HEINEKEN's business in the Philippines will oversee the HR function at HEINEKEN Malaysia until a successor is identified. On 1 June 2020, our Asia Pacific President Dolf van den Brink succeeded Jean-François van Boxmeer as Chairman of the Executive Board and Chief Executive Officer (CEO) Heineken N.V. Our sincere appreciation to Jean-François for his outstanding leadership and invaluable contributions throughout his 15-year leadership that helped transform HEINEKEN into a truly global company. We look forward with excitement to a new era with Dolf at the helm of HEINEKEN globally.

2020 was indeed a very challenging year. The pandemic has disrupted businesses and affected people's lives, requiring us to adapt to the new market realities. I take this opportunity to thank our loyal consumers, customers and trade partners for their incredible support and resilience as we together face this unprecedented challenge. On behalf of the Board, I would also like to thank all our employees for their commitment and resilience in navigating through this storm together.

Thank you.

Roland Bala
Managing Director
15 March 2021

Heineken Malaysia Berhad



Heineken®
The World's No. 1 international premium beer



Heineken® 0.0
Dealcoholised Beer, same great taste as Heineken®



Tiger Beer
World-acclaimed iconic Asian beer



Tiger Crystal
Made crystal-cold for ultimate refreshment



Strongbow Apple Ciders
The World's No. 1 cider



Kilkenny
The premium Irish ale





Guinness
The World's No. 1 stout



Anchor Smooth
A Malaysian favourite since 1933



Apple Fox Cider
The New Zealand inspired cider



Paulaner
No. 1 German wheat beer



Kirin Ichiban
Japan's No. 1 100% malt beer



Anglia
The real shandy



Malta
Premium quality non-alcoholic malt beverage

Brand Management

HEINEKEN Malaysia celebrated yet another year of success led by an iconic portfolio of international and local brands. We continued to connect and engage with consumers, growing our premium portfolio with a focus on delivering world-class experiences to our consumers.



Putra Brand Awards 2020

HEINEKEN Malaysia recorded another outstanding achievement at the Putra Brand Awards by bringing home three more accolades in 2020. Tiger Beer clinched the most prestigious Platinum Award, while Heineken® achieved Gold, and Guinness won Silver. The latest wins bring HEINEKEN Malaysia's total awards tally at Putra Brand Awards to 33 since 2010. This prestigious award recognises brand-building excellence across various platforms, measured by consumer preference.

Tiger Beer won its first Platinum Award in recognition of the brand's impressive efforts in connecting with consumers during a challenging year. It is also an honour for Tiger Beer to be the second beer brand to achieve Platinum status after Heineken® won it in 2019. Tiger Beer rallied consumers to support Malaysian street food by donating RM 1.5 million to street food vendors, coffee shops and food courts during Movement Control Order (MCO) through its Save Our Street Food campaign; before launching the Tiger Street Food Virtual Festival – the world's first fully-immersive, 3D, online street food festival experience. The brand delivered street food experience onto screens to ensure that consumers could enjoy delicious street food and ice-cold beers in the safety and comfort of their own homes.

Beyond engaging consumers during these difficult times, HEINEKEN Malaysia's flagship brands – Heineken®, Tiger Beer, Guinness, and Apple Fox Cider – committed RM1 million and launched the 'Raise Our Bars' platform to support bars and pubs too. This initiative enabled consumers to purchase vouchers for beer, stout or cider from their favourite bars, and receive a second, free of charge, from HEINEKEN Malaysia in return for their support. The campaign helped bars and pubs to recover from financial difficulties once MCO was lifted.

33 PUTRA
BRAND AWARDS
**Putra Brand
Awards**
since 2010

Heineken®

World's No.1 International Premium Beer Brand



Heineken® Socialise Responsibly

Heineken launched the “Back To The Bars” campaign when the MCO was lifted to celebrate the reopening of bars whilst reminding consumers to #SocialiseResponsibly. The campaign gave a fresh perspective to social distancing in bars, and that although new bar experiences can be awkward, it is important for consumers to respect the rules of social distancing because “there’s one thing better than the first night out, another night out.” On top of that, Heineken® also gave away 20,000 free pints to consumers to celebrate the reopening of bars.

“there’s one thing better than the first night out, another night out.”

#SocialiseResponsibly

Heineken® 0.0 Launched in New Cans

Heineken® 0.0 launched a new can packaging for consumers to enjoy, anytime, anywhere! Boasting a slimmer, more stylish and premium look, Heineken® 0.0 was launched following the rise in in-home consumption occasions amidst the new normal. The pandemic forced a shift in the workforce as more businesses are adopting the work from home approach. However, it’s rather easy for the 9-5 grind to become dull and repetitive, ultimately resulting in a rather mundane work from home experience, but with Heineken® 0.0, work hours are now happy hours! From 23-31 December 2020, consumers who invited Heineken® 0.0 to their virtual meetings received 4 cans of Heineken® 0.0 delivered right to their doorstep.



Heineken® Epic Virtual New Year’s Eve Countdown

Heineken® encouraged Malaysians to usher in the New Year in the comfort and safety of their homes, by bringing an electrifying countdown party experience to all living rooms. After a year filled with unexpected circumstances, Heineken® connected more than 200,000 Malaysians to end the year on a memorable note, while enjoying social experiences responsibly. This culminated in the epic Heineken® Starclub NYE Live countdown, headlined by W&W, the Dutch DJ duo are known for their commercial, big-room house and trance beats.



Brand Management

Tiger Beer

World-acclaimed iconic Asian beer



Tiger Beer 2020 Chinese New Year – Double The Huat!

For Tiger Beer, the Year of the Rat – 2020 coincided with the iconic brand's auspicious 88th anniversary. In honour of this double celebration, Tiger Beer shared the prosperity with consumers with its campaign 'Double the Huat'. Tiger Beer collaborated with Namewee, to create a brand-new music video just in time for the festivities. The campaign kicked off with a grand launch event held at Pavilion Kuala Lumpur, where the legendary Malaysian singer-songwriter, Namewee, took to stage as part of the big reveal, performing a selection of his popular songs – including his new Chinese New Year track, "Year of Rat" – created in collaboration with Tiger Beer. The 'Double The Huat' campaign went all out to give consumers an exciting festive season, with a series of promotions, contests and activations on a grander scale than ever before across all channels, including restaurants, coffee shops, supermarkets, convenience stores and e-Commerce.



Tiger Save Our Street Food

Tiger Beer donated RM1.5 million to support Malaysian street food during the Movement Control Order (MCO). The funding helped to cover rent for street food vendors, coffee shops and food courts across the country as they face reduced income due to the various restrictions. During the campaign, supporters could purchase a voucher for a big bottle of Tiger or Tiger Crystal (RSP RM17) at only RM10. The outlet then receives the initial RM10 voucher price, plus the full RM17 RSP value from Tiger Beer for each voucher redeemed. Tiger Save Our Street Food is part of a wider regional initiative from Tiger Beer, #SupportOurStreets. In addition to supporting street food vendors across Asia, #SupportOurStreets encouraged consumers to stay off the streets as part of continued safe distancing measures across the region.



Tiger Virtual Street Food Festival



Tiger is famous for regularly hosting large-scale street food festivals, with a great selection of street food to savour alongside ice-cold Tiger Beer. In 2020, holding an event like this was not possible. Instead, Tiger took the street food festival experience to the next level: from the streets, and onto consumers' screens. The Tiger Street Food Virtual Festival is much more than simply a home delivery service – it recreated the full experience of a food festival in a completely digital world and the first of its kind anywhere in the world. Visitors walked the 3D streets as their own customized avatar, interacting with others, playing games and visiting vendors, before ordering street food directly to their door. Visitors also played games to win rewards and enjoyed exclusive Happy Hour promotions from Drinkies, HEINEKEN Malaysia's at-home beer delivery service.



Guinness

No.1 Stout in Malaysia and the world over



Guinness Flavour by Fire Home Edition

As Malaysia's favourite and the World's No. 1 Stout, Guinness stayed true to its consumer-inspired approach in its activities last year. The brand created a home edition for its Flavour by Fire campaign by engaging celebrity chefs Sherson Liam, Johnny Fua and Sapna Anand to create new recipes using leftover ingredients suggested by consumers. This inspired consumers to get creative with existing ingredients from their kitchen and to create memorable cooking experiences with their loved ones during those lockdown moments when they stayed at home.



Guinness Exclusive Christmas Gift Sets

In conjunction with the year-end festive season, Guinness launched three exclusive limited edition Christmas gift sets. Available via Drinkies, The three sets - The Christmas Spirit (DIY Guinness cocktail kit), A Sweet Christmas (Guinness Christmas cupcake mix), and Spice & Nice (Guinness-infused sauces) - each came packed with Guinness Foreign Extra Stout, along with a selection of items to help bring a touch of Guinness magic to anyone's festive celebrations.



Apple Fox

the New Zealand inspired cider



'Fox It!' to Quench your Curiosity with Apple Fox Cider

In a strange year defined by cancelled plans, postponed holidays, video calls instead of hanging out with friends, Apple Fox, the cider made with wayyy more apples, encouraged consumers to say "Fox It!" and celebrate the annual apple harvest season, with special promotions, activities and contests for cider lovers nationwide. Apple Fox launched a platform where fans can use their phones scan the fox to reveal a full-fledged cider factory, complete with a number of cheeky foxes running the show. In addition to learning about how cider is made, exclusive prizes were up for grabs. From the month of September, consumers could purchase a limited edition 4-bottle pack of Apple Fox Cider that comes with an exclusive Apple Fox aluminium mug at participating hypermarkets and supermarkets, as well as on Drinkies.my. The celebration peaked during the Apple Day Weekend from 23rd to 25th October, where consumers got to enjoy a free Apple Fox Cider throughout the weekend at selected outlets nationwide.

Growing Our People

Creating Value for People

HEINEKEN Malaysia’s results are powered by the passion of our One Strong Winning Team. Together, we are guided by our purpose, Brewing a Sustainable Future for our People, Business and Planet. During a year defined by the Covid-19 pandemic, safeguarding the health, safety and wellbeing of our people became the key priority of the Company.

EMPLOYEE ENGAGEMENT

Our people are our most valuable asset. Despite the challenges of Covid-19 restrictions, we kept our One Strong Winning Team engaged throughout the year through virtual Town Halls and regular communications across the organisation, leveraging the use of digital platforms such as Workplace and Microsoft Teams to pivot to the new ways of working. As a result of the various efforts, we recorded an improvement in our annual Climate Survey. In 2020, our Employee Engagement improved to 82% whilst Performance Enablement improved to 83%. As part of the survey, we also asked employees for feedback on the Company’s Covid-19 response and the various initiatives introduced to safeguard the health and wellbeing of our people. We are proud to report that in this area we scored a commendable 88% favourable score.

INCLUSION & DIVERSITY

As part of the HEINEKEN global group of companies with operations in over 70 markets, we are essentially multi-cultural. We use the power of our diversity to create an inclusive environment where everyone matters and where we all have equal opportunity to contribute to our business success.

In terms of gender balance, HEINEKEN Malaysia has a 57:43 male to female ratio at the Board of Directors level, exceeding the 30% minimum target set by the Government. At middle to senior management positions, we continue to maintain a 50:50 balance. We also have a good balance of people across different age groups and are proud of many loyal and long serving employees who continue to contribute to HEINEKEN Malaysia’s success.

Climate Survey Scores 2020



RESPONSE RATE IMPROVED TO **99%** (+3% VS 2019)



EMPLOYEE ENGAGEMENT IMPROVED TO **82%** (+1% VS 2019)



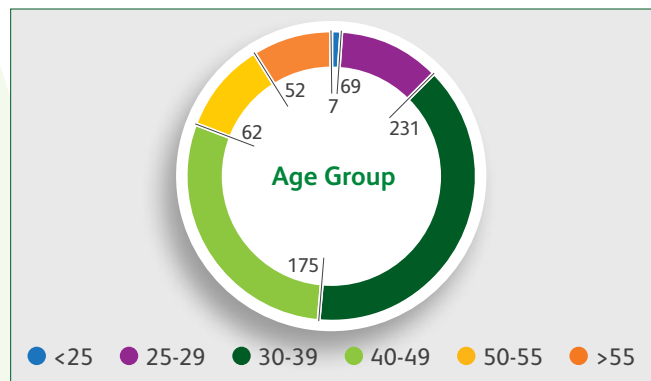
PERFORMANCE ENABLEMENT IMPROVED TO **78%** (+1% VS 2019)



MY MANAGER IMPROVED TO **83%** (+7% VS 2019)



COVID-19 RESPONSE **88%** FAVOURABLE



Growing Our People

TALENT DEVELOPMENT

Asia Pacific Graduate Programme

Since 2016, we have sought to attract the best talent through the Asia Pacific Graduate Programme (APGP). Fresh graduates hired at the end of a comprehensive selection process undergo a two-year cross-functional training programme that involves four six-month rotations, two of which take place in other HEINEKEN operating companies in the Asia Pacific (APAC) region outside of Malaysia. Throughout the programme the participants are mentored by senior leaders across the business.

In 2020, we received 1,008 applicants for the APGP compared to 850 the year before. After a competitive and stringent assessment process, we hired one new recruit in 2020 compared to three in 2019.




ETHICS & INTEGRITY

We are built on a strong foundation of ethics. By applying those same ideals to every element of our business, HEINEKEN has crafted a unique success story that spans more than 150 years globally. The same values that guided the Company through its initial years continue to be shared with our employees and partners. Our manifesto, We Are HEINEKEN, explains the ideas that form our identity both collectively as a team and individually for our employees. It is with these beliefs that we strive to move forward to create sustainable value for all of our stakeholders.

HEINEKEN Code of Business Conduct & HEINEKEN Rules (HeiRules)

Our commitment to conduct business with integrity, fairness and respect for the law and values is demonstrated through this code as it sets clear expectations for our people when taking action on behalf of the Company.

HeiRules is a set of rules that define how we work and conduct our day-to-day business. Each HeiRule has reference to relevant HEINEKEN standards and procedures which help us achieve our business objectives, minimise financial and reputational risk and protect the health and safety of our people.

 The HEINEKEN Code of Business Conduct can be read at <https://www.heinekenmalaysia.com/corporate-governance/>

Speak Up

Speak Up is a HEINEKEN Global process that allows our stakeholders to raise concerns about suspected misconduct in a confidential manner. Employees can also file reports directly via the Speak Up service that is reviewed at the corporate level to ensure they are dealt with appropriately and confidentially.

Greenprint to Win Behaviours

This represents a set of behaviours we expect all our employees to exhibit to drive our core values and entrench our culture of safety, learning and zero accidents. The behaviours are used in the annual appraisals of all employees.



HEINEKEN Supplier Code

We seek to ensure that ethics and integrity are upheld not only by those employed by HEINEKEN Malaysia, but also by those involved at all stages across the value chain, including our suppliers. Much of our impact lies indirectly with our suppliers, so we work with them to embed the right practices throughout our upstream value chain. Every supplier is asked to abide by the HEINEKEN Supplier Code, which cover prevention of child labour, anti-bribery and conflicts of interest.



The HEINEKEN Supplier Code can be read at <https://www.heinekenmalaysia.com/corporate-governance/>

Growing Our People



Safety & Health

Safety continues to be given top priority at HEINEKEN Malaysia. To attain this goal, we keep reinforcing a safety mindset among our people and those with whom we work closely.

100% of our employees are educated on the HEINEKEN Life Saving Rules, which set out clear and simple 'do's and 'don'ts' for our highest risk activities. These must be followed by employees across all our operations and we further reach out to educate our contractors, distributors and trade partners on the importance of adhering to these rules.

In 2020, although we had no fatalities, we reported nine accidents ranging from minor to serious accidents to our employees and contractors. We recognise that there is more work to be done to prevent accidents from happening and that each person has a responsibility to care for his or her own safety as well as the wellbeing of others who are around us.



Growing Our People



Put Safety First!

COMMON CAUSES

- Mindset
- Leadership
- Unsafe Conditions

SAFETY PRINCIPLES

- Safety is everyone's responsibility
- If it is not safe, don't do it
- If there is a rule, don't test it

OUR FOCUS AREA

- Promote Strong Safety Culture
- Road Safety-Telematics & Coaching
- Process Safety-CO₂, Ammonia and Boiler Safety
- Behavioral Based Safety
- Life Saving Rules-Simply a way of Life
- Safety Guidelines for Contractors & Suppliers



Recognition

In 2020, we were proudly recognised amongst HR Asia's Best Companies to Work for in Asia. This achievement is a commendable result that reflects HEINEKEN Malaysia's commitment towards Growing Our People and our One Strong Winning Team spirit.

One Strong Winning Team spirit

Growing Our People

ADVOCATING RESPONSIBLE CONSUMPTION

We are committed in building a responsible consumption culture. As a brewer, we believe that our products should be enjoyed sensibly and in moderation. HEINEKEN N.V. was one of the signatories of the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking 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 the UN SDG 12.

HEINEKEN Malaysia has always been leading 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 across all operating companies that sell Heineken® to responsible drinking campaigns, including Malaysia. This investment includes the 'When You Drive, Never Drink' programme that provides an unprecedented opportunity to help change attitudes and behaviours and reduce drink driving around the world.

During the Covid-19 pandemic, we continued using the power of our brands to remind consumers to socialize responsible to keep people safe while supporting livelihoods in the On-Trade. In anticipation of restaurants and bars reopening after post-lockdown, we proactively educated consumers on new habits for the new normal. To engage consumers, we created and disseminated an infographic that promoted the 6Cs – (1) Check Your Distance, (2) Clean Your Hands, (3) Cash Free Payment, (4) Contact Tracing, (5) Come Back Later, and (6) Catch a Cab (do not drink and drive).



HEINEKEN Malaysia has invested RM7.3 million since 2010 on various initiatives to create awareness amongst consumers. Through its 'Drink Sensibly' and 'Enjoy Responsibly' platforms, over RM5.3 million have been invested into outreach and education campaigns through brand and corporate communications, on-ground events, as well as digital campaigns including the annual year-end festive period awareness drive. As part of these programmes, consumers are educated on the importance of moderation and are encouraged to use alternative modes of transportation including e-hailing to go home safely.

The Heineken® brand has also activated the "When You Drive, Never Drink" platform in Malaysia, investing more than RM2 million since it was launched in 2016. Leveraging on the global partnership with F1®, Heineken® has been amplifying the simple but clear message urging consumers not to drive when they have consumed any amount of alcohol. Heineken® has communicated the message through various brand communications and campaigns, making extensive use of traditional and social media and influencers to reach out to more than 15 million people.



Growing Our People

Responsible Marketing Code

At the heart of HEINEKEN Malaysia's commitment to responsible consumption lies our Responsible Marketing Code (RMC), which serves to ensure our brands are enjoyed in the way that we intend. To ensure compliance with the RMC, we have a process in place where marketing materials including point of sales materials are reviewed according to eight principles below:

1. We do not primarily appeal to minors
2. We actively restrict exposure of our branding to minors
3. We are always legal, ethical and truthful
4. We advocate drinking responsibly, driving responsibly and general safety
5. We do not associate our brands with anti-social behaviour or over-consumption
6. We never claim that consuming our brands leads to social or sexual success or enhanced performance
7. We are committed to our brands being part of a healthy lifestyle
8. We are progressive about cultural context and its evolution

Responsible Marketing Code Approval Process Flow



Growing Our People

Growing with Our Communities

SUPPORTING OUR STAKEHOLDERS DURING COVID-19

During a challenging year, most of our on-trade partners (restaurants, bars, pubs, etc) were heavily impacted with restrictions on social activities, including operating hours, dining-in as well as certain outlets with liquor licenses such as pubs, bars and entertainment outlets that were not allowed to operate.

Despite this crisis, we embodied the “We Are HEINEKEN” spirit by weathering the storm together, working to ensure the well-being of our colleagues, customers, and society. HEINEKEN Malaysia launched several initiatives to help our stakeholders including the communities around our brewery whose livelihood was affected by the lockdown.

Immediately upon the onset of the lockdown, HEINEKEN Malaysia set up a cross-functional team with the aim of engaging all relevant stakeholders. We attempted to leave no one behind. This is what we have done for the various stakeholder groups.

Protecting Our Employees

The Safety, Health & Wellbeing of our People are our number one priority. The crisis team led by our Management Team proactively updated the organisation on developments and put in place guidelines and practices that helped to safeguard people's health and safety. We instructed only essential employees to return to work at the Sungei Way Brewery whilst all other employees not involved in the most critical production and business operations processes were required to work from home. For those returning to work at the brewery, strict compliance with SOPs was executed, this included daily MySejahtera check-ins, health declaration, wearing of face masks, regular hand washing, scheduled workplace sanitisation, and establishing contact tracing procedures. In 2021, to further support the Government's efforts at avoiding the formation of new workplace clusters, we introduced mandatory Covid-19 screening (RTK-Ag) for all essential production workers, contractors and vendors who are required to work on site at the brewery.

Supporting our Stakeholders



We are HEINEKEN.
We are here with you.

 HEINEKEN

Growing Our People

Supporting Our Business Partners

Initiatives were focused on supporting outlet owners and other business partners were launched during the challenging time:

► Tiger Save Our Street Food

Tiger Beer pledged RM1.5 million to support Malaysian street food during the challenging Covid-19 situation. The funding will be used to help cover rent for street food vendors, coffee shops, and food courts across the country as they face reduced income due to ongoing restrictions. The campaign also gave consumers the opportunity to come on board to show their support by purchasing beer vouchers that can be redeemed at participating outlets when the lockdown is eventually lifted.



► Raise Our Bars

HEINEKEN Malaysia committed RM1 million to 'Raise Our Bars', an initiative aimed at bringing life back to Malaysia's bars and pubs. The platform, allows Malaysian consumers to buy a voucher for a beer, stout or cider from their favorite bar, and receive an additional one free of charge when they redeem it - 100% of the proceeds will go directly to the bar that the consumer selected, directly giving away to consumers to help keep their local bar or restaurant afloat during this difficult time.



► Enabling trade partners to sell draught beer by delivery or takeaway

We supported our partner outlets by providing them with recyclable bottles and cups to allow them to continue serving draught beer during this time when customers are unable to go out. These recyclable bottles and cups enable our outlets to bring delicious and fresh draught beer to our customers through delivery and takeaways. We promoted the availability of this service through our website as well as social media channels, receiving favourable responses from both our customers and consumers.

► Distributor financing support

HEINEKEN Malaysia's route to market involves a nationwide network of distributors. During the lockdown, cash flow was the main concern of all businesses. Our Finance and Distributor Development teams worked closely with financial institutions to provide distributors with adequate financing support to ease cash flow pressures and to ensure business continuity.

Growing Our People

Helping Our Community

Supported
3,120
families;
80,000
meals

► Community Food Aid 2020

To navigate the challenges of the Covid-19 pandemic, we leveraged our existing network of partnerships with local communities and NGOs to provide the necessary support to vulnerable families faced with the loss of income during the lockdown. Many of these families in the B40 (bottom 40% of income group) communities relied on jobs that paid daily wages and could not perform their jobs nor have alternative sources of income during the crisis. HEINEKEN Malaysia partnered with an NGO – MyKasih Foundation to identify those most in need and channeled funds directly into the National Identity Cards of each beneficiary to enable them to purchase basic food items during the lockdown. In total, our efforts enabled 3,120 families to prepare 80,000 meals. Many of the recipients who live in neighboring communities to our brewery were extremely grateful for the fast and effective way help was channeled to them.



► Tiger Sin Chew Chinese Education Charity Concert

In view with the Malaysian Government's announcement of the Movement Control Order (MCO) due to Covid-19, and cancellation of large gathering by the authorities, the Tiger Sin Chew Chinese Education Charity Concert was cancelled for year 2020. However to show our commitment in giving back to the community in which it operate, Tiger Beer and Sin Chew Daily donated a total of 25 units of disinfectant sprayer and disinfectants to 8 schools in order to prepare the schools to be ready for classes.

Apart from that, Tiger Beer and Sin Chew also launched an Awareness Campaign "Wear Mask, Love Yourself" campaign, to create awareness on the prevention measures of Covid-19 infection. In total, Tiger Sin Chew Chinese Education Charity Concert donated 30,000 pieces of facemasks to be distributed to schools within Peninsula Malaysia.

► Sabah Flood Relief Effort

When a severe flood disaster hit the East Malaysia state of Sabah in late June 2020, HEINEKEN



Malaysia worked with local radio station Kupikupi FM to help provide urgent aid to 1,000 flood victims. To support the flood relief efforts, we donated basic food items such as bottled water, rice, canned food, instant noodles, and non-alcoholic malt beverage Malta to the affected communities in Kota Belud, Penampang, and Papar.

Keeping Our Investors Informed

As a public company listed on the Main Market of Bursa Malaysia, HEINEKEN Malaysia endeavored to keep shareholders informed of material developments during the lockdown. Updates on the status of our brewery's operations, restrictions imposed by the Government, impact, and outlook for the business, as well as mitigation actions were communicated in a transparent and proactive manner to our shareholders. We created a new section in our corporate website, providing timely updates to keep our investors informed of key developments related to the pandemic.



To find out more, please visit: <https://www.heinekenmalaysia.com/covid-19/>

Protecting Our Planet

We believe in the long-term sustainability of our business. As a responsible and progressive organisation, we are committed to do the right things in protecting the environment that we operate in.

In 2020, despite the challenging environment, we continued our efforts in protecting water resources, cutting carbon emissions and reducing waste.



Protecting Our Planet

Protecting Water Resources

In 2019, HEINEKEN Global launched the 2030 water strategy, Every Drop, to address water vulnerabilities especially in water-stressed areas for the benefit of the surroundings communities. The Every Drop 2030 strategy aims to make a positive contribution to secure the health of local watersheds. We believe our biggest long-term impact will be created by adopting three key principles of our water triangle: **Water Stewardship**, **Water Circularity** and **Water Efficiency**.

The Every Drop triangular approach is in line with the UN SDG Goal 6: Clean Water and Sanitation and to be achieved by 2030.



Water Stewardship

Our goal is to balance the equivalent amount of water used in production back to the nature and we are happy to report that we have achieved our goal of balancing 100% of the water used in our products in 2020. The results of our initiatives are further described in the section on W.A.T.E.R Project.



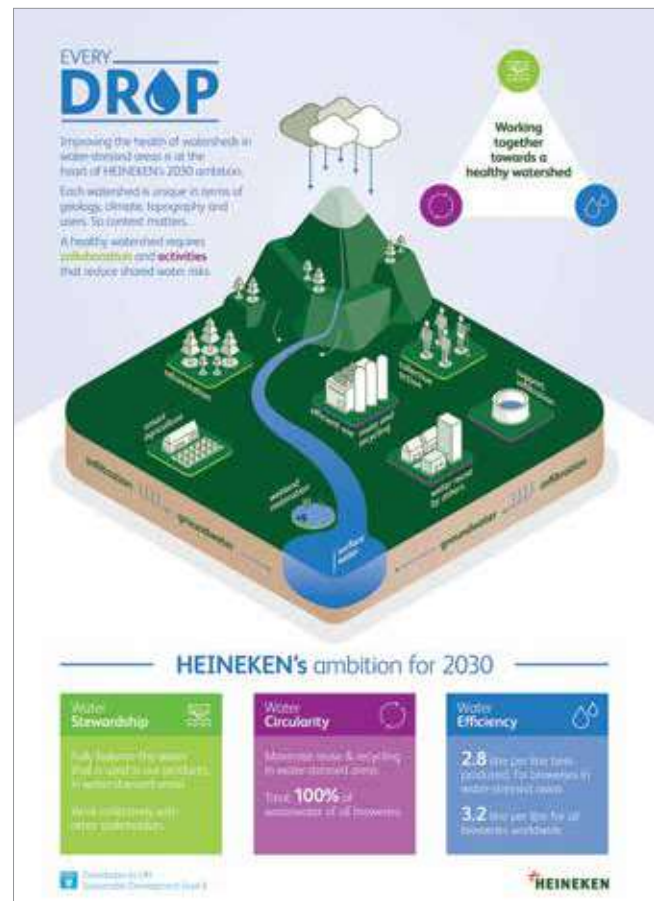
Water Circularity

On water circularity, we continued to treat our waste water above the standards set by the Department of Environment. Moving forward, we will further explore reclamation of treated waste water for non-potable use and we are confident this will further also help us become more efficient in reducing the amount of raw potable water used in production.

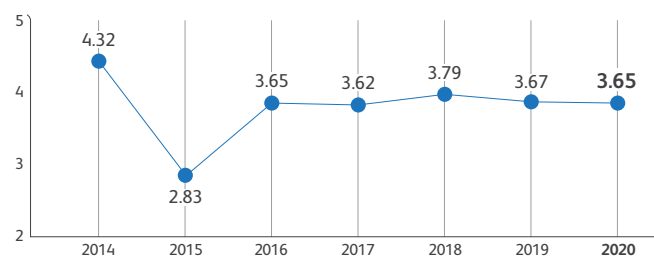


Water Efficiency

In 2020, for every 1 litre of beer we brewed, we used 3.65 litres of water in production. The positive improvements in water efficiency and circularity is attributed to the upgrading efforts that took place to optimise our brewery efficiencies, and greater focus on practices such as leak detection and review of existing processes that are water intensive. Overall, we recorded reduction of 15.5% for water usage when compared to 2014. However, we are marginally above our 2020 target of reaching 3.5hl/hl, and this is attributed to the 46-day stop in production operations due to the Government's MCO, which impacted efficiency of water consumption in a significant way.



Water Consumption (hl/hl)



Protecting Our Planet



HEINEKEN Malaysia's efforts to protect the planet extends beyond its immediate operations. SPARK Foundation, the corporate social responsibility arm of HEINEKEN Malaysia, carries out our community programmes. SPARK Foundation was established in 2007 to support initiatives in the areas of environmental protection and educational enrichment.

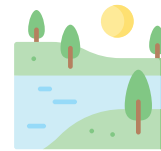
SPARK Foundation Milestones



RM 20.1 million invested in river rehabilitation, watershed health protection initiatives, education and partnership programmes



Engaged **54,000** Malaysians and **180** local communities



Rehabilitated **5** rivers in Selangor and Perak, improved and maintained Sungai Way river water quality to Class III.



Built a **305-metre** clay dyke at Raja Musa Forest Reserve which contributes to long-term water resources and supply to Sungai Selangor



Reforested **1 Hectare** of degraded peatland at Raja Musa Forest Reserve, which offsets 2,000 tonnes of soil carbon equivalent to annual emissions from 1,400 cars



Maintained **22 rainwater harvesting systems** to support **11** community farming projects in Selangor and Sabah

Working Actively Through Education and Rehabilitation (W.A.T.E.R Project)

W.A.T.E.R Project is the flagship initiative of HEINEKEN Malaysia's CSR arm SPARK Foundation, in collaboration with the Global Environment Centre, Government agencies and local communities. Through W.A.T.E.R Project, HEINEKEN Malaysia delivers on its long-term commitment to protecting the water resources. Our aim is to fully balance the water used in the production of our beers and ciders, and we are proud to report that we have achieved this goal in 2020.

In line with the HEINEKEN Global's Every Drop strategy, we shifted our focus from river rehabilitation to watershed health protection in 2018. This is to safeguard the sustainability of our water source and to manage the impact where our treated wastewater is channeled. The work that we do in relation to water stewardship directly supports UN SDG 6 Clean Water and Sanitation.

Independently verified by Limnotech a leading water sciences and environmental engineering consulting firm based in United States, HEINEKEN Malaysia's water balancing achievements are described.

Sungai Way rehabilitation

The Sungai Way river rehabilitation efforts primary objectives are to improve water quality and enhance the aesthetic value of the Sungai Way channel, increase awareness and develop a community participation model. In 2007, the surface water quality of Sungai Way had been classified as between Class V – IV (Class V indicates the worst water quality). W.A.T.E.R Project initiatives in rehabilitating the river over the years has transformed Sungai Way to Class III water quality making it habitable for aquatic life. In 2020, we continued our efforts through the maintenance of constructed wetland cells, regular biodiversity and water quality monitoring, as well as engaging neighbouring communities in Desa Mentari to join in river protection activities. As a result of the Sungai Way rehabilitation initiatives, HEINEKEN Malaysia is able to balance a total of 389,000 m³ of water.

305-metre clay dyke to increase water storage capacity

In 2019, we worked with our partner, Global Environment Centre to build a 305-metre clay dyke at the Raja Musa Forest Reserve. A clay dyke is a vertical wall of clay, around 4 to 5 meters in height, and constructed mainly below the peat swamp surface, effectively raising the water table. The clay dyke helps store

Protecting Our Planet

136,000 m³ of water annually, contributing to the long term sustainability of water supply to Sungai Selangor, which is the main source of raw water to the Klang Valley.

Distribution of water thimbles to communities

The water thimble is an effective and innovative method to reduce water consumption. Water thimbles are low cost water-saving devices. These small, silicon discs are installed into faucets and shower heads to decrease flow and reduce water use. By distributing water thimbles to over 1,000 households in the Sungai Selangor and Sungai Penchala basins, we have demonstrated that this helps reduce water consumption by an average of 18 litres per day per person. 2020 was the first full calendar after the thimbles were installed and the volumetric water benefit for water thimble savings is estimated at 11,500 m³ per year.

Rainwater harvesting systems

To mitigate the impact of water disruptions, HEINEKEN Malaysia has implemented rainwater harvesting projects to help communities to reduce dependence on treated water for non-potable use. In total, W.A.T.E.R Project has installed 22 rainwater harvesting systems in the states of Selangor and Sabah. The rainwater harvesting systems consist of an interconnected rooftop area that serves as a catchment for the rainwater and storage tanks to collect and store the rainwater. The rainwater collected serves as non-potable water supply

including cleaning, landscaping and irrigation. These systems also support 11 community farming projects, which give needy families a sustainable source of food. The annual volume of rainwater captured and provided for productive use is estimated at 4,554 m³ per year.

Reforestation of degraded peatland

The protection and rehabilitation of peatland will help sustain water supply in the long run, besides functioning as an efficient carbon storage to regulate earth temperature. Peatland areas are ecologically and hydrological sensitive disturbances. Small changes in the hydrology can alter the fate of the entire ecosystem and cause frequent peat fires. If both hydrological and biological rehabilitation measures are not put in place, the peatland can burn, releasing large amounts of CO₂ to the atmosphere. HEINEKEN Malaysia's W.A.T.E.R Project reforested 1 hectare of degraded peatland in Raja Musa Forest Reserve with 600 trees, helping to retain soil moisture and raise the humidity of the air above the soil surface and prevent further peat fires as well as facilitate recovery of the peatland forest and reactivate carbon sequestration. Based on calculations, the long-term volumetric water benefit is estimated as 4,250 m³ per year. Responsible water use today and tomorrow remains a key focus for HEINEKEN Malaysia. We will continue and maintain the water balancing achievement in a long run by initiating higher impact initiatives through SPARK Foundation and W.A.T.E.R Project.



TOTAL WATER BALANCED

545,570 m³

MORE THAN 100%
OF WATER USED IN OUR
PRODUCTS



Protecting Our Planet



Reducing CO₂ Emissions

In line with our commitment to Drop the C, we undertook several measures and invested in innovations to manage our energy consumption, including thermal insulations, boiler pressure reduction in addition to cooling plant assessment and steam trap audits.

These initiatives led to reduction in total energy consumption, electricity, thermal and CO₂ emissions. We continue to reduce CO₂ emissions through the use of renewable energy through optimization of biogas recovery. Nevertheless, in terms of energy consumption per hectoliter of beer we produced, this was a slight increase compared with 2019 the attributed to the 46-day stop in production operations due to the Government's MCO, which impacted the efficiency of energy consumption as production volumes were impacted.

Zero Waste to Landfill

Since 2017, we have achieved zero production waste to landfill. In 2020, we continued to recycle and upcycle our by-product and production materials and ensured that our waste is managed responsibly by licensed waste management vendors. In 2020, we generated total of 23,776 tonnes of waste, of which 100% was recycled. The streams of waste generated RM 1.32 million in revenue by ensuring all our waste are recycled. This has enabled us to borne the cost of managing our waste materials, whilst allowing us to channel the revenue into other environment improvement projects at our brewery.

Environmentally Friendly Refrigerators

To date we have purchased, 993 environmental friendly fridges since 2016. Due to the Covid-19 crisis, no new fridges were purchased in year 2020. We will continue to ensure that 100% of our fridges purchased are in this category. Our fridges use eco-friendly hydrocarbon natural refrigerant and cyclopentane insulation for minimal environmental impact and enhanced effectiveness. In addition, the fridges uses bright LED lights, which are low in energy consumption. Our refrigerators are ISO 90012015 and ISO14001 certified – respectively for quality management system and environmental management system.

Total Energy Consumption (MJ/hl)

2020	110.49
2019	107.63
2018	115.71
2017	110.65
2016	113.28
2015	120.03
2014	134.63

Electricity Consumption (kWh/hl)

2020	10.33
2019	9.81
2018	9.91
2017	9.86
2016	10.12
2015	10.53
2014	11.52

Thermal Energy (MJ/hl)

2020	73.30
2019	72.31
2018	80.04
2017	75.15
2016	76.86
2015	82.13
2014	92.82

CO₂ Emissions (kg CO₂eq/hl)

2020	11.87
2019	11.42
2018	11.84
2017	11.98
2016	12.44
2015	13.14
2014	14.00

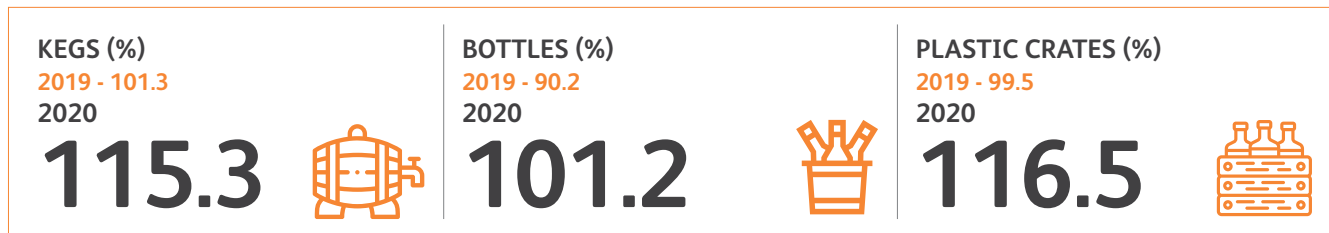
Bio Gas (m³)

2020	173,629
2019	250,848
2018	190,417
2017	172,075
2016	184,480
2015	198,537
2014	90,466

Protecting Our Planet

Packaging Waste

Our packaging material represents the largest components 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 ensure and 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 less resource are used. In 2020, our 12-month moving average on the return rates are as follows:



Sourcing Sustainably

We are committed to conduct business with integrity and fairness, with the respect for people, planet and performance. We expect our suppliers to embrace our values and commitments to responsible business conduct. In partnership with our suppliers, we maximize our positive impact and grow together in a responsible way. We also encourage our suppliers to report any violations of HEINEKEN Malaysia policies through the independent reporting platform Speak Up. We are pleased to report that 100% of our suppliers are compliant to the HEINEKEN Supplier Code. More information on the relevant policies can be read on HEINEKEN Malaysia website.



RECOGNITION

CSR Malaysia Award 2020

For the third consecutive year, HEINEKEN Malaysia was recognised as Corporate Social Responsibility (CSR) Company of The Year in the Manufacturing - Beverage category at the CSR Malaysia Awards 2020. The company was awarded for its role as a change agent in the environment and education sectors in Malaysia.

Organised by CSR Malaysia publication and Corporate Sustainability and Responsibility Malaysia Welfare Society, winners were selected based on the clear purpose and goals of the corporate responsibility initiatives, effectiveness, impact as well as the frequency of the projects.



HEINEKEN Malaysia was recognised for its initiatives in the environment particularly in protecting water resources through its W.A.T.E.R Project and also the Company's initiatives in supporting education particularly through the Tiger Sin Chew Chinese Education Charity Concert and English Enrichment Training Programme.