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59th

VIRTUAL ANNUAL GENERAL MEETING

FRIDAY, 12 MAY 2023 ▪ 9.30 A.M.



For more information, visit:
<https://www.heinekenmalaysia.com/annual-general-meetings.html>

This Annual Report has been developed in line with the relevant rules, regulations, guidelines and best practices, which include:

- Companies Act 2016
- Bursa Malaysia's Corporate Governance Guide 4th Edition
- Bursa Malaysia's Main Market Listing Requirements
- Malaysian Code on Corporate Governance 2021
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards and other regulatory requirements, as applicable

In the area of sustainability, our ESG Review has been prepared with reference to Bursa Malaysia's Sustainability Reporting Guide 3rd Edition. We are also guided by the United Nations Sustainable Development Goals (UN SDGs), UN Global Compact Index, recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), FTSE4Good Bursa Malaysia Index and Global Reporting Initiative (GRI) Sustainability Reporting Standards.

Our Purpose & Values

OUR PURPOSE



OUR VALUES



About Us

Heineken Malaysia Berhad (HEINEKEN Malaysia) is a leading brewer, with a portfolio of world-class 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 smooth and creamy Guinness Draught in a Can
- The premium wheat beer born in the Alps Edelweiss
- 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
- The wholesome, premium quality non-alcoholic Malta

HEINEKEN Malaysia's 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 GAPL Pte Ltd (GAPL) and 49% by the public. The Company's name was changed to Heineken Malaysia Berhad on 21 April 2016 following Heineken N.V.'s acquisition of Diageo Plc's stakes in GAPL in October 2015. GAPL is a subsidiary 100% owned by Heineken N.V., 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 more than 500 people at our headquarters and brewery in Petaling Jaya, Selangor, as well as our 13 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 customers & consumers, Courage to dream & pioneer, Care for people & planet, and Enjoyment of life.

These values strengthen our stakeholder relationships From Barley to Bar, and underline our global sustainability strategy to Brew 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 for a better tomorrow.



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

Our Chairman's Message

Brew the Joy of True Togetherness to Inspire a Better World



DEAR SHAREHOLDERS,

After two extremely challenging years due to the COVID-19 pandemic, 2022 was a year of recovery. With close to 100% vaccination rate in the adult population in Malaysia, we saw the worst of the pandemic pass whilst Government-imposed restrictions on social and economic activities began easing. The prolonged lockdowns that

had put great pressure on supply chains and the external business environment were lifted and we observed the gradual revival of various economic sectors. In particular, the abolishment of the National Security Council's negative list during the pandemic which prohibited certain businesses including entertainment outlets further aided the recovery of the food and beverage industry.

Despite this positive development, we observed inflation on the increase around the world, with food and energy prices hitting record highs. The rise has been driven in large part by pent-up consumer demand after the pandemic and the ongoing geopolitical conflict. Indeed, rising cost of living is a key concern in Malaysian society and incidences of shortage in supply of certain food staples including poultry and eggs during the year indicate the need for strategic measures to strengthen the country's resilience in facing the evolving challenges of our time.

On the political front, the historic 15th General Elections of Malaysia in November 2022 resulted in a hung Parliament where no single political party or coalition secured an outright majority to form the next Government. Ultimately, upon forming multiple alliances for a unity government, Dato' Seri Anwar Ibrahim from the Pakatan Harapan coalition was appointed the 10th Prime Minister of Malaysia. He further cemented his position with a two-thirds majority which stood the test of a vote of confidence in Parliament in December 2022. Anwar's appointment as Prime Minister, which comes after more than two decades since he was last Deputy Prime Minister, brings renewed hope for much needed reforms in Government. It is therefore positive that he has committed towards addressing the issues of economic recovery, cost of living, food security, and governance. We are also confident that the new administration will adopt a business-friendly and consultative approach towards policy making.

I take the opportunity to recognise the efforts of the Management Team and all employees at HEINEKEN Malaysia for the extraordinary commitment towards transforming our organisation for a stronger future. Despite the many uncertainties and obstacles we have had to deal with in the past few years, the team's immense effort in collaboration with our business partners

Our Chairman's Message

and valued customers helped to deliver commendable results on all fronts, accelerating our recovery above pre-pandemic levels in 2019.

As an operating company of Heineken N.V, we adopted the global Heineken strategy – EverGreen, which is a multi-year strategy designed to enable our next chapter of our growth. Through EverGreen, we aim to deliver superior and balanced growth with greater focus on meeting the needs of our consumers and customers. We will drive premiumisation, invest behind our brands and capabilities, and do these with a cost and value mindset that will fund this growth journey. EverGreen leverages our existing strengths and new opportunities to chart the next chapter of our growth. We are making great strides in our end-to-end digital transformation to benefit our route-to-consumer and drive cost efficiencies as we aim to become the best-connected brewer. And we are stepping up our focus to deliver continuous productivity improvements and raising the bar on our environmental and social sustainability ambitions.

I am pleased that the Group has reported an increase in revenue and profit as compared to the same period in 2021 as the Group recovers above pre-pandemic levels with reopening of on-trade and entertainment channel and Malaysia's international borders. HEINEKEN Malaysia's revenue increased by 44% to RM2.86 billion (FY2021: RM1.98 billion), mainly attributable to an increase in sales volume following the reopening of international borders, increased on-trade consumption, as well as a positive mix impact from premium portfolio growth. The spike in revenue growth in 2022 was mainly due to lower comparison against 2021 as the brewery was closed for 11 weeks due to the Movement Control Order. Group Profit Before Tax (PBT) increased by 85% to RM595 million (FY2021: RM321 million), as we bounced back post-Covid with a gradual recovery of the on-trade business, as well as improved revenue and cost management. Group Revenue and PBT

performance increased above pre-pandemic levels, with an 23% increase in Revenue (FY2019: RM2.32 billion) and 44% gain in PBT (FY2019: RM412 million), an indication that its business is seeing solid recovery.

The Board at HEINEKEN Malaysia has proposed a single tier final dividend of 98 sen per stock unit for the year ended 31 December 2022, subject to the approval of shareholders at the forthcoming Annual General Meeting. The total dividend for the year ended 31 December 2022 is 138 sen per stock unit comprising:

- a single tier interim dividend of 40 sen per stock unit which was paid on 11 November 2022; and
- a proposed single tier final dividend of 98 sen per stock unit.

During the year, the health and safety of our people remained a key priority. Despite the easing of COVID-19 restrictions, we continued to proactively screen our employees and contractors at our Sungei Way Brewery, ensuring we operate at a level that ensures the safety and wellbeing of our people.

In 2022, we took bigger steps to raise the bar on sustainability and responsibility. Through HEINEKEN's Brew a Better World sustainability strategy, we have ambitious goals with clear targets in three key areas – Environmental Sustainability, Social Sustainability and Responsible Consumption. I am proud that we have accelerated our progress in our Net Zero Carbon roadmap, which sets out our ambition to decarbonise our production by 2030 and the full value chain by 2040. Compared with the base year of 2018, we have reduced carbon emissions in production at our Sungei Way Brewery by 49% in 2022. A major contributor to our progress in this area was Management's decision to secure our transition to 100% renewable electricity through the Malaysian Renewable Energy Certificates (mRECs) which are purchased through utility provider Tenaga Nasional Berhad's



Compared with the base year of 2018, we have reduced absolute carbon emissions in production at our Sungei Way Brewery by **49%** in 2022."

GROUP REVENUE

 **44%**

RM2.86 billion
(FY2021: RM1.98 billion)

GROUP PROFIT BEFORE TAX (PBT)

 **85%**

RM595 million
(FY2021: RM321 million)

SINGLE TIER INTERIM DIVIDEND OF

40 sen per stock unit
which was paid on
11 November 2022

PROPOSED SINGLE TIER FINAL DIVIDEND OF

98 sen per stock unit
payable on 20 July 2023



Our Chairman's Message

Green Electricity Tariff (GET) programme. We are proud that we have taken this crucial step forward, which paves the way for the exploration and adoption of new innovative approaches that will hasten our journey towards a greener future. We are in the midst of installing on-site solar energy generation at our Sungei Way Brewery and expect to go live later this year.

Without water, we cannot brew beer. As a responsible brewer, we continued to demonstrate leadership in water conservation. Our three-pronged approach combines water efficiency, water circularity and water stewardship to ensure we do our part to protect our watersheds. We have a target to balance 1.5 litres of water for every 1 litre of water in our products. In 2022, we are proud to have exceeded this target again just as we have done in 2020 and 2021, achieving 203% of the targeted volume. In terms of water efficiency, we reduced our water consumption by 5% vs 2021 and 20% vs our 2014 baseline. As for water circularity, we continue treating 100% of our wastewater before release. Going forward, we will need to step up collaboration and engagement with key stakeholders including the Government, civil society, other companies, as well as our surrounding communities.

We continued our practice of recycling or upcycling 100% of our by-products and waste from production. Indeed, we are proud of achieving Zero Waste to Landfill since 2017. As a result of our achievements in environmental sustainability, we are proud to have received recognition externally at the Sustainability & CSR Malaysia Awards 2022 and United Nations Global Compact Network Malaysia & Brunei's Sustainability Performance Awards 2022.

We continue to lead by example when it comes to advocating for Diversity, Equity and Inclusion (DEI), with women comprising 43% of our Board of Directors, exceeding the Government's target of having at least 30% women on

the Boards of public listed companies. We also ranked number two out of 312 Bursa listed companies in the Board Diversity Index 2021 and have 63% women in senior management positions. Management's efforts in embedding DEI in the organisation was recognised at the 2022 HR Excellence Awards, with HEINEKEN Malaysia winning Gold in the category of Excellence in DEI.

Our commitment to improving social sustainability also extends beyond our organisation. At HEINEKEN Malaysia, we invest in two social impact projects. Our long running Tiger Sin Chew Chinese Education Charity Concert returned with physical fundraising concerts after a two-year hiatus due to the pandemic, successfully raising RM20 million for eight schools in 2022. Since 1994, this initiative has raised RM380 million for schools across Malaysia. Recognising food security as an emerging issue, our HEINEKEN Cares community food aid programme, which delivered 250,000 meals and care packages in 2021, returned with a target to deliver 600,000 meals in 2022 and 2023 through the amazing work of 7 NGO partners who work on various sustainable farming projects with communities in need.

As a progressive and responsible corporate citizen, HEINEKEN Malaysia also contributed RM1.6 billion in taxes to the Government in 2022. We are honoured to continue playing a proactive role in contributing to the growth of Malaysia's economy. I must take this opportunity to thank the Government for not increasing excise duties on beer and stout. We also commend the Government for committing to further clamp down on illicit trade and pledge our support for a more holistic approach in addressing this issue, which represents a loss of revenue for both Industry and Government.

ACKNOWLEDGEMENTS

I would like to announce the upcoming retirement of Datin Ngiam Pick Ngoh, Linda, Independent Non-Executive Director, from the Board which will take effect after the conclusion of our upcoming AGM. On behalf of the Board, I would like to extend my sincere and heartfelt appreciation to her for her invaluable contributions as a long-serving member of the Board. The appointment of her successor will be announced by the Company in due course.

On behalf of the Board, I take this opportunity to thank our shareholders and business partners for their continued trust and support. We take pride in continuing our efforts to create sustainable value and superior growth for the future.

I would also like to thank our Management Team, led by Roland, as well as all employees at HEINEKEN Malaysia for their resilience, courage and commitment towards our purpose, which is to **Brew the Joy of True Togetherness to Inspire a Better World.**

Thank you.

Dato' Sri Idris Jala
Chairman

20 March 2023



Our HEINEKEN Cares community food aid programme, which delivered 250,000 meals and care packages in 2021 returned with a target to deliver

600,000 meals in 2022 and 2023 through the amazing work of 7 NGO partners



Directors' Profile



**DATO' SRI
IDRIS JALA**
Chairman,
Independent
Non-Executive
Director

MALAYSIAN | MALE | AGE 64

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)

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 IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

- Sunway Berhad
- Jeffrey Cheah Foundation

Directors' Profile



ROLAND BALA
Managing
Director,
Non-Independent
Executive Director

MALAYSIAN | MALE | AGE 57
Appointed on 1 September 2018

QUALIFICATIONS

- Bachelor's Degree in Business Administrations, UiTM Malaysia

BOARD COMMITTEES MEMBERSHIP

- 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.
- 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 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 IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

- Confederation of Malaysian Brewers Berhad



LAU NAI PEK
Senior
Independent
Non-Executive
Director

MALAYSIAN | MALE | AGE 70
Appointed on 22 May 2021

QUALIFICATIONS

- Member of the Malaysia Institute of Accountants
- Bachelor of Commerce Degree, Canterbury University, New Zealand

BOARD COMMITTEES MEMBERSHIP

- Audit & Risk Management Committee (Chairman)
- Nomination & Remuneration Committee

WORKING EXPERIENCE

- A finance professional with more than 35 years of working experience in various location including New Zealand, Brunei, United Kingdom, Malaysia, China and the Netherlands.
- Retired from Shell Malaysia in August 2011 after serving the Royal Dutch Shell Group for over 30 years. His major assignments include Finance Director of Shell Malaysia, Finance Director of Shell China, Global Controller of the Exploration & Production Division of Royal Dutch Shell Group, and Vice-President Finance of Shell International Exploration and Production B.V., in the Netherlands.
- Upon his retirement from Shell, David served 12 years with Axiata Group Berhad and Celcom Axiata Berhad as an Independent Non-Executive Director and Chairman of their Board Audit Committees, and 11 years with Employees Provident Fund, Malaysia as an Independent Investment Panel member.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

- KKB Engineering Bhd
- Malaysia Airlines Group

Directors' Profile



**DATIN NGIAM
PICK NGOH,
LINDA**
Independent
Non-Executive
Director

MALAYSIAN | FEMALE | AGE 68

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
- Nomination & Remuneration Committee

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 Marketing & Promotions Manager of Sungei Wang Plaza Sdn Bhd.
- Former Communications Head of 30% Club Malaysia.
- 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 as its Honorary Secretary.
- Former Board Member of the Advertising Standards Authority Malaysia.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

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



SENG YI-YING
Non-Independent
Non-Executive
Director

SINGAPOREAN | FEMALE | AGE 50

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 (APAC), responsible for the functional oversight of legal in Asia Pacific. She is also a member of the APAC Management Team.
- Has more than 20 years of in-house legal experience, with 15 years in the alcohol and beverage industry. Her experience includes general corporate and commercial matters (both regional and operational), mergers and acquisitions, joint ventures, set up of greenfield breweries, compliance and managing disputes in the Asia Pacific region.
- Joined the APAC team as Senior Legal Manager in 2006. During this time, she successfully advised on and negotiated various mergers and acquisition projects in various markets within APAC.
- In 2015, she moved to Asia Pacific Breweries (Singapore) Pte Ltd (APB Singapore) as Legal Director and a member of the Management Team, where she was a valued business partner and was instrumental in successfully achieving a commitment with the Competition and Consumer Commission of Singapore in respect of APB Singapore's draught exclusive arrangements with outlets as well as facilitating a transformational change to the APB Singapore route to market.
- 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 IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

- Nil

Directors' Profile



**CHOO TAY SIAN,
KENNETH**
Non-Independent
Non-Executive
Director

SINGAPOREAN | MALE | AGE 55
Appointed on 26 October 2020

QUALIFICATIONS

- Advanced Management Program, Harvard Business School
- Chartered Accountant, Singapore
- Bachelor of Accountancy Degree (Hons), Nanyang Technological University, Singapore

BOARD COMMITTEES MEMBERSHIP

- Audit & Risk Management Committee
- Nomination & Remuneration Committee

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 IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

- Nil



**RAQUEL B.
ESGUERRA**
Non-Independent
Non-Executive
Director

FILIPINO | FEMALE | AGE 57
Appointed on 1 September 2021

QUALIFICATIONS

- Bachelor of Science in Management Engineering, Ateneo de Manila University.

BOARD COMMITTEES MEMBERSHIP

- Nomination & Remuneration Committee

WORKING EXPERIENCE

- Rocky is the Senior People Director (Head of HR Function) for HEINEKEN Asia Pacific. Leads the full suite of HR services and disciplines across the region and is involved in talent management and planning of key executive roles, working closely with the APAC Regional President. She is also co-chair of BOOST (Build Our Own Sustainable Talent), which is APAC's talent management program to grow the talent pipeline for the region via programs like the Management Team Fast Track Program, Heineken Graduate Program, Heineken Employer Branding Proposition; Short Term Assignments, among others. She is a member of the APAC Regional Leadership Team and the Global Heineken People Leadership Team.
- Prior to joining HEINEKEN, Rocky was the Regional Senior Director – HR for the Emerging Markets (EM) Asia business unit of Pfizer, Inc., a region considered as the growth engine and innovation powerhouse for the Company (2017 – 2021). She was a trusted business partner to the regional leadership team, navigating various reorganizations, leadership change, and cultural transitions during an exciting period in Pfizer pre- and post-vaccine discovery and launch, while leading her team of HR professionals across different countries in the region. She was part of the EM Asia Leadership Team and the Global EM HR Leadership Team. Upon leaving Pfizer, she was able to grow a local, internal successor to take her role.
- Prior to Pfizer, Rocky had a very distinguished HR career at Procter & Gamble, where she started in the Philippines as a Management Trainee. (1987 – 2017). She was the first female HR manager there to be posted as an expatriate abroad, starting with her assignment as the Indonesia Country HR Director. She was eventually assigned to Thailand and then to Taiwan to head up the HR function in those countries. Subsequently, she assumed her first regional role as the Head of HR Services & Solutions, based in Singapore, garnering awards from the HR Outsourcing Association and the Forum for Expatriate Management. Her last assignment in P&G was the HR Director for the APAC Headquarters & Asia Employee Relations. During Rocky's career in P&G, she developed many HR professionals who are now heads of departments in their organizations. She is known for her track record in developing and coaching leaders.

DIRECTORSHIP IN OTHER PUBLIC COMPANIES/ ORGANISATIONS IN MALAYSIA

- Nil

Management Team's Profile



ROLAND BALA

MANAGING DIRECTOR

MALAYSIAN | MALE | AGE 57

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.
- 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 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.



CHRISTIAAN JOHANNES FOLKERTS

FINANCE DIRECTOR

DUTCH | MALE | AGE 41

Appointed on 15 June 2021

QUALIFICATIONS

- Bachelor and Master of Science in International Business (Financial Management), Tilburg University, Netherlands

WORKING EXPERIENCE

Within HEINEKEN Group:

- Prior to his appointment to HEINEKEN Malaysia, he was Chief Financial Officer/ Head of Finance, Procurement and Digital & Technology for AB HEINEKEN Philippines (ABHP) since January 2020, where he navigated ABHP through continuous COVID-19 lockdowns. Under these difficult circumstances, he has shaped a new future for HEINEKEN in the Philippines. He successfully managed the transition of the Philippines business from a joint venture structure with Asia Brewery to a new partnership.
- Before moving to Manila, he was Finance Manager for Europe Export & Global Duty-Free (EE&GDF) for three years. Under his leadership, the Finance team has significantly improved business partnering capabilities, professionalised the revenue management approach in EE&GDF and strengthened the control environment, considerably impacting the business.
- Joined HEINEKEN in 2007 as Finance Management Trainee, after which he was in Business Control and Project Management positions in VRUMONA, HEINEKEN Netherlands, and HEINEKEN Brazil.



VASILY BARANOV

SALES DIRECTOR

RUSSIAN | MALE | AGE 45

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



WILLEMIJN SNEEP

MARKETING DIRECTOR

DUTCH | FEMALE | AGE 41

Appointed on 1 November 2022

QUALIFICATIONS

- Master's Degree in Communication Sciences, University of Amsterdam
- Minor Degree in Business Economics, University of Amsterdam

WORKING EXPERIENCE

Within HEINEKEN Group:

- Prior to joining HEINEKEN Malaysia, she was Heineken® Country Manager Australia since August 2020.
- Before moving to Australia, Willemijn was Head of Marketing for the Gulf Region at Sirocco FZCO, HEINEKEN's Joint Venture with Emirates Group in Dubai, leading the Brand and Trade Marketing team.
- A strong track record of working across the Heineken® brand and other portfolio brands, driving brand and commercial performance and working through-the-line.

Previous Experience:

- Prior to joining HEINEKEN, she was responsible for Marketing & Brand Activation at Danone Switzerland before developing her Marketing career at C1000 Retail in the Netherlands.
- She holds 5 years of agency experience in Amsterdam.



RENUKA INDRARAJAH

CORPORATE AFFAIRS & LEGAL DIRECTOR

MALAYSIAN | FEMALE | AGE 55

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:

- Over 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.
- Vice President of Malaysian International Chamber of Commerce & Industry (MICCI).
- Exco of National Chamber of Commerce & Industry of Malaysia (NCCIM).

Previous experience:

- Over 25 years of working experience in legal including 15 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 | AGE 52

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 | AGE 40

Appointed on 15 January 2020

QUALIFICATIONS

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

WORKING EXPERIENCE

Within HEINEKEN Group:

- 10 years within HEINEKEN Group.
- Started her career in HEINEKEN Netherlands as a Digital Consultant and worked her way up to IT MT as Innovation & Digital manager. In the latest role, she was responsible for fast moving technology and Data & Analytics while changing behaviors into the future. Always focused on Consumer Centric solutions. Challenger on delivering value to topline.
- Key milestones included Data Driven Marketing, launch of B2B eCommerce, B2C eCommerce and consumer loyalty. Creating an Innovation mindset and being the frontrunner in Agile by defining the organisation's ambition.

Previous Experience:

- Owner and founder of online publisher 'Ons Woord'.
- Account Manager & Project Manager at Internet agency, Virtual Affairs.
- Site Manager Internet & Intranet, AkzoNobel.
- Consultant & Trainer, Exact software.



VICTORIA ANG SU LIM

PEOPLE DIRECTOR

MALAYSIAN | FEMALE | AGE 46

Appointed on 26 April 2021

QUALIFICATIONS

- Executive Education in Strategic Human Resources, National University of Singapore

WORKING EXPERIENCE

- 12 years with BASF (Malaysia) Sdn. Bhd. with last position held as Vice Director, Human Resources, Malaysia – Singapore.
- 12 years with Levi Strauss (Malaysia) Sdn. Bhd. with last position held as HR Manager and Acting Retail Manager.
- Experience includes mergers & acquisition, systems implementation and deployment, change management, culture transformation, leadership development, talent management for workforce planning and development of people capabilities for future workforce requirements. Experience encompasses working with local stakeholders as well as in collaborative projects either regionally or globally.

Our Business Model

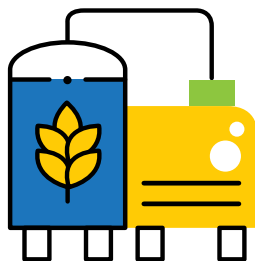
Our Impact *From Barley to Bar*

We are committed to embedding sustainability at the core of our business. Our Brew a Better World 2030 strategy directly contributes to the United Nations Sustainable Development Goals (UN SDGs) and is woven into the fabric of our balanced growth strategy.



AGRICULTURE

We brew beer and make cider from natural ingredients. By supporting sustainable farming, 100% of our main ingredients (barley and hops) will come from sustainable sources by 2030. Our suppliers comply with the HEINEKEN Supplier Code, which details our commitment and enforcement of ethical business conduct, human rights, and care for the environment.



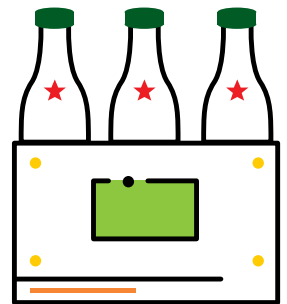
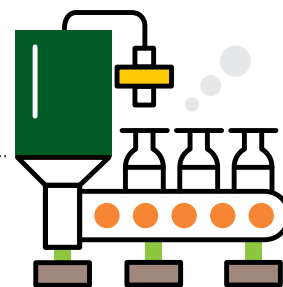
BREWING

At our Sungei Way Brewery in Petaling Jaya, Selangor, we are on the path to net zero carbon emissions in production by 2030. Our water strategy focuses on working towards healthy watersheds by combining internal and external efforts to support water security. Our brewery has achieved zero waste to landfill since 2017.



EMPLOYEES

We employ over 500 full time employees and we are committed to developing our people. At HEINEKEN Malaysia, we always aim to dream big and uncage our courage. Our One Strong Winning Team is guided by HEINEKEN's purpose to brew the joy of true togetherness to inspire a better world, as well our values of Passion for customers & consumers, Courage to dream & pioneer, Care for people & planet, and Enjoyment of life.



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. We work closely with our suppliers to create and scale efficient and sustainable packaging, reduce packaging waste and increase the returnability of our glass bottles.

Our Business Model

Brew a Better World 2030 supports the following UN SDGs:

PATH TOWARDS NET ZERO IMPACT



PATH TOWARDS AN INCLUSIVE, FAIR AND EQUITABLE COMPANY AND WORLD

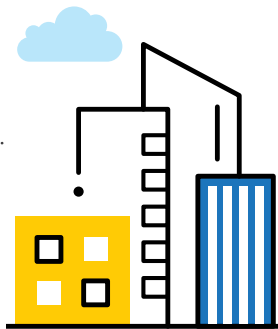
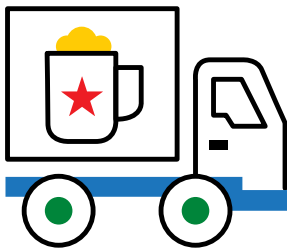


PATH TOWARDS MODERATION AND NO HARMFUL USE



DISTRIBUTION

We work to optimise efficiencies throughout our distribution networks across Malaysia. Safety is a key priority and we continually engage our employees, distributors and logistics partners to stay safe on the road.



CUSTOMERS

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 HEINEKEN Malaysia's Star Academy quality programmes, we also improve product knowledge and empower our customers to promote appreciation of brand heritage, product taste, and service etiquette.



CONSUMERS

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

We believe in growing with our surrounding communities. Through our corporate social responsibility arm, SPARK Foundation, we are committed to creating positive social impact and grow with our communities through our projects that focus on environmental conservation as well as providing aid to communities in need.



Five-Year Financial Indicators

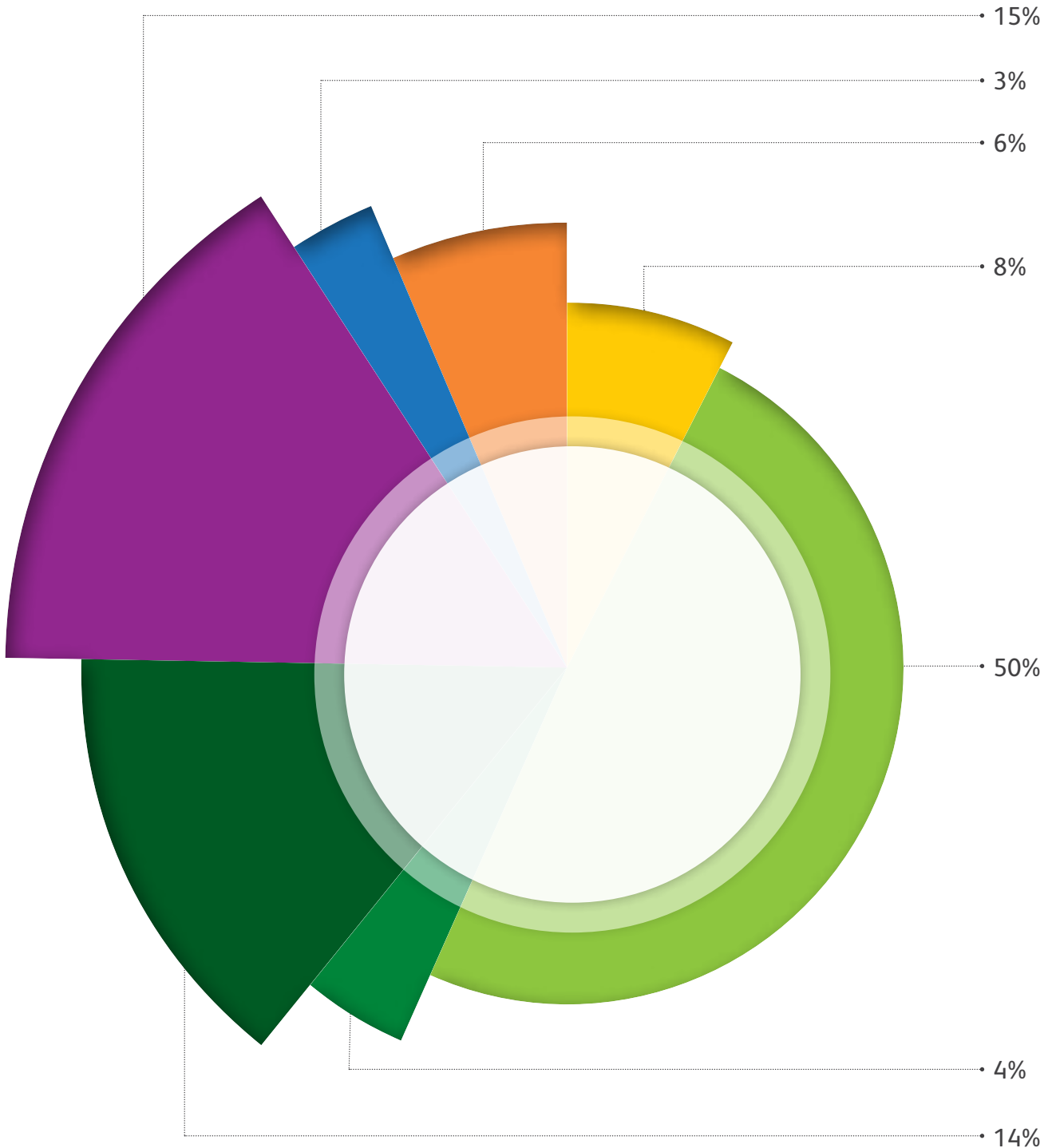
Financial Year Ended 31 December	2018	2019	2020	2021	2022
KEY OPERATING RESULTS (RM'000)					
Revenue	2,029,672	2,320,249	1,762,396	1,979,348	2,855,065
PBIT	383,134	414,399	203,652	323,925	596,224
Income Tax Expense	98,244	99,159	44,519	75,749	181,676
Profit After Tax	282,520	312,968	154,197	245,678	412,824
Net Cash from Operating Activities	348,437	411,333	226,300	339,871	469,066
OTHER KEY DATA (RM'000)					
Total Assets	940,323	1,099,993	1,046,708	1,088,173	1,408,221
Total Liabilities	569,176	705,892	697,325	692,497	919,768
Reserves	220,098	243,052	198,334	244,627	337,404
Total Equity	371,147	394,101	349,383	395,676	488,453
Capital Expenditures	99,522	117,112	63,422	112,865	199,479
FINANCIAL RATIOS (%)					
Operating Working Capital % of Revenue	8.3	6.1	7.3	4.5	3.5
EBITDA Margin	21.1	20.3	15.5	19.9	23.6
Return on Equity	103.2	105.2	58.3	81.9	122.1
SHARE INFORMATION					
Earnings per stock unit (sen)	93.5	103.6	51.0	81.3	136.7
Net Dividend per stock unit (sen)	94.0	108.0	51.0	81.0	138.0
Dividend Yield (%)	4.6	4.0	2.2	3.9	5.5
Net Assets per stock unit (sen)	123.0	130.0	116.0	131.0	162.0
Market Capitalisation (RM'billion)	6.2	8.2	7.0	6.3	7.6

EBITDA : Earnings before interest, tax, depreciation and amortisation

PBIT : Profit before interest and tax

Analysis of Group Revenue

For The Financial Year Ended 31 December 2022



Raw Materials & Packaging Costs
8%

Excise, Customs Duties & Sales Tax
50%

Personnel Expenses
4%

Profit After Taxation
14%

Distribution, Sales & Administrative Expenses
15%

Depreciation & Amortisation
3%

Corporate Tax
6%

Performance Highlights

People

549
TOTAL EMPLOYEES

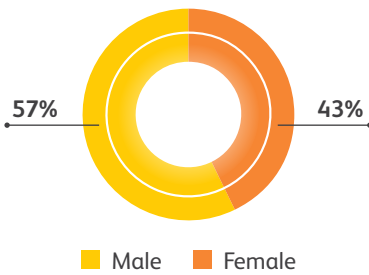
EMPLOYEE ENGAGEMENT SCORE

90
(+6% vs 2021)

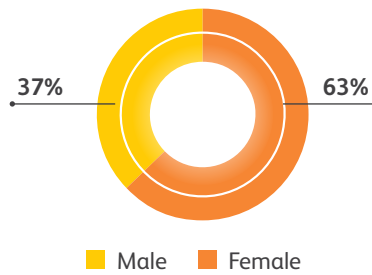
PERFORMANCE ENABLEMENT SCORE

84
(+4% vs 2021)

BOARD OF DIRECTORS



MANAGEMENT TEAM



TIGER CHINESE EDUCATION
CHARITY CONCERT

**RM20
million**

raised for 8 schools, RM380 million since 1994

HEINEKEN CARES

200 million steps

by HEINEKEN Malaysia employees

600,000 meals

for communities



Performance Highlights

Planet



49%
ABSOLUTE CARBON
EMISSIONS
in Production (vs 2018
baseline)

100%
RENEWABLE ELECTRICITY
since March 2022



BALANCED
203%
of water used in our products
in 2022



20%
WATER
CONSUMPTION
in Production (vs 2014
baseline)

Zero
Waste to Landfill since 2017

Performance



SINGLE TIER INTERIM
DIVIDEND OF

40 sen

per stock unit which was paid on
11 November 2022

PROPOSED SINGLE TIER
FINAL DIVIDEND OF

98 sen

per stock unit
payable on 20 July 2023

GROUP REVENUE

↑ 44%
RM2.86 billion
(FY2021: RM1.98 billion)

GROUP PROFIT BEFORE TAX (PBT)

↑ 85%
RM595 million
(FY2021: RM321 million)

CONTRIBUTED

**RM1.6
billion**
in taxes to the Government

Management Discussion & Analysis



Emerging Stronger from the Crisis

2022 was a new dawn as we stepped out from the global pandemic. Businesses reopened, social restrictions relaxed, international tourism resumed, and we pushed ahead to accelerate our recovery amidst the evolving challenges in the external environment.

INTRODUCTION

After a challenging two years in 2020 and 2021 due to COVID-19, we stepped into 2022 with a cautious outlook especially with the unpredictable nature of events related to the global pandemic. For seven weeks in 2020 and a further 11 weeks in 2021, we had to suspend operations at our Sungei Way Brewery in Petaling Jaya due to prolonged lockdowns. We are thankful that such a situation did not re-occur during 2022, as the high vaccination rate in the Malaysian population kept the severity of the pandemic under control.

In April 2022, Malaysia began its transition to the endemic phase, with gradual reopening of international borders, revival of tourism, and lifting of various restrictions on social and economic activities. Nevertheless,

entertainment outlets and bars continued to be on the National Security Council's Negative List, until the Government eventually abolished this from 15 May 2022. Throughout the year, we remained focused on our commitment to help drive the recovery of our trade partners, especially those in the on-trade who had persevered through much hardship during the previous two years. From ensuring supply continuity and product quality to creating engaging campaigns to drive consumer traffic back to restaurants and bars, the team at HEINEKEN Malaysia can look back at 2022 and be proud of the way we have worked together to deliver this commendable performance.

Indeed, the bold moves we took in the past two years to navigate through the storm whilst building a stronger future are starting to bear results. HEINEKEN's

Management Discussion & Analysis

EverGreen strategy, launched at the height of the pandemic, is the next chapter of our growth journey, with key priorities to drive premium growth, fund the growth through cost and value initiatives, become the best connected brewer, raise the bar on sustainability and responsibility, and unlock the full potential of our people.

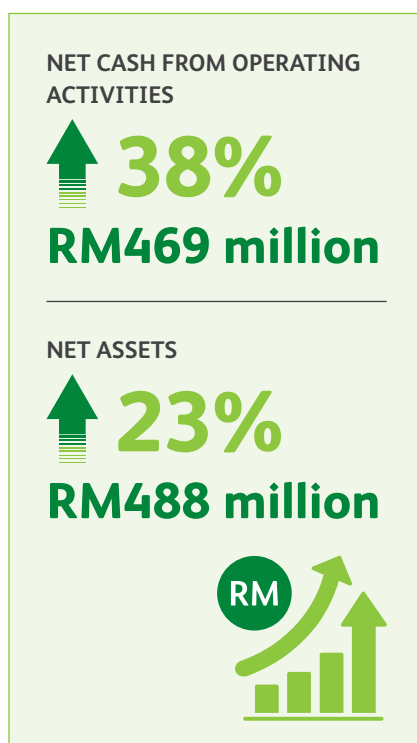
Undoubtedly, despite the positives, it was still a challenging period, especially with heightening geopolitical tensions globally, complex supply chain disruptions, rising inflationary pressures, and subdued consumer sentiments. Against this backdrop, I am thus pleased to share with you an improved performance for the financial year ended 31 December 2022 (FY2022) and that we have accelerated our recovery ahead of pre-pandemic levels in 2019. The following is a review of our business and financial performance, the highlights of our commercial campaigns, the progress of our sustainability commitments, as well as the outlook for 2023.

OUR PERFORMANCE

Compared to 2021, Group revenue rose by 44%, mainly attributable to an increase in sales volume following the reopening of international borders, increased on-trade consumption as well as positive mix impact from premium portfolio growth. It was also driven by low volume in 2021 as the brewery was closed for 11 weeks from 1 June 2021 to 15 August 2021 due to the Movement Control Order.

Group PBT increased by 85% to RM595 million, primarily due to strong post-COVID recovery, gradual recovery for the on-trade business, and improved revenue and cost management. The Group will continue to focus on the execution of the EverGreen strategy to drive sustainable growth. Correspond with the above, earnings per share increase to RM1.37 per share from RM0.81.

Net cash from operating activities for FY2022 increased by 38% to RM469 million while net assets increased by 23% to RM488 million mainly due to better business performance during the year.



Capital expenditure for FY2022 increased by 77% to RM199 million mainly due to higher spend incurred in line with the brewery upgrade, followed by higher cost incurred in returnable packaging materials and continued investment in digital and technology.

The Group paid a total of RM 1.4 billion in excise, custom duties, and sales tax for the year. For income taxes, the Group has incurred a total of RM182 million, translated into an effective tax rate of 30.5%. The higher tax rate was mainly due to the one-off Prosperity Tax imposed for Year of Assessment 2022.

For FY2022, the Board has declared and paid a single tier interim dividend of 40 sen per stock unit on 11 November 2022 and proposed a single tier final dividend of 98 sen per stock unit. Subject to approval of the shareholders at the forthcoming Annual General Meeting,

the single tier final dividend will be paid on 20 July 2023 to shareholders registered at the close of business on 21 June 2023. The dividend payout ratio for the year is approximately 101%.

EXCITING CONSUMER CAMPAIGNS

During the year, we focused on driving premium growth, investing in our core brands and innovations to excite our consumers. The Heineken® brand, known for its world-class activations, created fresh experiences that helped built direct connections with customers and consumers. Through the Heineken® Hotel Takeover, held over two weekends in Kuala Lumpur, we invited consumers on a journey that redefined and elevated music, art, wellness and culinary experiences. We also teamed up with world-famous electropop duo The Chainsmokers to launch Heineken® “Refresh Your Music, Refresh Your Nights” where fans of different cultures, tribes, and music preferences came together to expand their music tastes. The concert, held in Genting Highlands, gave a platform to local artists who featured alongside The Chainsmokers. During the year, we also launched the Heineken® brand in BLADE, a revolutionary ‘Plug and Pour’ professional draught system that serves freshly poured pints of Heineken® beer on any surface. The mini-draught beer machine is now available on a rental basis exclusively on HEINEKEN Malaysia’s e-Commerce platform Drinkies.



After two years of hosting the Tiger Street Food Festival virtually, the iconic street food festival returned as an on-ground event, bringing consumers together to celebrate the best of Malaysian street food, paired with Malaysia’s No. 1 Beer, Tiger.”

Management Discussion & Analysis

2022 was remarkably special for Tiger Beer as it was the Lunar Year of the Tiger. To usher in the festive period with a renewed sense of hope, we encouraged consumers to uncage their inner tiger and make 2022 their year to go all out to pursue their dreams and goals. Tiger Beer lined up an abundance of activities and promotions in conjunction with the festive season and launched an NFT collection that was sold out. After two years of hosting the Tiger Street Food Festival virtually, the iconic street food festival returned as an on-ground event, bringing consumers together to celebrate the best of Malaysian street food, paired with Malaysia’s No. 1 Beer, Tiger. In conjunction with the year-end football season, we hosted a series of epic live viewing parties that brought thousands of fans together in the Cheers to the Bold campaign, encouraging fans to boldly live their dreams and defy the odds.

Catering for shifting preferences for more refreshing and less bitter flavours, our Tiger Crystal is a beer brewed specifically for the tropical heat. During the year, we encouraged consumers to discover new passions through the the Tiger Crystal Fire Starter, featuring AR facial recognition and personality assessment that paired fans to passions, such as bouldering, rollerblading, dancing, jump rope, or freestyle football. Through the Tiger Crystal Heat Exchange activation, we invited consumers to join forces to turn up the heat by participating in various physical challenges, which contributed energy to fire up a giant thermometer and unlock free Tiger Crystal for participants.

After two long years and many missed celebrations, the Guinness St. Patrick’s Festival 2022 signaled the return of good times. Most importantly, it meant bringing friends and family back together to celebrate in true St. Patrick’s spirit. To celebrate coming back together to a bar, Guinness organised an array of activities, entertainment and exclusive giveaways during at selected restaurants and bars.

We launched a Guinness innovation – Guinness Draught in a Can, for stout lovers to enjoy their favourite draught in the comfort of their own home. This latest addition to HEINEKEN Malaysia’s portfolio, offers the smooth and creamy texture of a pub-poured pint in a can and features the ingenious widget that activates a surge of bubbles upon the opening of the can, creating a smooth, creamy stout.

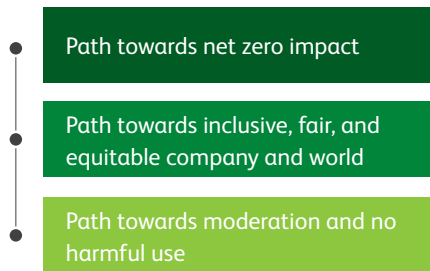
Our premium wheat beer born in the Alps, Edelweiss, held its first-ever Chalet Edelweiss Unwind, an outdoor experience that allows consumers to disconnect from their hectic city lives and discover nature alongside glamping and a series of exciting activities together with music performances. A premium experience with a myriad of activities and amenities, campers got to spend the night under the sky of Genting Highlands and take part in scheduled morning yoga and night campfires.

I am pleased to share that our brands continued to be recognised by consumers amongst Malaysia’s most trusted and preferred brands at the Putra Brand Awards 2022. Heineken® and Tiger won Gold, and Guinness took home a Bronze award. The triple win brings HEINEKEN Malaysia’s total awards tally at Putra Brand Awards to 39 awards since 2010.

“I am pleased to share that our world-class brands continued to be recognised by consumers amongst Malaysia’s most trusted and preferred brands at the Putra Brand Awards 2022.”

BREW A BETTER WORLD

Alongside our efforts to deliver balanced growth, we are committed to create sustainable value for our stakeholders in a responsible way. HEINEKEN’s Brew a Better World sustainability strategy sets us on three important pathways:



Together in this annual report, our ESG Review section comprehensively covers our initiatives and progress against our commitments as we continue integrating sustainability across our business. This year, we refreshed our materiality assessment to prioritise key material matters in contrast against our management of key business risks as well as environmental and climate risks. Our enhanced disclosures this year are aligned against Bursa Malaysia’s sustainability reporting requirements, the Global Reporting Initiative standards, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and FTSE4Good Bursa Malaysia Index. Governed by a Sustainability Policy and operationalised through the Group’s Sustainability Committee which reports progress of actions in our roadmap on a quarterly basis to the Management Team and Board of Directors, I am pleased to share that we have taken significant steps to strengthen our sustainability practice. Here are the key highlights of our 2022 sustainability achievements, which are described in greater detail in the ESG Review section.

Management Discussion & Analysis

ENVIRONMENTAL SUSTAINABILITY

-49%

absolute carbon emissions
in production vs 2018 baseline

100%

renewable electricity
since March 2022

Zero

waste to landfill since 2017

-20%

water consumption
vs 2014 baseline

Balanced

203%

water used
in our products



SOCIAL SUSTAINABILITY

43%

women in Board of Directors

63%

women in Management Team

Zero

fatal accidents and serious injuries

80%

of people managers
trained in inclusive leadership

2

social impact initiatives



RESPONSIBLE CONSUMPTION

>10%

of Heineken® brand media
spend on promoting responsible
consumption

**When You Drive,
Never Drink Campaign**

3,000

consumer pledges,

100

industry pledges

10,000

Grab e-hailing promo

codes during year-end festive
campaign



We are pleased to report that we are making good progress against our Brew a Better World commitments, nevertheless we continue focusing on exploring potential new innovations, partnerships and solutions to help us accelerate the organisation towards reaching these bold targets sooner.



Management Discussion & Analysis

MANAGING OUR RISKS

Our approach to risk management is detailed in our Statement on Risk Management and Internal Control on pages 101 to 107. The following table contains a general description of different areas of risks and actions undertaken by Management during the year:

Rising Input Cost	Supply Chain Disruptions	Growing Conservatism	Cyber Security
<p>Through our EverGreen strategy, our Fund the Growth priority ensures we practice disciplined cost management with an aim to unlock efficiencies wherever possible. We mitigate this risk further by leveraging the scale and capabilities of HEINEKEN's global procurement.</p>	<p>By modernising our facilities and leveraging digital and technology, we improve the efficiency of our brewery to mitigate the risk of wider supply chain constraints. We continue engaging our network of third party logistics providers and distributors to ensure we are able to respond to unexpected challenges.</p>	<p>We engage the Government to create better understanding of our industry. We ensure strict compliance with our Responsible Marketing Code and market our brands with utmost respect towards cultural sensitivities both local and global. We ensure that our commercial communications are directed towards consumers who are above 21 years old and non-Muslim only.</p>	<p>We continually train our people to be aware and capable in protecting our business against cyber threats. We performed a cyber crisis preparedness exercise during the year and implemented a framework on cyber security.</p>



Management Discussion & Analysis

OUR OUTLOOK

We witnessed encouraging recovery in business performance in the last quarters of 2022 following the full re-opening of on-trade business. However, the Group expects the business environment in 2023 to remain challenging given the continued pressure from global supply chain disruptions, recessionary pressures from leading economies, rising input costs, currency fluctuation and rising inflation that could impact consumer purchasing power. We will remain responsive to the volatile business environment and new market realities, with a focus on delivering our EverGreen strategy, in order to continue to invest behind our brands and capabilities, as well as future-proof the business to unlock efficiencies and reinvest in growth drivers. We welcome the stance taken by the Government not to increase the excise duties on beer in the latest Budget 2023 review announced in February 2023, as any hike in excise rates will further fuel illicit alcohol demand. Illegal trade and smuggling have caused the Government to incur tax revenue losses and pose health hazards to consumers with unregulated illicit alcohol. That is why HEINEKEN Malaysia remains committed to supporting and working closely with the authorities to address the issue of illicit alcohol holistically.

EVERGREEN



DRIVE SUPERIOR GROWTH

With consumer centricity, shape & lead premium category. Continue investing behind our brands.

FUND THE GROWTH

Cost & Value to drive efficiency, enabling reinvestments into our brands and business.

RAISE THE BAR ON SUSTAINABILITY & RESPONSIBILITY

Deliver on our ambition to become net zero carbon in production by 2030 and the full value chain by 2040.

BECOME THE BEST CONNECTED BREWER

Accelerate digital & technology to create a Unified Customer Ecosystem with a customer & consumer-first approach.

UNLOCK THE FULL POTENTIAL OF OUR PEOPLE

Promote a high-performance culture that boosts our strategic capabilities.



ACKNOWLEDGEMENTS

I would like to welcome Willemijn Sneep as our new Marketing Director. She joined the Management Team in November 2022 from HEINEKEN's business in Australia, replacing Pablo Chabot who has moved to HEINEKEN's operating company in Germany. I put on record my sincere appreciation for Pablo for his contributions and wish him the best. I must also thank the Board of Directors and the Regional Leadership Team in the APAC region for their wise counsel as we navigated through the challenging year together.

I take this opportunity to also say a big thank you to our shareholders, suppliers, distributors, customers, consumers for their amazing trust and support during the year. To our One Strong Winning Team of employees who demonstrated great resilience and unbending resolve to emerge stronger together, I look forward to continue scaling greater heights, driven by our purpose – to Brew the Joy of True Togetherness to Inspire a Better World.

Thank you.

Roland Bala
Managing Director
20 March 2023

Brand Highlights



Heineken® World's No.1 International Premium Beer Brand



HEINEKEN® HOTEL TAKEOVER

Heineken® invited consumers to immerse themselves in fresh experiences at the Heineken® Hotel Takeover that took them on a journey that redefined and elevated music, art, wellness and culinary experiences. The event took place across two weekends from 23 – 24 July and 30 – 31 July 2022 at KLoé Hotel, with a goal to reignite the spark of discovery and exploration for all, right in the heart of KL. Guests could also book a limited Heineken® staycation room through the KLoé Hotel website. The rooms were uniquely branded Heineken® and offered Heineken® goodies for guests to take home as memorabilia.

HEINEKEN® SPREAD THE CHEER

Heineken®'s year-end festive campaign brought two Spread the Cheer events to Johor Eco-Palladium and Penang Automall during the Christmas season. The events featured the Heineken® Star Tower, a 35 ft. tall tower with a DJ console and a customised lighting show. Throughout the night, guests danced the night away to live performances by local DJs BATE, Bass Agents, Jhin, Jodie and Hades. Exciting activities, including a Spin & Scan game for visitors to win attractive prizes while consumers got to create their very own personalised Heineken® bottle.



Brand Highlights



HEINEKEN® REFRESH YOUR MUSIC, REFRESH YOUR NIGHTS

Heineken® teamed up with world-famous electropop duo The Chainsmokers to launch its “Refresh Your Music, Refresh Your Nights” campaign, where fans of different cultures, tribes, and music preferences came together to expand their music tastes. The campaign featured local artists NYK & Yunohoo who refreshed The Chainsmokers’ hit songs in their own distinctive style. As part of the campaign, fans could co-create a playlist to discover new genres of music through the Heineken® Playlist Refresher on Spotify. Additionally, fans could vote for their favourite refreshed rendition by the local artists on the Refresh Hub to stand to win VIP passes to the Heineken® Refresh event. Fans could also sign up to receive exclusive invites to the Heineken® Refresh event in Genting Highlands on 9 December 2022 featuring The Chainsmokers alongside local artists.

Brand Highlights



Tiger Beer

World-acclaimed iconic
Asian beer



ROAR INTO 2022 WITH TIGER BEER

2022 was remarkably special for Tiger Beer as it was the Year of the Tiger. To usher in the new Lunar New Year with a renewed sense of hope, Tiger Beer encouraged consumers to uncage their inner tiger and make 2022 their year to go all out to pursue their dreams and goals. In addition to an abundance of attractive promotions for loyal consumers during the festive period, Tiger excited CNY shoppers with a roaring 3D tiger featured on a massive billboard at Pavilion Kuala Lumpur, wishing everyone an auspicious start to the new year. Malaysia's no. 1 beer brand also collaborated with homegrown street wear label PMC (Pestle & Mortar Clothing) to launch its exclusive NFT (non-fungible token) collection of 6,688 archival tiger artwork inspired by Tiger Beer bottles through the years.



UNCAGE NEW PASSIONS AT THE TIGER CRYSTAL FIRE STARTER DISTRICT FESTIVAL

The Tiger Crystal Fire Starter platform returned once more to empower consumers to discover new passions. The campaign kicked off with a cool AR facial recognition tool and personality assessment to enable fans to find out passions that best suited them, such as bouldering, rollerblading, dancing, jump rope, or freestyle football. This was followed by an action-packed weekend of the Fire Starter District Festival at Sentul Depot where fans could uncage their inner fire and discover a new passion while trying them out under the guidance of experienced mentors. Fans who attended the festival redeemed Tiger Crystal bottles and stood a chance to win exciting prizes related to their passions worth more than RM5,000 ranging from a pair of rollerblades, exclusive dance classes and many more.

Brand Highlights



BEAT THE HEAT WITH TIGER CRYSTAL

Tiger Crystal invited its fans to turn up the heat with its latest Heat Exchange activation. In return, the brand awarded fans' efforts with free Tiger Crystal and promo codes. The event was held at Plaza Arkadia, Desa Park City, where fans were invited to come together to convert their body heat via various activities. Upon reaching the target temperature displayed on a giant thermometer at the plaza, fans instantly unlocked free ice-cold Tiger Crystal to enjoy and celebrate their success with one another.

TIGER STREET FOOD FESTIVAL

After two years of hosting its fan-favourite Street Food Festival virtually, Tiger made a big comeback with the return of its iconic street food festival as an on-ground event. Ahead of the festival, fans participated in the Hottest Hunt, coming together to pin more than 1,000 of the most-loved street food to form a directory of bold flavours. To champion the best of the best, the brand launched Tiger Stripes, a long-term project to award and recognise the most deserving street food vendors for their bold flavours. At the festival, fans were treated to an elevated food experience with maze-like alleyways and other curated experiences ranging from dance challenges to open mic karaoke. The campaign also featured limited-edition packaging of Tiger Beer and Tiger Crystal cans and bottles, inspired by local street food dishes.



TIGER 'CHEERS TO THE BOLD'

To celebrate the most anticipated football season, Tiger hosted a series of epic live viewing parties at Sentul Depot where 1,000 fans gathered to watch their favourite teams go all out on the field. The viewing party was elevated with exciting games where fans could redeem exclusive Tiger Football merchandise and food as they watched the final match on a giant LED screen while enjoying ice-cold Tiger Beer. At the VIP viewing lounge, four football lovers redeemed the package for an epic viewing experience alongside 9 friends each where they enjoyed beer and food on the house as they witnessed the celebration. Eleven footie fans also enjoyed the home party package where Tiger decked out their homes with football décor, accompanied by Tiger Beer and Tiger Crystal, and food for them and 9 friends. While counting down to the final showdown, fans participated in exciting games where they stood a chance to win exclusive merchandise such as a signed football and jersey from football star Son Heung-min among many other prizes.

Brand Highlights



Guinness

No.1 Stout in Malaysia and the world over

LAUNCH OF GUINNESS DRAUGHT IN A CAN

Guinness lovers can now enjoy their favourite draught in the comfort of their own home. Guinness Draught in a Can, the latest addition to HEINEKEN Malaysia's portfolio, offers the smooth and creamy texture of a pub-poured pint in a can. It is made from roasted barley, malt, hops, yeast, water and a dash of magic – the revolutionary Guinness widgee that was the first in the world. The widgee uses an ingenious nitrogen filled capsule that surges with bubbles when the can is opened, and the result is a perfectly smooth and creamy beer that is unmistakably Guinness. The Guinness widgee is unique as it makes the process of pouring Guinness Draught in a Can simple, involving four easy steps: crack open a chilled can, tilt the glass at 45°, fill to the top and enjoy.



GUINNESS ST. PATRICK'S FESTIVAL

After two long years and many missed celebrations, the Guinness St. Patrick's Festival 2022 signaled the return of good times. Most importantly, it meant finally being able to get the gang back together to celebrate in true St. Patrick's spirit. To commemorate this special occasion, Guinness rewarded fans who get the gang back together with exciting activities. Through the Guinness St. Patrick's augmented reality (AR) filter, Guinness fans can express their different personas in unique ways with and stand to win attractive prizes weekly including the Best Buds Getaway grand prize for four friends worth RM30,000 at OneAndOnly Desaru Coast. To celebrate coming back together to a bar, Guinness organised an array of activities, entertainment and exclusive giveaways throughout the weekends of March at selected bars.

Brand Highlights



HOUSE OF GUINNESS

Following the launch of Guinness Draught in a Can in Malaysia, the House of Guinness was launched to officially introduce and bring consumers through the innovation behind the product. The hub gave fans an immersive experience in the world of Guinness at APW Bangsar where they were taken through a mission, comprising three tasks to be awarded the title of Guinness Innovation Expert. The House of Guinness ran from July to September, on Wednesdays to Sundays. In conjunction with the International Stout Day celebration, Guinness House of Guinness back for a further 2 weekends at Pavilion Bukit Jalil, and this time with the concept of #ItIsAMatterOfTaste, highlighting Guinness products and the magic behind them. Visitors explored different zones, uniquely created to depict the features of Guinness that make it the most loved stout brand among drinkers. The sensorial zones – roasted barley, hops, nitrogen, and widget zones – are equipped with various Instagram-worthy experiences highlighting the essence of Guinness in style.



ARTHUR'S STOREHOUSE IN PAVILION KL

In collaboration with a trade partner, we opened Arthur's Storehouse, Guinness' first-ever flagship outlet, in Malaysia at Pavilion, Kuala Lumpur. Arthur's Storehouse is not just any bar – fans can enjoy the true Guinness experience alongside an impressive Guinness-infused food and cocktail menu, as well as exclusive merchandise imported from the Dublin Storehouse. The flagship outlet with decked out to give lovers of the brand the experience of the Dublin Storehouse with a history wall, photography corner, a Guinness bar, dining area and lounge. What makes the flagship outlet so singular is its menu being the first in Malaysia to showcase a variety of exclusive Guinness-infused dishes as the showrunner.

Brand Highlights



Edelweiss

The premium wheat beer born in the Alps



CHALET EDELWEISS

Edelweiss introduced Chalet Edelweiss – a unique experience that transported guests from the heat of the tropics to the sweeping horizons of the alps, right here in Malaysia. Visitors got to experience the true nature of Edelweiss and be transported to seeing the golden wheat fields, hearing the howling wind, smelling the fresh alpine air and feeling the cool breeze – all while tasting a refreshing glass of Edelweiss at a crisp Alpine temperature. Chalet Edelweiss, which journeyed across three cities, was held at Publika in Kuala Lumpur, Eco Palladium in Johor Bahru, and Straits Quay in Penang across May and June 2022.

CHALET EDELWEISS UNWIND

Chalet Edelweiss Unwind, the brand's first-ever outdoor experience welcomed fans to a short getaway at Resorts World Awana Driving Range, Genting Highlands, in October 2022. This was an experience that allowed consumers to disconnect from their hectic city lives and discover nature alongside glamping and a series of fun activities and music performances. Fans who attended Chalet Edelweiss Unwind were treated to an exciting line up of regional and international artists, ranging from headliner American singer, songwriter and producer Jeremy Zucker, Karencici a Chinese-American singer and songwriter, Demot Kennedy and Jumero, among many others. Besides the music performances, fans were able to participate in other activities like morning yoga, night campfires and other fun games.



Brand Highlights



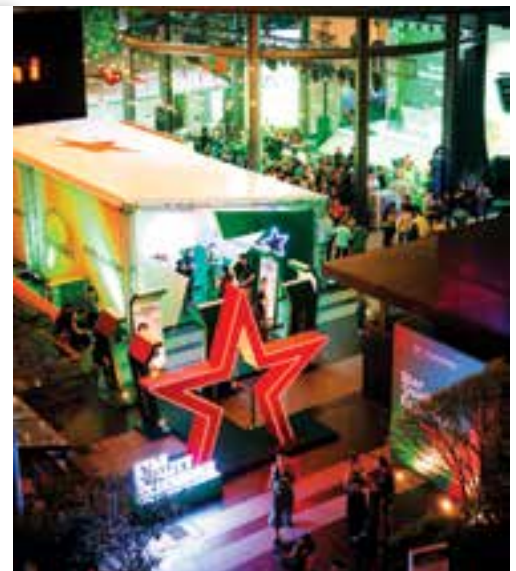
Star Academy

HEINEKEN Malaysia



HEINEKEN® STAR QUALITY EXPERIENCE

After a 2-year hiatus, HEINEKEN Malaysia's Star Academy returned with a new and improved Heineken® Star Quality programme. The programme combined immersive training and learning with the search for the bestperforming Star Bartender. Seven interactive training sessions were held across Malaysia, with the top bartenders invited to attend the grand finale at the Heineken® Star Quality Experience in Kuala Lumpur. At the finale, Vickson Leong from Speakeasy Bar & Kitchen, Ipoh, Perak, was named the 2022 Heineken® Star Bartender and received the grand prize of a three-day, twonight all-expenses-paid trip to Langkawi, among other prizes. The finale was held amidst the Heineken® Star Quality Experience, where guests were treated to a walkthrough of the Heineken® Star Brewery to witness Heineken®'s five fundamental Star Brewing Principles. Guests walked through an experiential maze to see, smell and touch all the components behind brewing the perfect Heineken®. The journey ended with the Heineken® Star Bar, where guests could try their hand at a perfect pour.



Brand Highlights



GUINNESS PERFECT POUR PROGRAMME

From August to October 2022, the Guinness Perfect Pour programme successfully trained 670 bartenders from 233 bar outlets nationwide to uphold the standards of serving Guinness while searching for the best Guinness bartender. Upon completion of the training sessions, two finalists from Kuala Lumpur and one finalist from Sabah, Sarawak, Johor, Penang, and Ipoh respectively were invited to join the grand finale celebration. At the grand finale, Richard Jugie from The Sarawak Club was crowned the champion and Ang Ai Keow from Souliquid Puchong earned the first runner-up title. Both winners received the much-coveted prize of an all-expense-paid trip to the Home of Guinness in Dublin, Ireland. At the celebration, attendees could participate in a mini perfect pour challenge to try out the unique six-step Guinness Perfect Pour and learn how to bring out the perfect Guinness flavour, aroma, and presentation while trying their hand at breaking the high score to win exclusive premiums.