

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)



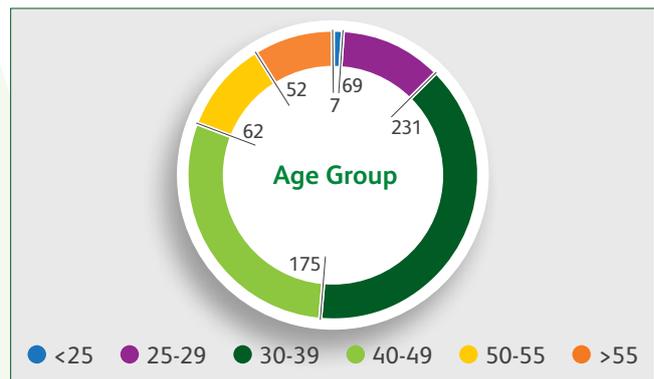
PERFORMANCE ENABLEMENT IMPROVED TO **78%** (+1% VS 2019)



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

HEINEKEN Life Saving Rules

The infographic displays 12 safety rules arranged in two rows of six. Each rule is represented by a circular icon and a text description below it.

- Be sober and free from drugs.** (Icon: A hand holding pills with a red prohibition sign over it.)
- Wear your seatbelt and helmet.** (Icon: A hand buckling a seatbelt.)
- Operate vehicles only when authorized.** (Icon: A hand holding a license and a vehicle.)
- Comply with CO2 procedure when required.** (Icon: A CO2 gas cylinder with a bell.)
- Obtain authorisation before entering a confined space.** (Icon: A person standing on a platform above a confined space.)
- Obtain authorisation before starting any hot work activity.** (Icon: A flame with the text 'HOT WORK' below it.)
- Phone hands free only.** (Icon: A hand holding a phone with a red prohibition sign over it.)
- Drive at the allowed speed.** (Icon: A speedometer.)
- Lock out, tag out before work on machines or equipment begins.** (Icon: A lightning bolt and a padlock.)
- Protect yourself when working with chemicals.** (Icon: A chemical hazard symbol.)
- Protect yourself against a fall when working at height.** (Icon: A person on a ladder with a 2.0m height indicator.)
- Drive forklift trucks safely.** (Icon: A forklift truck.)

HEINEKEN PUT SAFETY FIRST!

Safety & Health

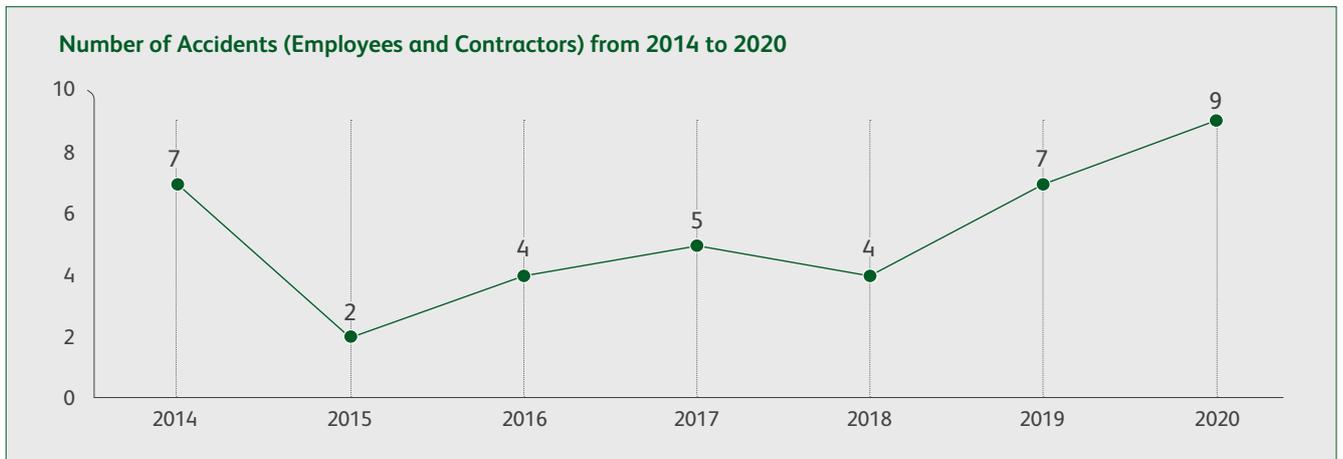
Safety continues to be given top priority at HEINEKEN Malaysia. To attain this goal, we keep reinforcing a safety mindset among our people and those with whom we work closely.

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 get 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/>