



GROWING TOGETHER WITH VIETNAM

Sustainability Report 2020



WE ARE HEINEKEN

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

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

We are proud of our entrepreneurial spirit, a Heineken heritage that takes us to every corner of Vietnam.

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

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

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

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

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

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

We Are HEINEKEN.



Managing Director Foreword

Throughout 2020 and continuing to this day as I pen this message – we have seen the challenges brought on by COVID-19 continue to unfold and evolve, and the world around us is changing in an unprecedented manner. Against this backdrop, HEINEKEN Vietnam is not only demonstrating our strength and resilience. We are also showing how important it is to stay committed to supporting Vietnam's sustainable development agenda. As we navigate the uncertainties, it is our strategic commitment to our sustainability agenda "Brewing a Better Vietnam" that remains our compass and guides us in our daily business.

In a turbulent 2020, people remained at the heart of our company. These included our employees, our business partners and the wider community. In fact, in the past year, the health and safety of our employees were our top priorities. The impact of the pandemic on people and prosperity, however, was felt more noticeably in our wider value chain, especially bars and restaurants – with the number of jobs HEINEKEN Vietnam indirectly supports going down by 14% compared to 2019.

Nevertheless, the adversity was not necessarily left for the most vulnerable to bear alone. We stood in solidarity with our partners when they re-opened their business out of the lockdown last year, with the offer of 1.5 million Tiger bottles for free to encourage Vietnamese people to socialise and visit their favourite bars again. We also donated 12 billion VND and 22,000 masks through our brands Bia Viet and Larue to COVID-19 relief funds serving the most severely impacted communities across Vietnam.

Going beyond our agile response to the disruptions, we seized the opportunity to become more innovative. Amidst COVID-19, we

introduced Bia Viet - a new brand created exclusively for Vietnam and honours the national spirit that unifies this diverse country. Last year, we also launched Heineken® 0.0 (a Heineken® with no alcohol) to support the Vietnamese Government's effort to address drink-driving and Decree 100.

Looking back, I am pleased that during a difficult year we made steps towards our 2025 Sustainability Ambition of 100% renewable energy, 100% water balanced and zero waste to landfill. Currently, 56% of the energy powering our breweries is renewable and 99% of our waste and by-products are reused and/or recycled. In 2020, HEINEKEN Vietnam was recognized by the VCCI as the #2 most sustainable company in Vietnam, which puts us in the top 3 for the fifth consecutive year.

As HEINEKEN Vietnam is turning 30 this year, we are proud of how we have been 'Growing Together with Vietnam' – a commitment we have been honouring since day one. Into the next 30 years, we are going to "Raise the Bar" to meet our global ambition of becoming carbon neutral in all breweries worldwide by 2030, throughout our value chain in 2040 and fully circular by 2050. Sustainability and responsibility will continue to be the backbone of our business in the years to come, as well as the lens through which we make all our day-to-day business decisions. And as such, I am confident that HEINEKEN Vietnam will continue to grow in a sustainable way – together with the country and its people.

Sincerely,

Alexander Koch
Managing Director
HEINEKEN Vietnam Brewery

2020: Staying true to our commitments during COVID-19



Supporting our people and our community during turbulent times in 2020 with COVID-19 and natural disasters

In 2020, Covid-19 and natural disasters in Central Vietnam brought unprecedented challenges to our business and our community. Nevertheless, HEINEKEN Vietnam remained committed to growing together with Vietnam. We continued to find ways to engage with our stakeholders and connect with our community, supporting our people and our community through the pandemic.

BUSINESS RESILIENCE

Despite testing circumstances, we built on our ability to adapt and stay close to our customers and consumers, while keeping our eyes on investing for the future.

Stay connected by leveraging technology

Our products are available on various e-platforms such as Grab and Momo so that we continue to delight consumers even during lock down.

We switched to virtual engagement events to stay connected with our consumers. An example is how we pioneered virtual reality music concerts in Vietnam for TIGER REMIX 2021, combining advanced virtual reality technology, visual effects, and interactive elements.



Continuing with product diversification

Despite the difficult market conditions in 2020, we launched new brands Heineken® 0.0, Bia Viet.

Bia Viet especially was created for Vietnamese tastes. It also reflects our national spirit of solidarity & celebrates our diversity, with its packaging celebrating our heritage and history.



HEINEKEN's unwavering support for stakeholders during COVID-19



Safeguarding lives against COVID-19

A People & Safety Committee was set up in HEINEKEN Vietnam right from the onset of the pandemic, ahead of HEINEKEN's Covid-19 global taskforce. The committee involved senior leadership, including the Managing Director, Human Resources Director, Corporate Affairs Director, Head of Medical Support, and Management Information System Manager. During the Tet season, the team worked swiftly to implement restrictions in a pre-emptive move to stem the spread of Covid-19.



COVID-19 control measures included:

- Raising staff awareness about the coronavirus and encouraging frequent handwashing
- Strict compliance with all laws and advisories from the government
- Regular updates of safety measures on internal communications channels
- Set up dedicated hotline and email address to address all questions related to Covid-19
- Split shifts
- Strict entry management and health declaration
- Temperature checks on entry
- Equipping employees with masks, liquid sanitizers and anti-bacterial tissues
- Mandating the wearing of masks and safe distancing
- Increasing cleaning and disinfection
- Restricting travels and switching to virtual meetings
- Regular Covid-19 risk assessment and update of Business Continuity Plan
- Communicating and organising activities to improve not only physical but also mental health of employees during Covid-19



Support business partners during reopening

After lock down, we supported our customers in reopening activities. For example, our "Join Hands to Recover" programme mobilized **440** employees in 11 cities and provinces with the sales team to visit and show support to over 100 outlet owners. HEINEKEN Vietnam also launched promotion activities such as "Uncage the Street Vibes" under the Tiger brand providing **1.5 million** free bottles to encourage consumers to visit bars again.



Support Community during COVID-19

We donated **10 billion** VND via Bia Viet and **2 billion** VND via Laure to Covid-19 relief funds, and donated **3.2 billion** VND for disaster relief in the Central of Vietnam



Celebrating 30 Years of Growing Together with Vietnam

Private sector plays a crucial role in Vietnam's national sustainability agenda

At Vietnam Business Council of Sustainable Development (VBCSD), we have seen a real shift in mindset as sustainability has been taken more seriously by companies. HEINEKEN Vietnam as a sustainability pioneer has contributed significantly in promoting awareness among the business community.

Moving forward, I hope companies will continue promoting sustainability in their value chain and actively participate in joint public-private partnerships for sustainable development initiatives.

Lastly, like HEINEKEN Vietnam, I would encourage all companies to adopt the Corporate Sustainability Index (CSI) developed by Vietnam Chamber of Commerce and Industry (VCCI), which can help improve sustainability governance.



Mr. Nguyen Quang Vinh
Vice President and Secretary General Vietnam Business Council of Sustainable Development (VBCSD)

In 2021 we celebrate our 30 years in Vietnam, growing from the first brewery in Hoc Mon in 1991 to 6 breweries nationwide today. Here are our key milestones:

2020



0.87% GDP contributed

- Heineken 0.0 product innovation, and launch of Bia Viet
- Awarded top 3 most sustainable company in Vietnam in 5 consecutive years by VCCI
- Awarded Best Company to work for in Asia for 3 consecutive years

2018



Acquisition of Hanoi brewery

2016



- Acquisition of Vung Tau brewery
- Received 3rd Labor Medal by the State President of Vietnam

2015



Launched Strongbow – a Cider product innovation

2014



1st brew by 100% Biomass in Da Nang

2012



1st deployment of community water project

2011



"Brewing A Better Vietnam" embedded in business strategy

2008



- Launched Tiger Crystal® - Low alcohol product innovation
- 1st deployment of responsible consumption program

2007



Acquired 3 more breweries in Da Nang, Quang Nam & Tien Giang

2005



Won 1st Tiger Quality Award

2002



Won 1st Heineken® Quality and Brewery Award

1997



1st brew of Bivina

1994



1st brew of Heineken®

1993



- 1st brewery in Hoc Mon completed with integrated wastewater treatment plant
- 1st brew of Tiger
- 1st community support in Hoc Mon District

1992



Company clinic set-up

1991



Joint venture agreement signed between The Food Stuff #2 Company (now known as SATRA) and HEINEKEN International Beheer B.V

1989



Joint venture negotiation

30 Years Growing Together with Vietnam

Our Impact



GROWING PROSPERITY



TOP 10

taxpayers in Vietnam
for many years



522

Number of distributors
trained since 2014



About **200,000**

jobs supported every year



99%

Local sourcing for
packaging materials

GROWING OUR PEOPLE



25%

Of management team
is female, with 2 out of 6
breweries led by women



95 million

People reached through
When You Drive,
Never Drink campaign



184 VND billion

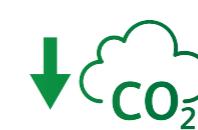
donated since 2000



26 community water

stations serving **32,000**
needy families

GROWING OUR PLANET



5 breweries using
100% thermal energy
for brewing process



4,281 tonnes CO₂ in 2020
recovered for industrial use



Virtually **ZERO**
waste to landfill since 2018



100%

Wastewater treated and reused for
landscaping in breweries or safely
returned to the environment

30 Years Growing Together with Vietnam Stakeholders's stories



CUSTOMER STORY: 241 Outlet Owner

What makes our 28 year business partnership special is the genuine relationship and timely support with every single sales manager and employee. I trust the business ethics and values of HEINEKEN Vietnam.



DISTRIBUTOR STORY: Minh Quang

With HEINEKEN's support, Minh Quang has grown from a single rented facility to four large warehouses complete with modern technology, to become one of the largest distributors in Vietnam today.

EMPLOYEE STORY:

Phan Khanh

Head of Sales Academy

I love my job here. I have heard some ex-HEINEKEN staff that still say: nowhere is better than HEINEKEN. The best-in-class commercial events and sustainable initiatives to create value to society are great sources of pride not only to me but I believe, the whole company.



EMPLOYEE STORY:

Man Hoang Huu

Quality Technology Director

I appreciate HEINEKEN's transparent working environment and great health care system. The company also invites subject matter experts for knowledge sharing and employees are sent overseas for training or secondments which significantly improves their career prospects.



EMPLOYEE STORY:

Bui Quoc Hoang

Strategic Business Controlling Manager - Finance

The strong bond that HEINEKEN Vietnam has with its employees is exceptional. I am proud to work in the same company as my father who has been here for almost 30 years. HEINEKEN Vietnam has helped take care of my family for three decades.



How We Grow Prosperity for a Better Vietnam in 2020

"It all begins from the thought process that when we enter a new country, we are in it for the long-term, and embed ourselves as part of the community. We are a Vietnamese business. We have to be doing right by the communities. This long-term thinking shapes all our relationships with our stakeholders."

Jeremy Beadles
Former Regional Corporate Affairs Director, APAC



Creating jobs and contributing to the economy

HEINEKEN Vietnam creates positive direct, indirect and induced economic impacts in Vietnam through generating employment throughout the value chain and contributing a significant amount to the country's GDP.

Our Approach:

TAX CONTRIBUTION - HEINEKEN Vietnam has been one of the top 5 corporate tax payers in Vietnam for many years.

LOCAL SOURCING - 85% of our inputs are purchased from suppliers in Vietnam (15% of materials such as barley and hops cannot be sourced locally).

LOCAL ECONOMIC CONTRIBUTION - In 2020, our industry was badly hit by COVID-19. Coupled with the natural disasters in Central Vietnam, our GDP contribution in Vietnam decreased slightly, with 0.87% GDP contributed and 183,000 jobs supported in the whole value chain.



Supporting our business partners and distributors

The success of our business can only be achieved with the continued growth of our business partners and distributors. We create long-lasting, collaborative relationships with our partners and develop their capabilities, supporting their growth alongside us.

Our Approach:

DISTRIBUTOR DEVELOPMENT PROGRAMME to develop capabilities such as optimizing logistics operations and holding frequent distributor conferences to promote knowledge sharing

DISTRIBUTOR SUCCESSION TRAINING to prepare distributors for the digital age and ensure successors are well-placed to succeed.



Promoting a responsible business culture

As a responsible brewer, we are committed to conducting our business with integrity and fairness and advocate for ethical business practices and transparency along our value chain.

Our Approach:



4-step **HEINEKEN Supplier Code** with clear guidelines for behaviours in the areas of Integrity and Business Conduct, Human Rights and the Environment (Signing, Risk analysis, Monitoring, Audit), Regulatory Compliance.

DIGITAL TRANSFORMATION

The trend towards digitalisation has accelerated as Covid-19 lockdowns and restrictions forced many to stay home. Building on our digital strategy to connect with stakeholders across our entire value chain, we leverage data analytics through Integrated Data Driven Marketing (iDDM) to better respond to consumers' fast changing behaviours and deliver better marketing value. We have also developed digital B2B (Business To Business) and B2C (Business To Customers) platforms and use data-driven insights to provide faster and value-added service to our customers and consumers that in turn drive sales. We now have a team of close to 20 employees in HEINEKEN Vietnam dedicated to this effort, including specialists such as data scientists.

How we grow our People for a Better Vietnam - 2020



CARING FOR OUR PEOPLE

Always Safety First

We pay considerable attention to the health and safety of our employees inside and outside production, as well as all our business partners.

Developing our Talents

We provide programmes to develop future leaders from within, with development initiatives for employees at different stages of their careers.

Creating a diverse & inclusive workforce

We cultivate a diverse and inclusive workforce by creating an enabling environment where everyone feels valued.

OUR APPROACH

Total Productive Management safety pillar

- part of our productivity improvement key performance indicators (KPIs)

HEINEKEN Life Saving Rules

Contractor Safety Performance Evaluation

- ensure that we collaborate with responsible businesses that share our values

Annual employee 'Climate Survey'

- understand employees' concerns and take action

Leadership programmes

- e.g. HEINEKEN Asia-Pacific Leadership Development Programme, HEINEKEN International Management Course (HIMAC)

Talent development programmes to develop young leaders

- Short-Term Assignments to other countries/held virtually, HEINEKEN Vietnam Management Trainee Programme and Asia Pacific Graduate Programme, Accelerate Your Talents (AYT) Programme

Empowering women in HEINEKEN

25% female Management Team members
32% female in senior management positions
40% female brewery managers;
34 Inclusion & Diversity (I&D) ambassadors developed and about 300 employees trained on I&D



SHAPING RESPONSIBLE BEHAVIOUR

Supporting responsible consumption campaigns

We take our responsibility to advocate for responsible drinking seriously. We rolled out the first and longest running responsible drinking campaign in the industry.

Maintaining strict compliance with marketing laws, regulations and business ethics

We ensure that our business practices support government regulations and policies with strict enforcement measures so that our products are not marketed at vulnerable groups.

Creating new alternatives through innovation

We create low and non-alcoholic beverages to provide alternatives to our consumers.

OUR APPROACH

"When You Drive, Never Drink"

- Partnership with the National Traffic Safety Committee (NTSC) since 2008, to promote campaigns against drink-driving

10% of Heineken® media budget

- used to support responsible consumption campaigns yearly

Strict enforcement ban on selling alcohol, and advertising to, underage drinkers

Enjoy Heineken® Responsibly label

- on packaging and advertisements

Working closely with industry players, regulators, consumer groups and retailers

- e.g. memberships in International Alliance for Responsible Drinking (IARD)

Increase transparency on ingredient and nutrition

- Labelling online and on pack to ensure consumers are kept informed and well aware of the ingredients and the nutritional values per unit of product they consume

Low and no-alcohol options for consumers

- New products such as Heineken® Silver, Tiger Crystal®, Bia Viet New products such as Heineken® Silver, Tiger Crystal®, Bia Viet have a lower ABV of 5% and Heineken 0.0 contains no-alcohol and Heineken 0.0 contains no-alcohol.

SUPPORTING OUR COMMUNITIES



Investing in community projects and long-term partnerships

We focus on community projects that protect the environment and develops the local community.

OUR APPROACH

Improve access to water through "1 Minute Less for Million Smiles" project since 2012 - raise awareness on environmental protection, promote community action to protect water sources, and provide water protection solutions and water stations

Annual Tet charity "Warm Spring" programme - bring festive joy to less privileged families during the Lunar New Year

"People are at the heart of our organisation. That not only includes our employees, but also all the people who contribute to the success of our business such as our business partners and distributors. We view it as our responsibility to ensure that our stakeholders grow alongside our business, while helping the communities where we operate to prosper."

Le Thi Ngoc My
Head of Sustainability

How we grow our People for a Better Vietnam

Stakeholders's stories

EMPLOYEE STORY:

Trinh Thi Thanh Binh
Hoc Mon Brewery Manager

Being a female manager in beer industry can be a challenge, but HEINEKEN Vietnam has given me a lot of support with trainings to enhance my expertise, leadership skills and professional way of working. Regardless of gender we receive equal opportunities to grow our career.



EMPLOYEE STORY:

Huynh Phuong Thao
Marketing Manager

When I joined to drive the Tiger brand (after 9 years in the pharmaceutical industry) to lead a team of 5 men, people told me that I would fail. Armed with the Tiger spirit, I chose to take on the challenge, because I knew that if I could make it, I would inspire Vietnamese women.



EMPLOYEE STORY:

Nguyen Hoang Khuong
Maintenance Engineer

I have always been inspired by HEINEKEN's passion towards sustainable development. When I started working here, I was even more inspired by how HEINEKEN Vietnam really pays attention in developing its people as this is such an important part of sustainability.



EMPLOYEE STORY:

Nguyen Mai Chi
Brand Manager Heineken®

Being part of Heineken brand team is an honor as I was granted many opportunities to create positive impact to consumers through the brand. At HEINEKEN, I am always supported by the company and my colleagues to learn and grow further.



How we grow our People for a Better Vietnam

Highlights in 2020



#1HVN - North and South Integration and Inclusion

Special attention given to facilitate cultural collaboration across the HEINEKEN Hanoi and HEINEKEN Vietnam following the integration in 2019



Reducing distance travelled by Sales Promoters (SPs)

- Minimised travelling distance for over 3,000 SPs to a maximum of 10km for a one-way trip from outlets to their homes and vice versa through route optimisation
- Greatly reduces the risks of traffic accidents for a major part of the workforce as SPs make up 87% of total accidents at HEINEKEN Vietnam



Committed to United Nation's Women Empowerment Principles in Aug 2020



Issued a Road Safety Policy for the first time covering employees and Brand Promoters



Training for managers and a new approach to performance reviews for all employees

- Project “High Performing People” offered training to manager level employees to equip them with people manager skills.
- Changed the way performance appraisals were conducted, going beyond KPIs to focus on leadership development skills



Motorbike Defensive Driving Programme

Conducted training on defensive driving techniques, using simulations and practice on realistic model roads to take classroom learning to practical learning.

How we grow our People for a Better Vietnam

Highlights in 2020

Watershed protection project in Lai Chau

Conducted trainings and provided technical advice to equip the locals with knowledge on water scarcity, water pollution sources, and proper classification and disposal of waste. This watershed health project is part of HEINEKEN Vietnam's commitment to water protection.



People

Heineken 0.0

- Complemented longstanding When you Drive Never Drink (WYDND) campaign with the launch of Heineken® 0.0, offering consumers an alternative option
- Supports government efforts and Decree 100
- 0.0 is served at all internal events



Bia Viet typhoon relief

Donated a total of 3.2 billion VND under Bia Viet & Larue brand in cash & in-kind donations to more than 4,500 affected households in some of the most heavily impacted provinces - Ha Tinh, Quang Binh, Quang Tri, Hue, Quang Nam and Quang Ngai



Clean water access sponsorship worth **300 million VND to Lai Chau and **400 million VND** to Quang Nam**

2 billion VND invested in "Warm Spring", supporting 4,000 needy families with support from employees and business partners

How We protect the Planet for a Better Vietnam - 2020

Every Drop – protecting water resources

Water is crucial to our brewing process and to the communities in which we operate. In the last decade, we have moved from only reducing water consumption towards keeping watersheds healthy and communities thriving.

OUR APPROACH

Every Drop 2030 Strategy. Three key principles of our 'water triangle':



Water Stewardship (restore watersheds to absorb more water)



Water Circularity (treat wastewater and reuse water)



Water Efficiency (use as little water as possible)

- We are now **Top #5** most water efficient within Heineken Global and in APAC
- Triple our water efficiency compared to our first operation year

Drop the C strategy – reducing carbon emissions

We have been taking active steps to reduce our resource footprint across the value chain, from barley to bar by applying the RESOLVE (REgenerate, Share, Optimise, Loop, Virtualise, Exchange) circularity concept, even before climate change issues were brought to the forefront.

OUR APPROACH



Green brewing

We increase the use of **renewable energy** including biomass and biogas in our brewing process and optimize energy efficiency in our production. To date, **56%** of our total energy consumption are from renewable source.

CO₂ that is naturally produced during the fermentation process is recovered, turned into liquid CO₂ and used for our beer processes. Surplus amount of **4,281 tons** CO₂ from our breweries had been sold for other industrial use in 2020



Green packaging - We reduce material by using lighter-grade paper and aluminum without compromising on quality.



Green distribution - We optimise routes and truck sizes, and use telematics and fuel management systems to improve truck efficiency. In total, we saved **3,413 tons** of CO₂ in 2020.



Green cooling - 100% of our fridges are environmentally-friendly.



Green office & events - We promote awareness and build a sustainability culture among employees.

How We protect the Planet for a Better Vietnam

Highlights in 2020



Circularity at HEINEKEN Vietnam



Thermal energy at our breweries is generated from burning agricultural waste, or biomass, such as woodchips and rice husks, generating income for farmers. **5 out of 6** of our breweries are now **brewing 100% by biomass** with plans for the sixth brewery already underway and operational in 2022.



We have invested heavily in world-class wastewater treatment systems at all our breweries and have raised wastewater treatment to the highest level of **A class**, surpassing the government's requirement and safe enough to sustain aquatic life – we even have our own fishpond in our Hoc Mon brewery to show this.



By-products (spent grain and sludge from waste water treatment plan) from production are sold to third-party suppliers who transform them into bricks or use them as animal feed or compost for crops. In total **99.7%** of our waste is reused/recycled.



Route-to-market process designed so that our bottles are returned for reuse on average **20 times**. After, they will be sent to a glass factory to be recycled.

How We protect the Planet for a Better Vietnam

Highlights in 2020

Hoc Mon Brewery: Pioneering innovative carbon reduction solutions

Since it first started operations in 1993, Hoc Mon brewery has grown to become one of the most modern and sustainable breweries in Asia.



Identified as '**Lighthouse brewery**' within HEINEKEN (1 of 4 globally) for implementation of the **Connected Brewery** programme – Harnessing technology to monitor performance and track deviations in real-time when bottling lines are running, tackle production issues as well as track utilities consumption and material use effectiveness.

Planet



First to pilot selling liquid CO₂ in 2019

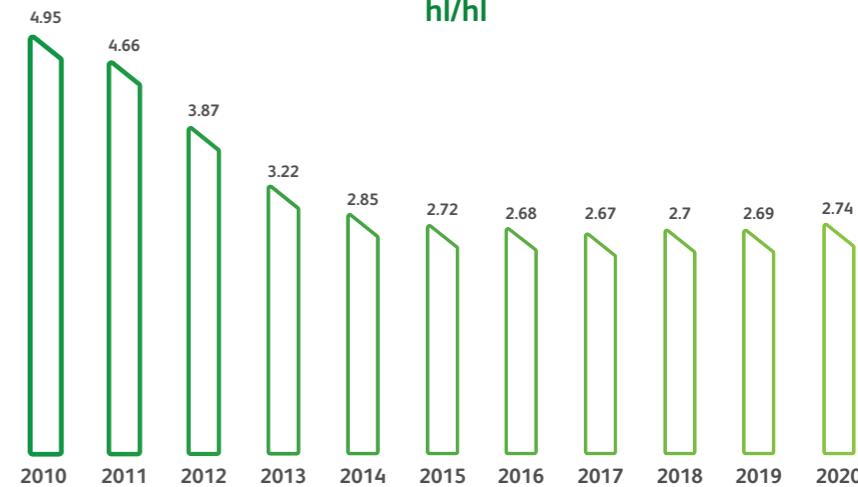
- CO₂ that is naturally produced during the fermentation process is recovered, turned into liquid CO₂ and used for our beer processes. This ensures that we have enough liquid CO₂ for our production processes, and enables us to sell it for other industrial usage with a total volume of 2,796 tons in two years. This has since been rolled out to other breweries.



Da Nang Brewery: Leading in water efficiency

HVB-DN WATER CONSUMPTION

hl/ hl



Da Nang brewery's water efficiency has improved **44.6%** compared to 2010 and has been among the Top 5 most water-efficient breweries across HEINEKEN worldwide since 2014. The brewery is also exploring possibilities on water circularity that allows HEINEKEN's grade A wastewater to be reused by other companies in the same industry compound.

Looking ahead:

RAISE THE BAR 2030 FOR A BETTER VIETNAM



Global Ambition: Raise the Bar 2030

In April 2021, HEINEKEN Global announced the next chapter of our 'Brew a Better World' programme, called 'Raise the Bar' with a series of new commitments looking towards 2030 and beyond. There are 3 pillars, with 9 ambition areas and over more than 20 commitments, designed to put the company on a path towards net zero emissions and a fairer and healthier world.



UN Sustainable Development Goals

Our ambitions and targets for this Decade of Action are in line with the benchmarks set by the UN Global Compact and we are determined to contribute to the UN SDGs to protect the planet, ensure prosperity and end poverty for all.

Path to zero impact



Path to an inclusive, fair and equitable world



Path to moderation and no harmful use



Local Actions: HEINEKEN Vietnam 2025 commitments

In 2020, HEINEKEN Vietnam announced our 2025 commitments. These are bold and stretching, and put us ahead of the HEINEKEN Global 'Raise the Bar' commitments.

OUR 2025 COMMITMENTS



100%

Water Balance^(*)



100%

Renewable Energy



ZERO

Waste to landfill

(*) Water Balancing means we return the water that goes into our product or evaporates to the watershed

Reporting Aspects



About HEINEKEN Vietnam

With the full integration of HEINEKEN Vietnam Brewery Limited Company and HEINEKEN Hanoi Brewery Limited Company, HEINEKEN Vietnam is a unified company in Vietnam operating 6 breweries and 11 offices across Vietnam.



Operating Companies

- HEINEKEN Vietnam Brewery Limited Company
- HEINEKEN Vietnam Brewery - Da Nang Limited Company
- HEINEKEN Vietnam Brewery - Tien Giang Limited Company
- HEINEKEN Vietnam Brewery - Quang Nam Limited Company
- HEINEKEN Vietnam Brewery - Vung Tau Joint Stock Company
- HEINEKEN Hanoi Brewery Limited Company
- HEINEKEN Vietnam Beer and Beverages Limited Company

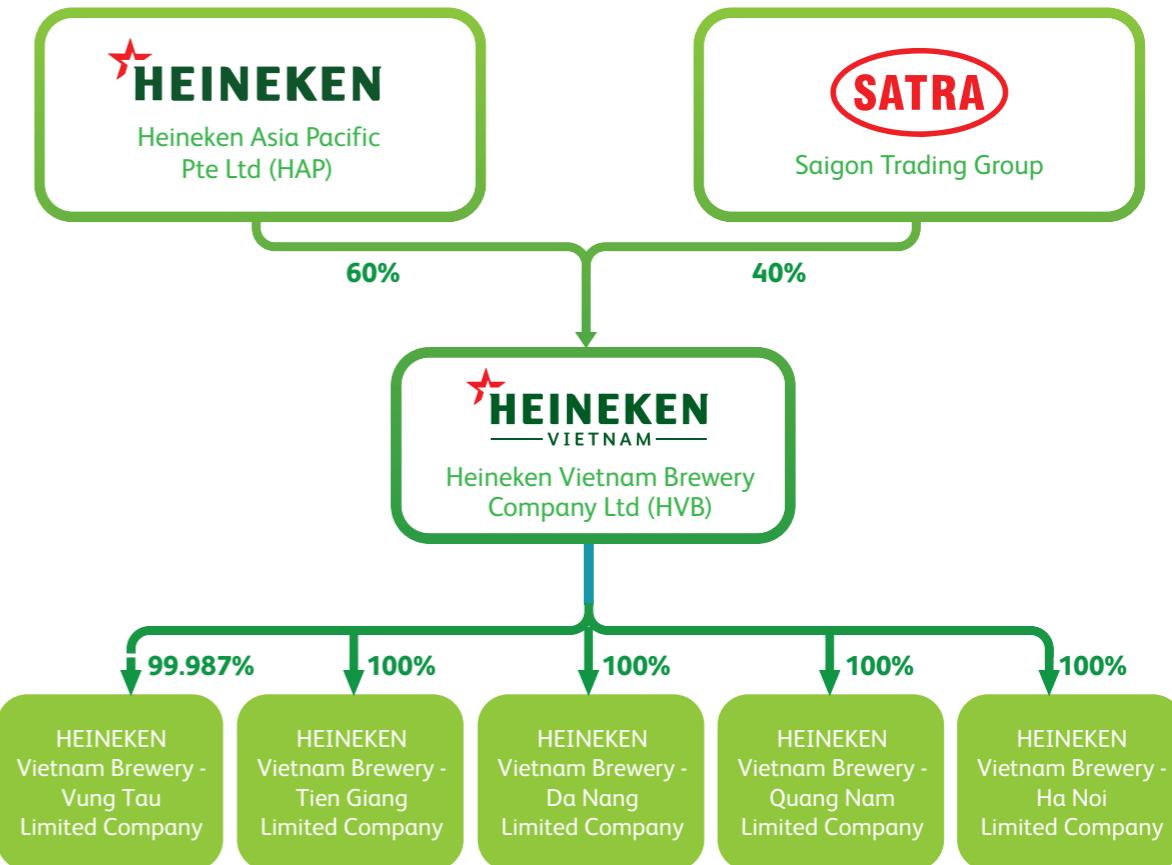
Our brands



Our Values and Behaviours



Company Structure



Awards



Reporting Matters

Scope of Report

This is HEINEKEN Vietnam's sixth sustainability report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It encompasses the performance of our consolidated Operating Companies and six breweries in Vietnam from 1 January 2020 to 31 December 2020.

The environmental performance is evaluated on the performance of our breweries, from which the most significant impacts on People, Planet & Prosperity has been created.



Reporting Standards & Methodology

The data presented in this report has been compiled with the aid of HEINEKEN data collection systems, which are listed below. All the data in this publication has been reported in accordance with our global procedures, in good faith and to the best of our knowledge. Standard calculations in our systems have been built in, wherever possible, to minimise any inconsistencies.

HEINEKEN data collection systems consist of:

- The Accident Reporting & Investigation Software (ARISO) system, for safety reporting
- The Business Comparison System (BCS), for environmental reporting
- The Green Gauge reporting system, for community, local sourcing, partnership and progress reporting on global commitments
- The EcoVadis Platform, for Supplier Code and performance information
- The Annual Sustainability Survey, for all other sustainability-related reporting

Our sustainability performance is also included in the "Sustainability Review" section of HEINEKEN N.V. Annual Report 2020 which has been reviewed and confirmed externally.

This report is developed with the consultancy of an independent partner.



Stakeholder Engagement

Our stakeholders are crucial to our journey of Brewing a Better Vietnam and we engage with them to grow together. Through such interactions, we gain valuable inputs that enable us to assess our material issues, identify gaps in our approach and shape our action plan.

| Stakeholder | Goals | How we engage |
|---|--|--|
|  Employees | <ul style="list-style-type: none"> ▪ Enhance and increase employee loyalty ▪ Employee satisfaction ▪ Promote sustainability awareness | <ul style="list-style-type: none"> ▪ Annual Climate Survey ▪ 99% Engagement Score Regular internal communication, e.g. Workplace by Facebook |
|  Customers (distributors, outlet owners) and Consumers | <ul style="list-style-type: none"> ▪ Strengthen and expand distribution network ▪ Ensure success and succession of distributors and sub-distributors ▪ Promote sustainability awareness ▪ Maintain and increase brand loyalty ▪ Increase customer satisfaction ▪ Promote responsible consumption | <ul style="list-style-type: none"> ▪ Distributor Conference, annual ▪ Market visits, regular ▪ Outlet activation, on campaign-basis ▪ Media, PR, digital platforms and events, on events basis |
|  Media | <ul style="list-style-type: none"> ▪ Promote company brands ▪ Exchange views and information | <ul style="list-style-type: none"> ▪ Media meetings, twice a year ▪ Press conference, on events basis ▪ Reputation survey, bi-annual |
|  Industry Associations (e.g. international centre for alcohol policies, Vietnam Beer Alcohol Beverage Association) | <ul style="list-style-type: none"> ▪ Support for laws and regulations | <ul style="list-style-type: none"> ▪ Industry workshops and regular meetings ▪ Bi-annual reputation survey |
|  Government | <ul style="list-style-type: none"> ▪ Participate in discussions and support alcohol law ▪ Share practices in alcohol advertising ▪ Support in promoting sustainability awareness and practices among Vietnamese businesses | <ul style="list-style-type: none"> ▪ Conferences ▪ Meetings and workshops ▪ Bi-annual reputation survey |

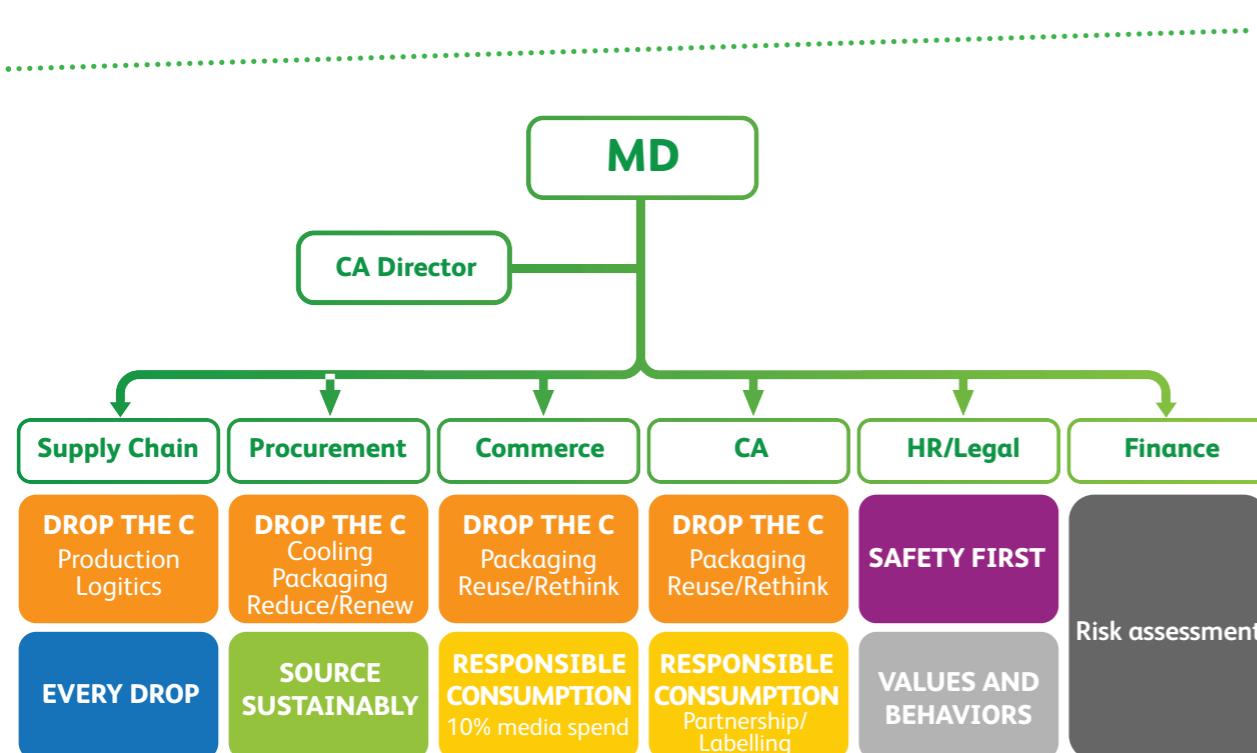
| Stakeholder | Goals | How we engage |
|--|--|---|
|  Suppliers | <ul style="list-style-type: none"> ▪ Ensure business performance and compliance | <ul style="list-style-type: none"> ▪ Regular meetings ▪ Bi-annual reputation survey |
|  NGOs and international organisations | <ul style="list-style-type: none"> ▪ Partnership for impact ▪ Information update and exchange on best practices/expertise on sustainable development | <ul style="list-style-type: none"> ▪ Annual Tet charity/mid-autumn festival ▪ Regular water programmes ▪ Bi-annual reputation survey ▪ Expert meetings/forums as needed |
|  Investors | <ul style="list-style-type: none"> ▪ Maintain and increase relationship with shareholders ▪ Exchange views and perspectives | <ul style="list-style-type: none"> ▪ Monthly/quarterly reports ▪ Quarterly meeting ▪ Year-end review |
|  Employee representatives (e.g. Trade Unions) | <ul style="list-style-type: none"> ▪ Ensure business operations comply with law & regulation ▪ Updates on laws & regulations | <ul style="list-style-type: none"> ▪ Regular meetings and workshops as needed |

Sustainability Leadership

Our Managing Director sets the tone and together with the Management Team, our leadership drives the sustainability agenda through all levels of our organization and encourages a culture of collaboration and innovation for sustainability at HEINEKEN. Our Corporate Affairs team coordinates HEINEKEN Vietnam's sustainability process

and works closely with the heads of functions to measure, monitor and report their sustainability stories.

On a quarterly basis, we keep track of our performance against our sustainability commitments and report our progress to the HEINEKEN Global Sustainable Development team.



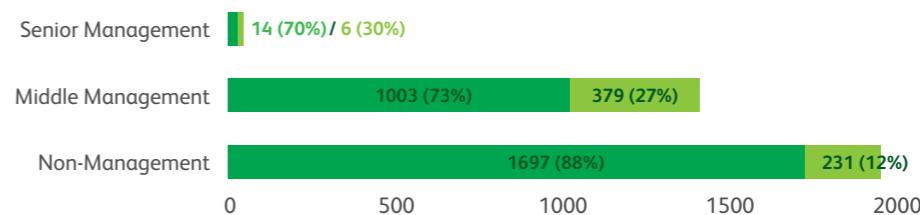
Performance in Figures

People

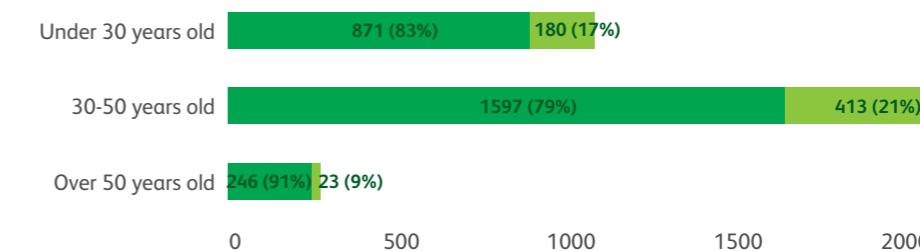
NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER IN 2020



NUMBER OF EMPLOYEES BY EMPLOYMENT CATEGORY IN 2020



NUMBER OF EMPLOYEES BY AGE GROUP IN 2020

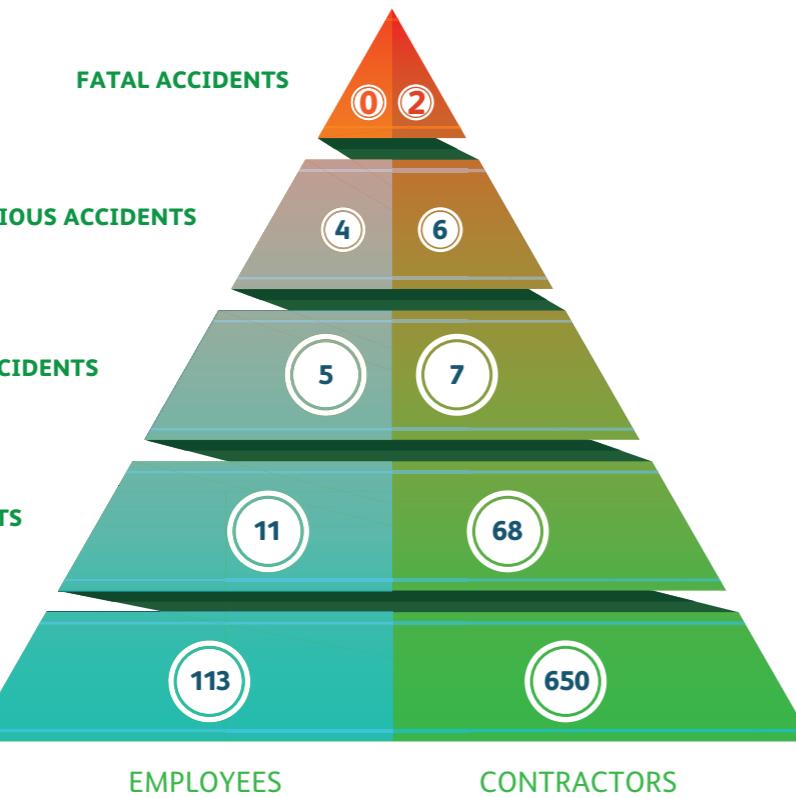


AVERAGE TRAINING HOURS BY GENDER 2020



Health & Safety

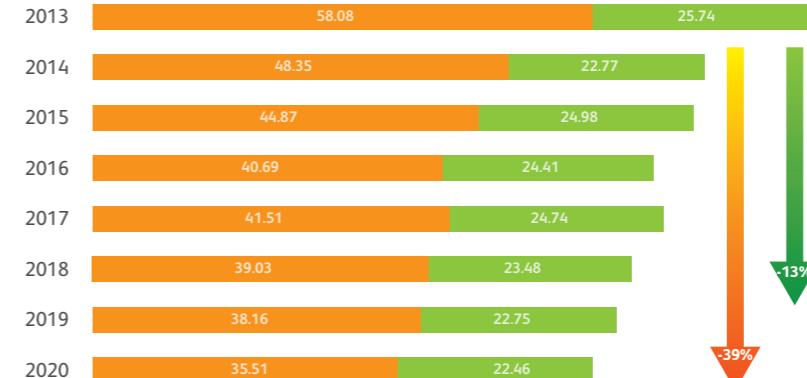
- Work-related fatalities: 0 for employees, 2 for contractors¹
- 0 High-consequence injuries²



Planet

ENERGY AND CLIMATE

TOTAL ENERGY CONSUMPTION (MJ/hl beer)

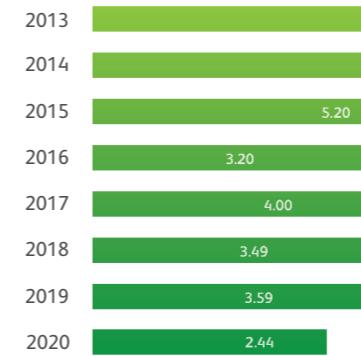


Thermal
Electrical

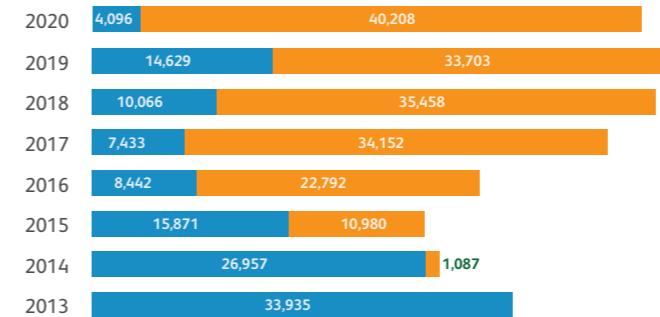
-39% ↓

-67% ↓

TOTAL CARBON EMISSIONS (kg CO₂ eq/hl beer)



YEARLY DROP OF CO₂ EMISSION FROM BIOMASS THERMAL (Ton.e/Yr)



Actual CO₂ emission
Yearly CO₂ drop by used biomass fuel

¹ Despite our best efforts to ensure the safety of our employees and business partners, there were still 2 tragic deaths happened to our business partner's employees in 2020 (case 1, our Beer Promoter, was hit by another motorbike and another case was a contractor's employee who unfortunately hit a motorbike when this motorbike avoided another accident).

² HEINEKEN Vietnam quickly investigated the cause and remedial measures, and continuously implemented safety measures for all employees, especially contractor employees, including:

- Reducing distance travelled by Sales Promoters (SPs)
- Continuing motorbike defensive driving programs, safe driving skills for SPs, contractor drivers
- Review the certificates and driver's licenses of all contractor drivers
- Provide a full range of high-quality helmets for company employees.

Planet

WATER CONSUMPTION

SPECIFIC WATER CONSUMPTION BY BREWERY
hl/ hl beer



Average water consumption:
2.64 hl/ hl

-14%

-16%

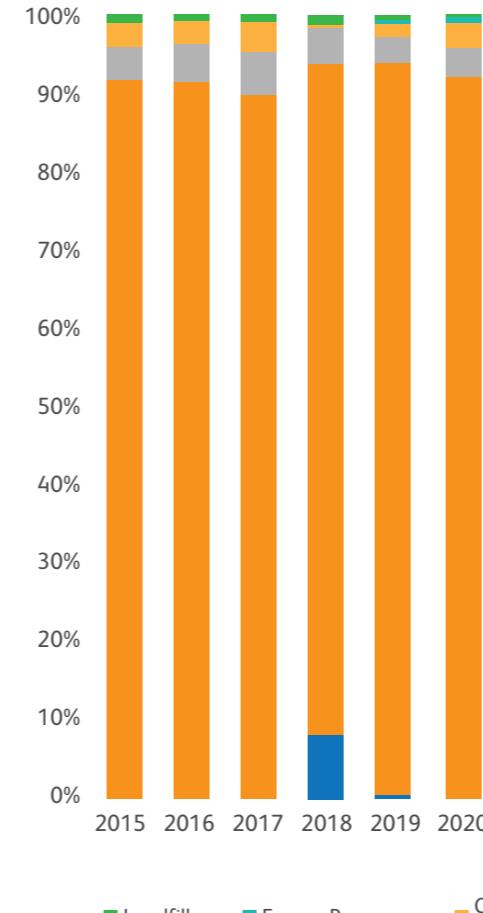
-44%

-37%

WASTE

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------------|------|------|------|------|------|------|
| Total % diverted from landfill | 99 | 99.2 | 99 | 98.7 | 99.4 | 99.7 |

WASTE BY METHOD OF DISPOSAL



| Destination | Quantity 2020 (ton) | % of total 2020 |
|----------------------------------|---------------------|-----------------|
| Re-use | 52.1 | <0.1 |
| Human consumption | - | - |
| Animal feed | 264,664.3 | 92 |
| Materials | 9,652.4 | 3 |
| Compost/soil improvement | 9,070.1 | 3.2 |
| Energy (biogas) | - | 0 |
| Combustion with energy recovery | 2,488.4 | 0.9 |
| Combustion without heat recovery | 269.2 | 0.1 |
| Landfill | 834.4 | 0.3 |
| Dump | - | - |
| Unknown | - | - |
| Total co-products and waste | 286,978.8 | 100 |

Most preferred option Destination



Our Alignment with the United Nations' Sustainable Development Goals and Vietnam's National Action Plan

| HEINEKEN Vietnam supporting the UN SDGs | HEINEKEN Vietnam supporting Vietnam's National Action Plan Targets | HEINEKEN Vietnam's Focus Areas | |
|---|--|---|---|
|  | End hunger, achieve food security and improved nutrition and promote sustainable agriculture | 2.4 By 2030, ensure sustainable food/foodstuff production and apply resilient agricultural production modalities, increasing productivity and output that help maintain eco-systems, and strengthen the capacity for adaptation to climate change and other disasters and progressively improve land and soil quality. |  |
|  | Ensure healthy lives and promote well-being for all at all ages | 3.4 Increase efforts in preventing and treating the abuse of addictive substances, including narcotic drug abuse and harmful use of alcohol. 3.5 By 2030, continue to control and annually reduce traffic accidents based on three criteria: the number of accidents, the number of deaths and the number of injuries. 3.8 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, soil pollution and contamination. |  |
|  | Ensure availability and sustainable management of water and sanitation for all | 6.3 By 2030, improve water quality and successfully control sources of pollution; end the use of hazardous chemicals in agricultural, industrial and aquatic production that pollutes water sources and degrades biodiversity; treat 100% of hazardous waste water; halve untreated urban waste water; increase the safe reuse of water. 6.4 By 2030, substantially increase water use efficiency across all fields/sectors and ensure a sustainable supply of clean water in order to address water scarcity, and substantially reduce the number of people suffering from water scarcity. Ensure that water exploitation does not exceed the exploitation thresholds for rivers and exploitable reserves of water layers. |  |
|  | Ensure access to affordable, reliable, sustainable and modern energy for all | 7.3 By 2030, double the national rate of improvement in energy use efficiency. Reduce the rate of power utilization by 10% compared to the baseline scenario. |  |
|  | Promote sustained, inclusive and sustainable economic growth, full and productive | 8.1 Sustain per capita GDP growth rate of 4-4.5%/year and annual GDP growth rate of 5-6% on average 8.4 By 2030, increase the efficiency of resource use in production and consumption, minimize the impacts of economic growth on environmental degradation, in accordance with the 10-year framework of programmes on sustainable production and consumption of Vietnam 8.5 By 2030, achieve full and productive employment and decent work for all men and women, including for young people and persons with disabilities, and ensure equal pay for work of equal value 8.6 By 2030, substantially reduce the proportion of young people not in employment, education or training; make proactive efforts in effectively implementing ILO's Global Jobs Pact 8.8 Protect labour rights and promote safe and secure working environments for all workers, particularly female migrant workers and workers in the informal sector |  |
|  | Ensure sustainable consumption and production patterns | 12.1 Implement a 10-year framework of programmes on sustainable production and consumption in accordance with international commitments 12.2 By 2030, achieve the sustainable management and efficient use of natural resources; reasonably exploit and economically, sustainably utilize mineral resources. 12.4 By 2020, adopt and implement a lifecycle management approach to chemicals and wastes in accordance with international commitments that Vietnam has signed, in order to reduce soil, water, air pollution and their adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation and increase the economic value of waste resources through prevention, reduction, recycling, reuse and recovery of energies from waste treatment. 12.6 Encourage the business community to adopt sustainable practices, including the use of cleaner production technologies, effective use of natural resources and environmental protection; implement social accountabilities with regards to the poor and the vulnerable; and integrate sustainability information into periodical reports. |  |

GRI Standards Content Index



GRI STANDARDS INDEX

| Disclosure | Reference(s) or Reasons for Omission |
|--|--|
| General Disclosures | |
| Organizational Profile | |
| 102-1 Name of the organization | About HEINEKEN Vietnam (page 20) |
| 102-2 Activities, brands, products, and services | About HEINEKEN Vietnam (page 20) |
| 102-3 Location of headquarters | About HEINEKEN Vietnam (page 20) |
| 102-4 Location of operations | About HEINEKEN Vietnam (page 20) |
| 102-5 Ownership and legal form | About HEINEKEN Vietnam (page 20) |
| 102-6 Markets served | About HEINEKEN Vietnam (page 20) |
| 102-7 Scale of the organization | About HEINEKEN Vietnam (page 20) |
| 102-8 Information on employee and other workers | Performance in Figures (page 25) |
| 102-9 Supply chain | N/A |
| 102-10 Significant changes to the organization and its supply chain | N/A |
| 102-11 Precautionary principle and approach | HEINEKEN Vietnam does not specifically refer to the precautionary approach when managing risks, however, we adopt a risk-based approach in our operations. |
| 102-12 External initiatives | Stakeholder Engagement (page 24) |
| 102-13 Membership of associations | Stakeholder Engagement (page 24) |
| Strategy | |
| 102-14 Statement from senior decision-maker | Managing Director Foreword (page 3) |
| Ethics and Integrity | |
| 102-16 Values, principles, standards, and norms of behavior | Our Values and Behaviours (page 22) |
| 102-17 Mechanisms for advice and concerns about ethics | Our Values and Behaviours (page 22) |
| Governance | |
| 102-18 Governance structure | Sustainability leadership (page 25) |
| 102-22 Composition of the highest governance body and its committees | Sustainability leadership (page 25) |
| 102-23 Chair of the highest governance body | Sustainability leadership (page 25) |
| Stakeholder Engagement | |
| 102-40 List of stakeholder groups | Stakeholder Engagement (page 24) |
| 102-41 Collective bargaining agreements | All OpCos have at least 1 collective agreement. All employees are covered by collective bargaining agreements. |
| 102-42 Identifying and selecting stakeholders | Stakeholder Engagement (page 24) |
| 102-43 Approach to stakeholder engagement | Stakeholder Engagement (page 24) |
| 102-44 Key topics and concerns raised | Stakeholder Engagement (page 24) |

GRI Standards Content Index

| Disclosure | | Reference(s) or Reasons for Omission |
|--|--|--|
| General Disclosures | | |
| Reporting Practice | | |
| 102-45 | Entities included in the consolidated financial statements | Omitted since this report only covers the sustainability performance of HEINEKEN Vietnam |
| 102-46 | Defining report content and topic boundaries | Reporting Aspects (page 23) |
| 102-47 | List of material topics | Materiality assessment (page 10) |
| 102-48 | Restatements of information | N/A |
| 102-49 | Changes in reporting | N/A |
| 102-50 | Reporting period | 1 January 2020 to 31 December 2020 |
| 102-51 | Date of most recent report (if any) | HEINEKEN Vietnam Sustainability Report 2019 |
| 102-52 | Reporting cycle | Annual |
| 102-53 | Contact point for questions regarding the report | Reference Information |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Reporting Aspects (page 23) |
| 102-55 | GRI content index | GRI Content Index (page 27) |
| 102-56 | External assurance | Reporting Aspects (page 23) |
| Topic-specific Disclosure | | |
| Management Approach | | |
| 103-1 | Explanation of the material topic and its Boundary | Included under each section |
| 103-2 | Activities, brands, products, and services | Included under each section |
| 104-3 | Evaluation of the management approach | Included under each section |
| GRI 201: Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | Sustaining Prosperity for a Better Vietnam (page 13) |
| GRI 203: Indirect Economic Impacts | | |
| 203-2 | Significant indirect economic impacts | Sustaining Prosperity for a Better Vietnam (page 13) |
| GRI 204: Procurement Practices | | |
| 204-1 | Proportion of spending on local suppliers | Supporting local Suppliers and Business Partners (page 18) |
| GRI 302: Energy | | |
| 302-3 | Energy intensity | Performance in Figures (page 26) |
| GRI 305: Emissions | | |
| 305-4 | GHG Emissions Intensity | Performance in Figures (page 26) |
| GRI 303: Water and Effluents (2018) | | |
| Management Approach | | |
| 303-1 | Interactions with water as a shared resource | Managing Every Drop (page 27) |
| 303-2 | Management of water discharge-related impacts | Managing Every Drop (page 27) |

| Disclosure | | Reference(s) or Reasons for Omission |
|---|---|--|
| Topic-specific Disclosure | | |
| GRI 306: Effluents and Waste | | |
| 306-1 | Water discharge by quality and destination | Performance in Figures (page 27) |
| 306-2 | Mechanisms for advice and concerns about ethics | Performance in Figures (page 27) |
| GRI 307: Environmental Compliance | | |
| 307-1 | Non-compliance with environmental laws and regulation | Zero incidences of non-compliance |
| GRI 308: Supplier Environmental Assessment | | |
| 308-1 | New suppliers that were screened using environmental criteria | Supporting local Suppliers and Business Partners (page 10) |
| GRI 403: Occupational Health and Safety | | |
| Management Approach | | |
| 403-1 | Occupational health and safety management system | Strengthening Safety First Culture (page 10) |
| 403-2 | Hazard identification, risk assessment and incident investigation | Strengthening Safety First Culture (page 10) |
| 403-3 | Occupational health services | Strengthening Safety First Culture (page 10) |
| 403-4 | Worker participation, consultation and communication on health and safety | Strengthening Safety First Culture (page 10) |
| 403-5 | Worker training on occupational health and safety | Strengthening Safety First Culture (page 10) |
| 403-6 | Promotion of worker health | Strengthening Safety First Culture (page 10) |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Strengthening Safety First Culture (page 10) |
| Topic-Specific Disclosures | | |
| 403-9 | Work-related injuries | Performance in figures (page 26) |
| GRI 404: Training and Education | | |
| | Average hours of training per year per employee | Performance in figures (page 25) |
| GRI 413: Local Communities | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Community development (page 13) |
| GRI 414: Supplier Social Assessment | | |
| 414-1 | New suppliers that were screened using social criteria | Supporting local Suppliers and Business Partners (page 10) |
| GRI 416: Customer Health and Safety | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Shaping responsible behaviours and attitudes (page 10) |
| GRI 417: Marketing and Labeling | | |
| 417-1 | Requirements for product and service information and labeling | Shaping responsible behaviours and attitudes (page 10) |

Reference Information

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We are fully committed to listening to our stakeholders and we welcome your feedback on our sustainability report and any aspect of our sustainability performance.

Please address your views and suggestions to:

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Le Thi Ngoc My
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