



Sustainability Report 2016

HEINEKEN Vietnam

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WE ARE HEINEKEN

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

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

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



Together we brew a better Vietnam!

Managing Director Foreword



Leo Evers, Managing Director

2016 saw sustainability gaining more attention in Vietnam and around the world than ever before. In conjunction with our 25th Anniversary this year, we embarked on a journey to further collaborate and share best practices across our operations in Vietnam, including the new brewery at Vung Tau. In 2016 we are proud to have been ranked third most sustainable manufacturing company in Vietnam in the CSI 100 by the Vietnam Chamber of Commerce and Industry (“VCCI”). It is a recognition of our 25 years of efforts in brewing a better Vietnam. Despite the great progress to date, there is still much to be done. The abuse of alcohol, and in particular drinking and driving, remains a critical issue in Vietnam. Environmental issues are front of mind as Vietnam continues to grow at a fast rate. However, with the strong foundation we have laid over the 25 years, we will take on these challenges as opportunities to create even greater impact in Vietnam. With this, we present to you HEINEKEN Vietnam’s 2016 sustainability report that cover the related developments, achievements and plans moving forward.

Brewing greater impact

In line with the HEINEKEN global sustainability strategy, we continue to work on our key focus areas, proactively engaging our stakeholders in achieving our common goals. One of the major concerns of our key stakeholder, the Government, is on responsible alcohol consumption. In addressing that, we have unified our Corporate Affairs departments so as to represent HEINEKEN Vietnam as one consistent voice, and deliver nation-wide partnerships and programmes for responsible consumption. Building on our past efforts and brand influence to advocate responsible consumption, 2016 was also the year where we proactively reached out to our distributors. In 2016 we engaged the partnership of more than 250 distributors in our “Drink Responsibly” programme (see page 25). We incorporated “Responsible Drinking training” in our annual World Health and Safety day to create awareness on the health impacts of alcohol abuse among our employees.

Reducing CO₂ emissions continues to be our key priority. Today, at four of our six breweries, we brew our beer 100% from carbon-neutral, renewable energy sources (comprising biomass and biogas). In 2016, we launched our first solar project, a positive outcome from investing USD 80,000 into 197 solar panels on the roof of our HEINEKEN Experience center at the Ho Chi Minh City brewery. As a result of our relentless efforts in reducing CO₂ emissions, our Da Nang, Ho Chi Minh City and Tien Giang breweries continue to retain their Top 5 energy performing positions across the global HEINEKEN group, and have achieved the Vietnamese government’s 2020 and 2025 targets ahead of time (see page 35).

We will soon have all six breweries brewing 100% from renewables for our thermal energy needs, and going forward, we will next look towards increasing our use of renewable electricity.

In protecting our water resources, we continue to make further reductions in our consumption despite having achieved the global 2018 and 2020 commitments already back in 2014, a mark of our success in replicating our state-of-the-art wastewater management systems, and water conservation technologies across our breweries in Vietnam. We are resolute in protecting water resources for our communities. This year, with the drought in Vietnam, we helped 2,500 drought-affected households ease the situation by providing a total of 576,000 liters of freshwater.

Training and development of our people remain an important goal to achieve their maximum capability by putting in place various programmes, such as our mentoring programme, the HEINEKEN Asia Pacific Graduate Programme (APGP) and the International Graduate Programme (IGP). While empowering them to excel in the workplace, the safety and health of our people is our utmost priority. The launch of the Life Saving Rules (‘LSR’) – 12 rules – is an enhancement of our ‘Safety First’ approach by enforcing disciplinary actions to non-compliances, to emphasize its importance.

Extending our socio-economic impact to our local communities, we source 100% of our packaging materials locally. This increase to 100% from 75% in 2015 is testimony to our commitment to support mutual growth with our partners wherever possible and create real jobs and wealth in Vietnam.

Looking forward

As we aspire to brew a better Vietnam, we recognize and understand the importance of collective efforts across our operations, business entities and stakeholder groups – demonstrated throughout the 25 years of operations. As such, I would like to take this opportunity to express our gratitude to all our stakeholders who have been providing constructive feedback and comments since our first sustainability report in 2014, without which we could not have made HEINEKEN Vietnam what it is today.

Our impacts will not and should not stop at what we have achieved today; creating an even greater impact every year in Vietnam is our goal. We continue to seek the support and cooperation of our stakeholders since together we brew a better Vietnam!

Leo Evers

Managing Director, Heineken
Vietnam Brewery
June 2017

Highlights of 2016



Ranked by VCCI as the
3rd most sustainable
manufacturing company

Achieved Vietnamese
government's
2020 and 2025 targets

9 years ahead of time



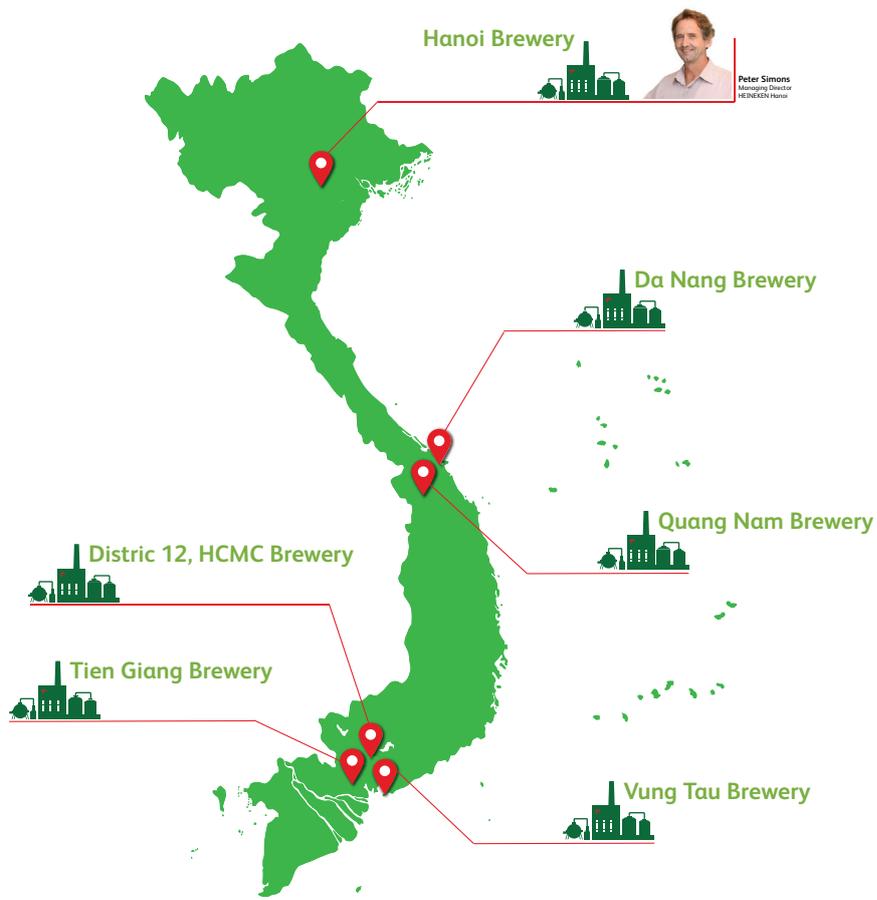
4/6 breweries operate on
biomass & biogas for **100%**
thermal energy needs



One consistent voice (Unified
Corporate Affairs department in
Vietnam) to deliver nation-wide
partnerships and programmes
for responsible consumption

Report scope

This year, our report covers the performance of all our consolidated Operating Companies in Vietnam from 1 January 2016 to 31 December 2016. Besides expanding our scope to include the HEINEKEN operations in Hanoi, we have also included our new acquisition of a brewery in Vung Tau. Environmental performance is evaluated based on the performance of our breweries, where significant impact is expected.



The list of Operating Companies (OpCos) and breweries in scope are:

Operating Companies in Scope:

- 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

Breweries in scope for environmental reporting:

- Brewery in Ho Chi Minh City, Vietnam
- Brewery in Da Nang, Vietnam
- Brewery in Quang Nam, Vietnam
- Brewery in Tien Giang, Vietnam
- Brewery in Hanoi, Vietnam
- Brewery in Vung Tau, Vietnam

HEINEKEN

HEINEKEN HANOI BREWERY

Ownership:  HEINEKEN 100%

01 Brewery 

400+ Employees 

Products:



HEINEKEN

HEINEKEN VIETNAM BREWERY

Ownership:  HEINEKEN 60%  SATRA 40%

05 Breweries 

2,000+ Employees 

Products:



Reliability, Completeness and Methodology

This report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 – Core guidelines. Data is compiled using HEINEKEN data collection systems and have been reported in compliance with the global procedures, in good faith and to the best of our knowledge. Standard calculations in our systems have been built in, wherever possible, to minimize any inconsistencies.

Our sustainability performance is also included in the “Sustainability Review” section of HEINEKEN N.V. 2016 Annual Report, which has been externally assured.

HEINEKEN Data collection systems:

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



A better Vietnam, A better world



HEINEKEN Global – “Brewing a Better World”

The HEINEKEN strategy is built around six business priorities designed to enable the company to drive productivity and achieve sustainable growth. As one of the six business priorities, “Brewing a Better World (BaBW)” focuses on six areas where we and our stakeholders can make the biggest difference to environmental and social issues in the world.

With this in mind, we have set our 2020 commitments and we are on track to reaching the majority of our commitments. This inspires us to work harder and we continue to revisit our ambitions every year, moving in tandem with global developments such as the Paris Agreement on Climate Change (COP21), the UN Sustainable Development Goals, and not forgetting, invaluable feedback from our stakeholders.

HEINEKEN Vietnam - "Brewing a Better Vietnam"

Brewing a Better World starts from Brewing a Better Vietnam. Here in Vietnam, we align our strategies with the global approach while customizing to the local communities and their challenges (read "Our Material Issues in the Vietnamese Context" section for key material challenges in Vietnam).

SDG	FOCUS AREAS	VALUE CHAIN STAGES								
		AGRICULTURE	MALTING	BREWING	PACKAGING	DISTRIBUTION	CUSTOMER	CONSUMER		
3 12 	ADVOCATING RESPONSIBLE CONSUMPTION									
6 12 	PROTECTING WATER RESOURCES									
7 11 12 13 	REDUCING CO2 EMISSIONS									
3 12 	PROMOTING HEALTH AND SAFETY									
8 11 13 	SOURCING SUSTAINABLY									
1 4 6 	GROWING WITH COMMUNITIES									
	VALUES AND BEHAVIOURS									



Strengthening the prevention of the harmful use of alcohol (including illicit alcohol), by changing consumer patterns.

Growing beer consumption and the looming alcohol law
We Vietnamese love our beer. Amidst public concerns of the negative consequences of our drinking culture, more regulations are intended to be introduced in the next two years to address the issues.



Educating and partnering local communities to protect the quality of water resources

and prevent water scarcity, achieving equitable access to safe drinking water for all.

Formosa incident
Stringent environmental laws have been enacted by the local government, following the Formosa case of toxic discharge which led to mass fish deaths along Vietnam's central coast and a backlash from the Vietnamese public.



Substantially increasing the renewable energy mix in our operations,

by investing in infrastructure and upgrading technologies

Vietnam's commitment to the SDGs:
A set of emission reduction targets has been announced for each local industry, as the Vietnamese government begins action on the Paris Agreement on Climate Change.

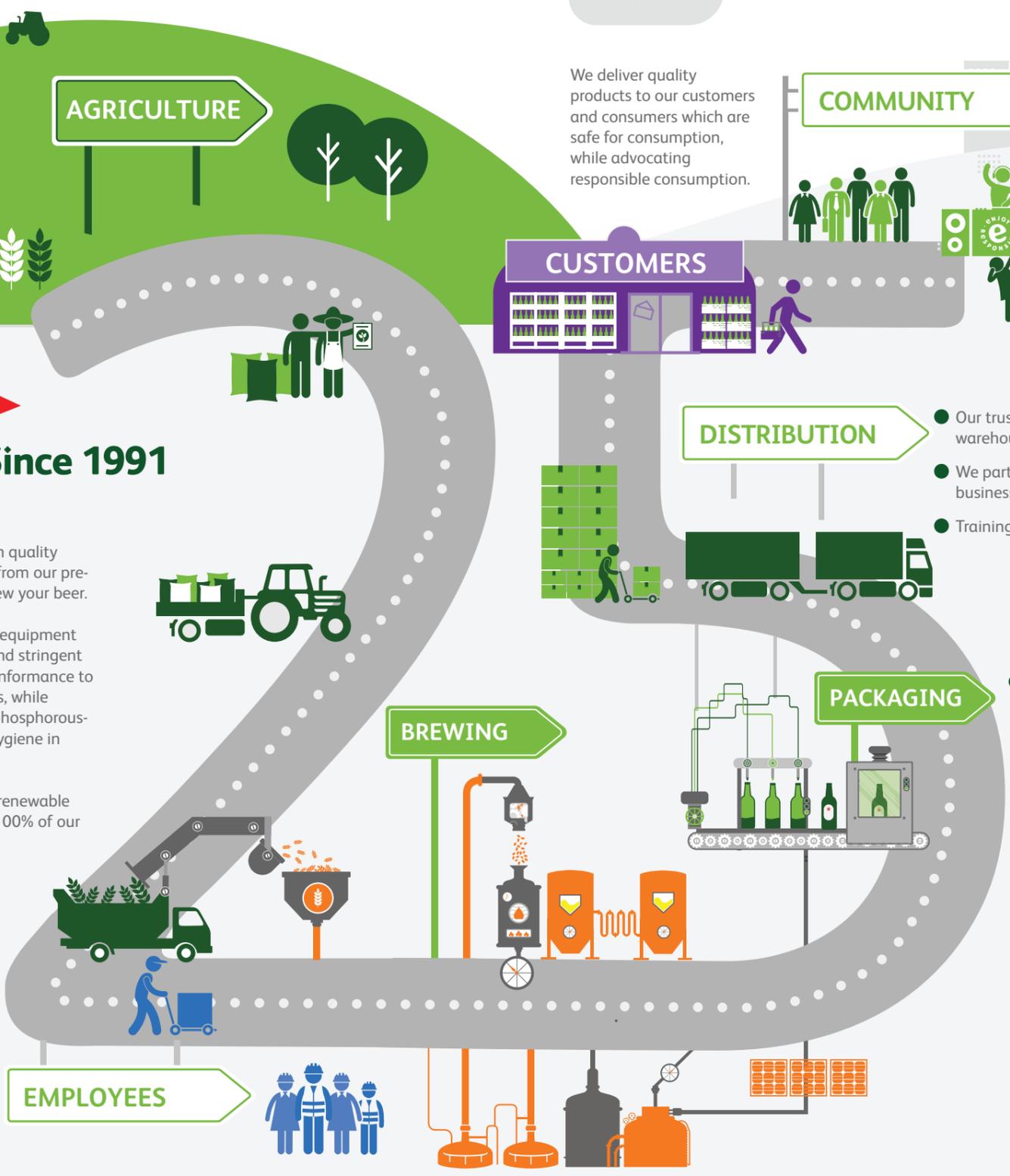
Along our value chain, "from Barley to Bar", we are mindful of our social, environmental and economic impacts.

25 years of efforts and more to come...

At HEINEKEN Vietnam we are committed to supporting the UN Sustainable Development Goals and supporting People, Planet and Prosperity in Vietnam. By choosing to produce our beers in Vietnam, and choosing local Vietnamese suppliers wherever possible, we create jobs and wealth for the country. By remaining committed to the Environment, we ensure we do not create this prosperity at the cost of the planet. By remaining committed to advocating responsible consumption, we help guard against the societal harm caused by alcohol abuse

Since 1991

- HEINEKEN only uses high quality malted barley and hops from our pre-approved suppliers to brew your beer.
- State-of-the-art brewing equipment and packaging system and stringent quality control ensure conformance to highest quality standards, while rigorous cleaning using phosphorous-free chemicals ensures hygiene in operations.
- 4 out of 6 breweries use renewable biogas and biomass for 100% of our thermal energy needs.
- We acquired Vung Tau brewery when it was in a state of low activity, empowering around 100 young employees with best-in-class brewing technologies and skills, and transforming the brewery to a productive brewery.



We deliver quality products to our customers and consumers which are safe for consumption, while advocating responsible consumption.

- Our trusted distributors follow quality management in transportation and warehousing.
- We partner 250 distributors and train 750 successors to take on their family business.
- Training hours provided: 13,849
- Our tampered-proof aluminum seal preserves beer freshness and brand authenticity.

PEOPLE



We help guard against the societal harm caused by the abuse of alcohol by remaining committed to advocating responsible drinking.

PLANET



We remain committed to the environment, and ensure we do not create prosperity at the cost of the planet.

PROSPERITY



We create jobs and wealth in Vietnam, by choosing to hire and work with locals wherever possible.

People



Making sure people drink our products responsibly is important to us. Because of this, we lead with our brands to make responsible drinking cool and aspirational, such as running responsible drinking activations with Tiger at Tiger Remix events and making sure we push the need for moderation at all our major brand events.

In addition to leading with our brands, we also partnered with governmental unit to drive the message further, reaching 65 million viewers in 2016 as well as ran internal and external campaigns to encourage our own staff, partners, and the wider public, to drink responsibly. To find out more about these campaigns and our commitment go to page 25.



Training and development of our people is core to our success and who we are. In 2016 we invested VND 16.2 billion in dedicated training hours, as well as training and development programmes for our distributors. To read more about our approach to training and people go to page 22.



Nothing is more important than the health and safety of our people. Our commitment has been translated into an approach – “Safety First” – that aims to improve safety by first transforming the behaviours and habits of each individual. To read more about our safety programmes go to page 42.



We partner our community to Brew a Better Vietnam specifically in two priority areas, which are in line with our business agenda – Water and Education. To read more about our community investments go to page 48.

Planet



Protecting the planet is our passion. As a user of energy and water to create our world-leading beers, our primary focus is on reducing our CO₂ emissions and reducing our water consumption, as well as minimizing what we return to the environment in terms of waste.



Because of this, we are committed to using renewable energy wherever possible. We are proud to say that four out of our six breweries now brew 100% from renewable energy and we have plans to convert the remaining two in the coming years. We also commenced using solar energy as a source of electricity at our Ho Chi Minh City brewery in 2016, making this the third type of renewable energy we use, in addition to biomass and biogas. You can find more about our commitments to reducing CO₂ emissions at page 34 Our specific energy consumption is now at 63.6MJ/hl, well below the National Government Standard for Breweries at 140MJ/hl.



In terms of water, our desire to continually reduce our water consumption has seen us reduce water use by a further 3% in 2016, despite acquiring a new brewery and extending our current operations. Once our new Vung Tau brewery is totally upgraded with new water-efficient technology and our best practice, we expect to see further reductions again in 2017. You can find more about our water-saving initiatives at page 30.



Minimizing our impact on the environment also means ensuring that what we return to the environment is pure. Because of this, we have continued to invest heavily in leading wastewater treatment facilities at all of our breweries. We also focus on reducing the amount of waste (from all sources) in the first place. We currently reuse or recycle around 99% of our input materials as we strive for zero-waste breweries. You can read more about our waste-water treatment and waste reduction initiatives at pages 30 and 34.

Prosperity



We directly employ around 2,500 people and also create nearly 125,000 jobs directly in our value chain and a further nearly 65,000 jobs through wage-spending.

These are jobs in packaging supply such as glass, cans and cardboard; jobs in logistics and warehousing; and the many other industries that our company supports.



- TAX FOR THE STATE
- PROFIT FOR LOCAL BUSINESSES
- WAGES SUPPORTING HOUSEHOLDS



- VND 20.6 TRILLION
- VND 5.2 TRILLION
- VND 7.7 TRILLION

By fulfilling our promises to pay our taxes, brew locally and use local suppliers wherever possible, we contributed VND 33.5 trillion to the Vietnamese economy in 2016. This amounts to 0.75% of Vietnam's total GDP. This staggering amount is due to the scale of our operations in Vietnam and the decision to support Vietnamese suppliers wherever we can.



of the government's total annual tax revenue came from one group – HEINEKEN Vietnam.

What we have said and done in 25 years

Focus Areas	Our 2020 Global commitments	Our 2018 Global milestones	HEINEKEN Vietnam's Progress in 2016	Indicator
	Make responsible consumption aspirational through Heineken®.	Invest a minimum of 10% of our media spend for Heineken® in supporting our dedicated responsible consumption campaign in at least 50% of our market volume.	We invested 8.2% of total media spend. We continue to improve on our local strategy on responsible consumption campaigns in 2016.	
	Every market in scope ¹ has and reports publicly on a measurable partnership aimed at addressing alcohol abuse.	Operating companies representing 90% of sales volume report publicly on a measurable partnership aimed at addressing alcohol abuse.	We had 2 partnerships during the year.	
	Deliver global industry commitments by end of 2017 and report in 2018, taking actions in five key areas: under-age drinking, marketing codes of practice, consumer information and product innovation, drinking and driving, retailer support.	Deliver global industry commitments by end of 2017 and report in 2018, taking actions in five key areas: under-age drinking, marketing codes of practice, consumer information and product innovation, drinking and driving, retailer support.	Work on these commitments is coordinated on a global level.	
	<ul style="list-style-type: none"> Reduce water consumption in our breweries to 3.5 hl/hl Reduce water consumption in our breweries to 3.3 hl/hl in water-stressed areas. 	Reduce water consumption in our breweries to 3.6 hl/hl.	We reduced our water consumption to 2.93 hl/hl	
	Aim for significant water compensation / balancing by our production units in water-scarce and water distressed areas.	18 production units ² in water-scarce and water-distressed areas have started to implement action plans for water balancing.	Not applicable to Vietnam However, beginning 2017, Hanoi has been identified as a water-distressed area. We will commence our water vulnerability assessment in 2017.	
	All of our wastewater volumes are treated (by us or by a third party) before being discharged into surface water.	No 2018 milestone was set for wastewater discharge.	All wastewater is treated	



Achieved



Partly achieved



Not achieved

¹ Out of scope are Islamic markets and markets where we have a Joint Venture and three minimal-volume markets for whom allocating resource is unrealistic (Laos, Solomon Islands and Sri Lanka).

² 23 production units

What we have said and done in 25 years

Focus Areas	Our 2020 Global commitments	Our 2018 Global milestones	HEINEKEN Vietnam's Progress in 2016	Indicator
	Reduce CO ₂ emissions from production by 40% to 6.4 kg CO ₂ -eq/hl	Reduce CO ₂ emissions from production by 37% to 6.7 kg CO ₂ -eq/hl	Reduced CO ₂ emissions by 38% to 3.3kg CO ₂ -eq/hl	
	Reduce the CO ₂ emissions from distribution by 20% in Europe and the Americas	Reduce the CO ₂ emissions from distribution by 16% ³ in Europe and 0% in the Americas.	Not applicable to Asia Pacific	
	Reduce the CO ₂ emissions of our fridges by 50% ⁴	100% green fridges purchased	All our fridges are 'green', in compliance with the HEINEKEN Global policy	
		Reduce CO ₂ emissions of our fridges by 47% ⁴	Not applicable to Vietnam	
	Life Saving Rules action plans fully implemented.	Operating companies representing 95% of employees have 80% of the actions coming from Life Saving Rules action plans accomplished.	We have implemented Life Saving Rules and action plans for all non-compliance to all breweries.	
	Aim for at least 50% of our main raw materials ⁵ to come from sustainable sources.	Aim for at least 25% of our main raw materials to come from sustainable sources	Not applicable to Asia Pacific, as agricultural raw materials are imported from HEINEKEN-approved suppliers from overseas, for consistent taste and quality.	
	Deliver 60% of agricultural raw materials in Africa via local sourcing within the continent	56% of agricultural raw materials used in Africa to be locally sourced from within the continent.		
	Ongoing compliance with our Supplier Code Procedure.	95% compliance with four-step Supplier Code Procedure.	We have achieved 85% compliance with the Supplier Code Procedure for all breweries and are working hard to engage the rest of our suppliers on the Supplier Code.	
	No commitments have been set at the global level because the decision to invest in the community is based on differing needs of the local communities.			

³ Baseline 2010/2011, scope is WE, CEE and Americas, 24 of our largest operations: Belgium, Bulgaria, France, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, UK, Austria, Belarus, Croatia, Czech Republic, Greece, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Brazil, Mexico, and USA.

⁴ Baseline 2010

⁵ In scope are barley, hops, apples, sugar beet, sugar cane, rice, sorghum, wheat and maize

Awards and Recognition in 2016



Ranked third most sustainable manufacturing company in Vietnam in the CSI 100



Ranked Top 5 most emotional marketing campaigns for Tet 2016 by Brands Vietnam

Received 2 bronze awards for Brand Awareness and Cross Media/Cross Mobile Integration in 2016, granted by Mobile Marketing Association Vietnam (MMA)



HEINEKEN TPM Silver & Bronze Award (2009, 2015, HCMC 2016) for our all-round efforts in achieving zero-losses in productivity, quality, safety, and the environment

Winner of the HEINEKEN Quality Award (11 times) and Tiger Quality Award (3 times) for brewing and packaging quality



Awarded Third class Labor Medal (2016) for our excellent business performance and contributions over the past 25 years

HEINEKEN Vietnam and our stakeholders

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



Spotlight on Stakeholder Dialogue

Engaging with our stakeholders keeps us focused on topics that are most important and relevant to both our stakeholders and us. During the year, these were our most notable channels of dialogue with selected stakeholders:



1. Employee Engagement: 2016 Climate Survey Results

The annual HEINEKEN Climate Survey is an indication of our efforts in providing an inclusive working environment to our employees, and a way for us to identify areas of improvement.

87.3% Employee Engagement Index⁶

92.5% of staff feel proud to work for HEINEKEN Vietnam Brewery

89.5% staff will recommend HEINEKEN Vietnam Brewery to a friend as a good place to work

89.2% staff are extremely satisfied with this company as a place to work



2. Distributor Engagement

Our distributors are our partners in growing our business together. Beyond our business transactions, we care about their success and succession. Our distributor succession development programme helps to forge strong partnerships and maintain business continuity, displaying our commitment in pursuing sustainable growth not just internally, but also together with our business partners. For the first time in 2016, we engaged of more than 250 distributors as partners our “Drink Responsibly” programme. For more details, read our case study on “Advocating responsible consumption – partnership for progress”.



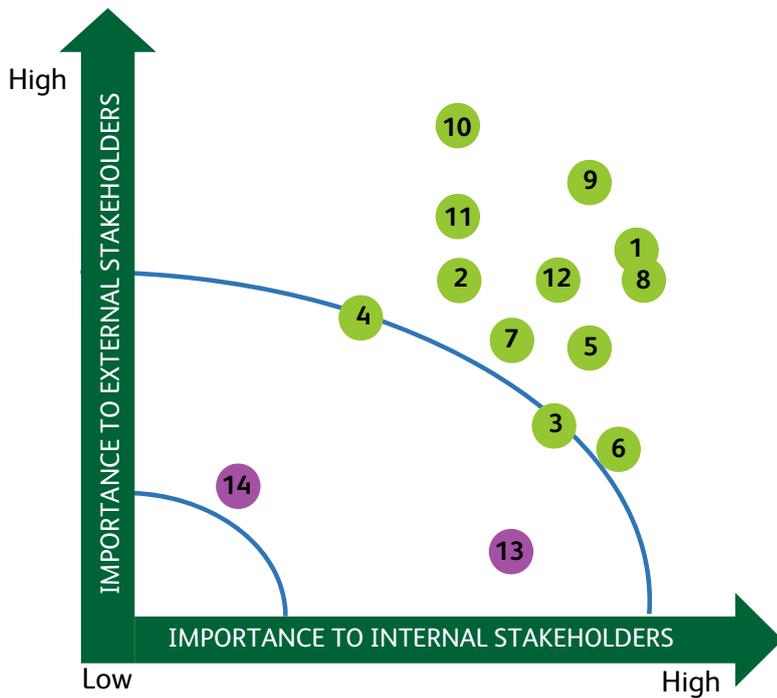
3. Sustainability forums with stakeholders

For more information on how we engage with each of our key stakeholders, please refer to the Appendices: “Our Key Stakeholders and How We Communicate”.

⁶ Calculated by IBM as a combination of advocacy, commitment, satisfaction and pride. The dimensions surveyed include personal development, the relationship between employees and their managers, as well as customer relationship.

Our Material Issues in the Vietnamese Context

The unique customs, culture and trends in Vietnam shape the way we do our business, just as they influence the social, environmental and economic issues that we have to address. Since 2015, we have regularly conducted materiality assessment and reviews, involving both our people and our external stakeholders, to identify and confirm the topics that HEINEKEN Vietnam needs to focus on. These are the material issues deemed relevant.



Mapping of sustainability issues

1	Regulatory Compliance	8	Counterfeiting
2	Water Management	9	Product Safety, Quality and Hygiene
3	Energy and Carbon Footprint	10	Economic Impact
4	Waste Management	11	Community Investment & Development
5	Responsible Alcohol Consumption	12	Stakeholder Communications
6	Staff Alcohol Responsibility	13	Occupational Health and Safety
7	Responsible Marketing	14	Sourcing Sustainably

- High Priority
- Low Priority but considered important due to HEINEKEN Focus Areas

Material Issues

S/N	Material issue	Definition	GRI Aspect	HEINEKEN Focus area
1	Regulatory Compliance	Compliance to the local alcohol regulations and other core operational regulations e.g. environment, labour, health and safety	<ul style="list-style-type: none"> Compliance 	
2	Water management	Efficient use of water	<ul style="list-style-type: none"> Water Effluent and Waste 	
3	Energy and Carbon Footprint	Efficient use of energy to reduce carbon emissions	<ul style="list-style-type: none"> Energy Emissions 	

S/N	Material issue	Definition	GRI Aspect	HEINEKEN Focus area
4	Waste Management	Minimizing waste generation and reusing/recycling waste for beneficial use	<ul style="list-style-type: none"> ▪ Effluent and Waste 	
5	Responsible Alcohol Consumption	Actively promote the enjoyment of beer in moderation and collaborate with partners to address alcohol abuse	<ul style="list-style-type: none"> ▪ Local Communities 	
6	Staff Alcohol Responsibility	Encourage employees to lead by example on responsible alcohol consumption	<ul style="list-style-type: none"> ▪ Occupational Health and Safety 	
7	Responsible Marketing	Advertise brand and drinking in an accountable and positive manner, including responsible product labelling	<ul style="list-style-type: none"> ▪ Product and Service Labelling ▪ Marketing Communications 	
8	Counterfeiting	Protection of brand value against production of fake replicas	<ul style="list-style-type: none"> ▪ Customer Health and Safety 	
9	Product Safety, Quality and Hygiene	Pursuing high standards in product safety and product quality	<ul style="list-style-type: none"> ▪ Customer Health and Safety 	
10	Economic Impact	Generating sustainable economic value in our communities we operate through our business	<ul style="list-style-type: none"> ▪ Economic Performance ▪ Indirect Economic Impacts 	
11	Community Investment & Development	Contributions to the communities in which we operate	<ul style="list-style-type: none"> ▪ Local Communities 	
12	Stakeholder Communications	Communicating with stakeholders to highlight sustainability goals and accomplishments/ challenges, build or strengthen relationships, enhance corporate reputation, build brand loyalty and gather useful data and ideas	Not applicable	Not applicable

Other issues not voted as high priority but considered important due to impact

S/N	Other issue	Definition	GRI Aspect	HEINEKEN Focus area
13	Occupational Health and Safety	Cultivate a strong culture and management of Health and Safety to all employees from production, logistics and distribution, commerce and business services	<ul style="list-style-type: none"> ▪ Occupational Health and Safety 	
14	Sourcing Sustainably	Encourage local and sustainable sourcing of raw materials, and manage suppliers for responsible business conduct in areas of human rights, labour, anti-corruption, health and safety and environment	<ul style="list-style-type: none"> ▪ Supplier Environmental Assessment ▪ Supplier Assessment for Labor Practices ▪ Supplier Human Rights Assessment ▪ Supplier Assessment for Impacts on Society 	

HEINEKEN Vietnam for greater impact

“We are convinced that by staying true to our commitments, we create value for our stakeholders.”

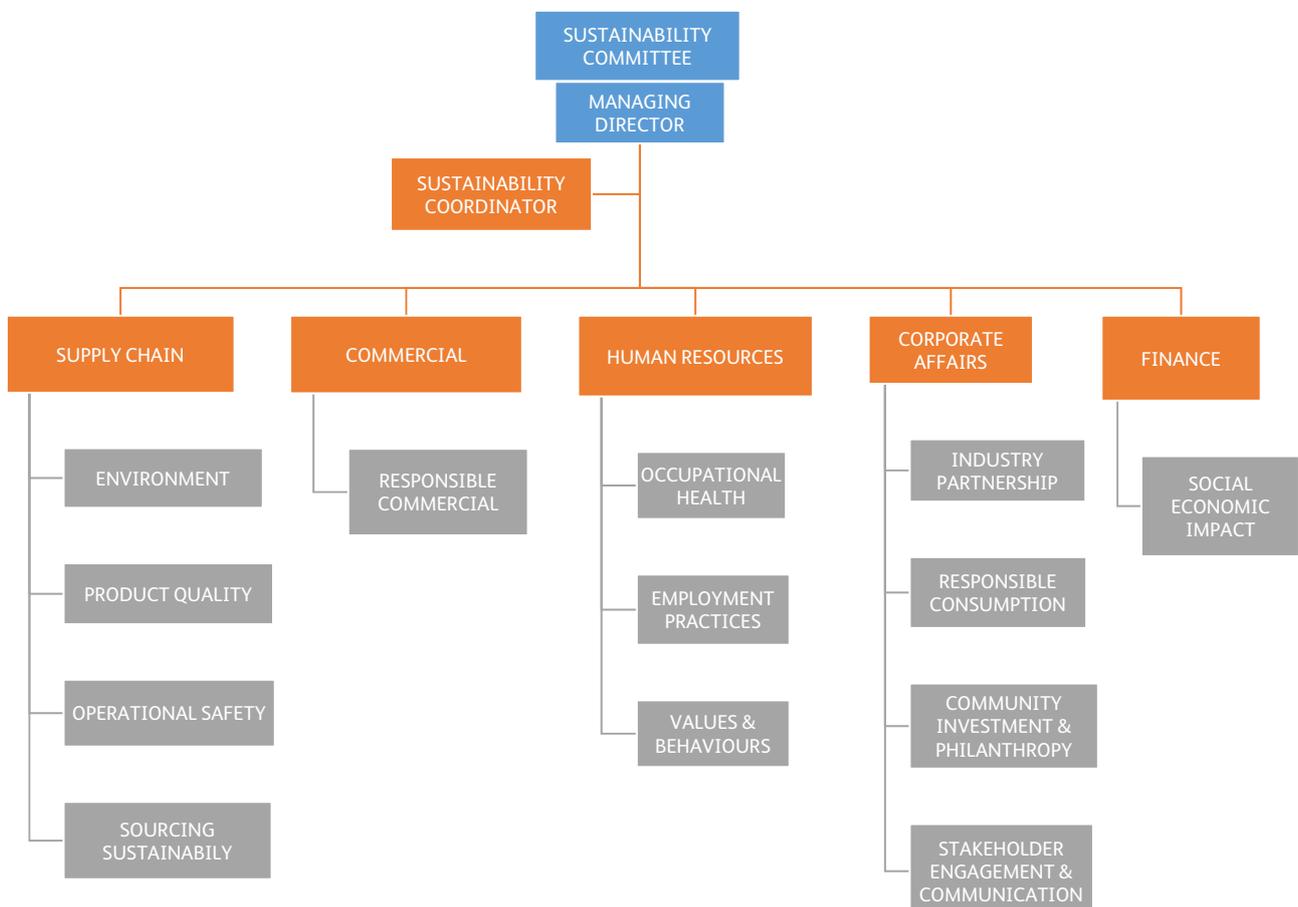
SUSTAINABILITY GOVERNANCE

Sustainability is integrated into our business, and embedded within our departments' roles and functions. We set the tone at the top, with our Managing Directors setting the strategic direction of Brewing a Better Vietnam. Our Supply Chain functions are key in driving environmental and responsible sourcing efforts in our breweries, and together with Human Resources, spearhead our Health and Safety programme. Across HEINEKEN Vietnam, our breweries constantly share ideas and best practices for scalability of adoption.

In 2016, we furthered the idea of a centralized sustainability plan across all operations, by unifying our Corporate Affairs departments.

Since September 2016, our new Corporate Affairs department, led by a newly appointed Corporate Affairs Director, will represent HEINEKEN Vietnam as one consistent voice, in delivering nation-wide partnerships and programme for responsible consumption, community investment and stakeholder communications.

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



Crisis Management

In times of emergencies, our highly trained Crisis Management Team will address and handle these situations, in line with standard operating procedures and special measures detailed in our Crisis Manuals. The main objectives of the Crisis Manuals, which are aligned with the HEINEKEN Global Crisis Manual, are:

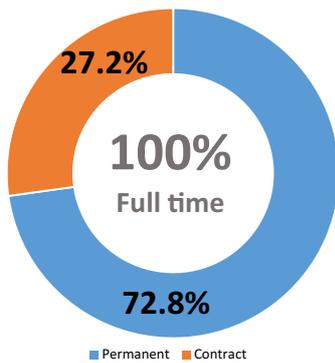
1. To protect and preserve human life, health and well-being.
2. To minimize damage to the natural environment.
3. To minimize loss, damage or disruption to the company's reputation, facilities, resources and operations.
4. To manage immediate communications and information regarding emergency response operations and safety.

VALUES AND BEHAVIOURS

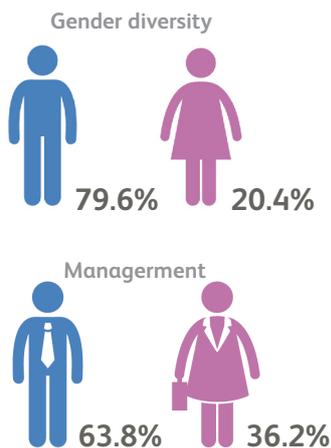
Our core values and key behaviors define and guide us in our actions towards achieving our objectives as a sustainable business. These values and behaviors are communicated to all our people, so that we can work together to brew a better Vietnam.

PROFILE OF THE WORKFORCE

Employment Type



Gender



Local hiring



OUR CORE VALUES



OUR GREENPRINT TO WIN FIVE BEHAVIOURS

The HEINEKEN Five Behaviours is an affirmation of our commitment to achieving high performance in areas such as safety, training, and zero-loss. The Five Behaviours are a simple guide for our people to follow and challenge us to seek constant improvements in all aspects of our operations.



HEINEKEN Code of Business Conduct



The HEINEKEN Code of Business Conduct indicates our commitment in managing the business with integrity, fairness and respect for the law and our values. The Code is a minimum expectation of our people's behaviour and must be followed when they are representing the company.

HEINEKEN Rules



The HEINEKEN Rules (HeiRules) is developed based on the HEINEKEN Standards and Procedures and details the way we conduct our daily business activities.

SpeakUp



The SpeakUp framework allows employees and members of the public to raise any suspected breach of conduct anonymously and in confidentiality. In 2016, 3 cases were reported, investigated and resolved. Appropriate actions have been taken to resolve them satisfactorily.

Communication and Training on the Code and Policies

We have a zero-tolerance policy towards bribery and corruption. Bilingual trainings are conducted in both English and Vietnamese to ensure that our firm stand is conveyed and understood by our people. As part of the training programme, a three-year Anti-bribery course consisting of 3 modules was launched in 2015, with Module 2 being rolled out this year, and Module 3 in 2017. This programme aims to strengthen our people's mindset towards bribery and educate them on how to act when faced with bribery requests. The completion of this programme is required by all employees and we aim to achieve 100% completion of this programme next year.



Code of Business Conduct Training for all employees (including HeiRules and SpeakUp)

74% completed in class training

90% managers completed e-learning

Three-year Anti-Bribery E-learning Training programme for Managers

80% passed quiz assessment
(managerial level)

Training and Development

Our people are at the heart of our company. Their development directly affects HEINEKEN Vietnam's future. In 2016, we invested VND 16.2 billion into training and developing their skills and competencies, which included technical knowledge and soft skills such as leadership, change management, and problem solving. The case studies below testify the effectiveness of our programme in achieving the mentioned objectives.

Annually, our people undergo individual performance

appraisals to pinpoint areas of improvements and identify their development goals for the coming year. Through this, they are able to improve, not just in work performance but also in their personal development. Besides the performance appraisals, we have in place a mentoring programme for identified high potential talents, each of whom is assigned to a mentor from another function. The mentor meets the mentee on a monthly basis to discuss progress, problems and share life experiences.

“Mentoring programme is a very interesting scheme. In this programme, I can share with my mentor about any thought and concern at work and life. I can feel that my mentor is naturally empathetic and does well in the role of helping, listening and sharing experiences with me.”



Ms. Trinh Thi Thanh Binh
Brewery Manager
Hoc Mon Brewery

Spotlight on The first female brewery manager

Upon my graduation from the polytechnic university, specializing in food, I joined HEINEKEN Vietnam as a Lab Analyst. As a fresh graduate, everything in this industry was new to me and I was highly motivated to find out more and learn more about it. I was not so clear about my career path at that time, so I have just focussed on excelling in every task that was allocated to me. Doing my job well was a sense of achievement for myself and was a strong motivation for me to learn more about the beer industry.

I was given the opportunity to take on a management position as the Laboratory Head after 5 years. This allowed me to gain more exposure and experience through interactions with staff and superiors, and a wider job scope. With coaching from my superior, I was able to learn on the job and extend my knowledge and skills, which inspire and drive me to further my learning in other areas. Following this, I was assigned to another function area which required me to

manage and control the process to ensure that quality products are produced & sustained. My development was greatly supported by the company through both technical and leadership training provided to me. The strong support given to me was necessary for my growth in the company, which makes me step up to Technological Controller position, and the first female Brewery Manager in HEINEKEN Vietnam.

Every new position I took on meant that there were new challenges that I had to overcome and learn from. My superiors always gave me the freedom to handle the job in my own way, but also ensured that I was given adequate support in a timely fashion.

As a female Brewery Manager in a largely male-dominated industry, I face challenges in managing a big team and having a direct impact on the company's business results. At the end of the day, the challenge does not come from being a female, and it has been enjoyable working with my team and having a beer with them after work.



Case study: HEINEKEN Asia Pacific Graduate Programme (APGP) and International Graduate Programme (IGP)

Launched in 2016, the HEINEKEN APGP aims to nurture high-potential individuals, particularly as management trainees for Operating Companies within the Asia Pacific region. The APGP was adapted and localized from the IGP, where identified talents are deployed by HEINEKEN Global, and given the opportunity to work and learn in Operating Companies around the world. HEINEKEN Vietnam currently has on board 2 management trainees, who will be required to complete 3 intensive assignments, each spanning 8 months.

The programme will be reviewed in 2017 aiming for greater success in honing talent for the future leadership team.

Advocating responsible consumption

Preventing the harmful use of alcohol, by changing consumer behaviour⁷



Why is it important?

While *Nhậu*, or informal social drinking, is a culture in Vietnam where alcohol is used to celebrate events, to socialize, to drown sorrows and to facilitate business – if consumed excessively, alcohol consumption is harmful to public health and leads to serious social problems.

Globally, the 2015 UN Sustainable Development Goals (SDGs) has set out a vision for strengthening the prevention

and treatment of alcohol abuse for the promotion of public health and well-being by 2030. At a local level, to combat the problem, the Vietnamese government has taken action by proposing the implementation of a draft Alcohol law in the near future.

As one of leading brewers in the country, we recognize our role in encouraging responsible consumption patterns, shaping the consumer's perception towards responsible enjoyment of alcohol and mitigating the

alcohol abuse, while providing quality products which are safe for consumption. We aim to achieve this commitment through our three-tiered strategy:

1. Creating aspirational responsible consumption messages by leading with our most powerful tool – our brands.
2. Building strategic partnerships (including with the government), and
3. Raising awareness amongst our own people, our business partners, and among the youth community.

⁷ SDG 3: Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.



Our 2018 Global Milestone	Our 2016 HEINEKEN Vietnam milestone	Our progress in 2016	Indicator
We commit to invest a minimum of 10% of our media spend for Heineken® (5% for HEINEKEN Vietnam) in supporting our dedicated responsible consumption campaign in at least 50% of our market volume. The Heineken® consumption campaigns are largely angled towards European clientele.	We commit to invest a minimum of 5% of our media spend for Heineken® in supporting our dedicated responsible consumption campaign.	We invested 8.2% of total media spend for Heineken® consumption campaigns.	
Every market in scope ¹⁰ has a partnership to address alcohol-related harm.	We aim to have a local partnership to address alcohol-related harm.	We collaborated with universities to promote responsible consumption among students and partnered with the National Traffic Safety Committee during Tet 2016.	



Achieved



Partly achieved



Not achieved

⁸ Investments dedicated to responsible consumption messaging with regards to HEINEKEN® brand communication. This includes the 'Dance More Drink Slow' and 'Sunrise' campaign, UEFA® Champions League-specific responsible consumption branding and other specific activations at festivals and events.

⁹ Market scope, covering in total at least 50% of HEINEKEN® global volume. We focus our efforts on the larger markets where we can make the biggest impact; out of scope are those markets where we are unable to run our responsible consumption campaign due to local (legal and religious) restrictions on alcohol advertising.

¹⁰ Out of scope are Islamic markets and markets where we have a Joint Venture and three minimal-volume markets for whom allocating resource is unrealistic (Laos, Solomon Islands and Sri Lanka).



Leading with our brands, our most powerful tool

Our flagship brands are loved by millions of Vietnamese consumers. Their extensive influence is our most powerful tool, and we leverage them to promote responsible drinking to our consumers with our campaigns and at our events. Every year, we set aside media spend (2016: 8.2%) for Heineken® responsible consumption campaigns. This year, we brought to life the theme “Moderate Drinkers Wanted”, for the first time placing women at the heart of the message, with the fresh idea that men who are moderate drinkers are more preferred than hard drinkers, by women.

At our biggest events, such as the Heineken Green Room and Tiger Remix, any message we put out has the potential to reach millions of people. We tap

this opportunity to convey the “Drink Responsibly” message at these platforms to our consumers, through billboards, providing free water besides beer to attendees to pace their drinking, arrange free transportation and overnight parking place to minimize drink-driving. Our “Drink Responsibly” messaging also appeared on the packaging of millions of bottles and cans that we sold in 2016.

We also reached out to our tech-savvy consumers using social media, with our “Drink Responsibly” fanpage gaining more than 131,000 followers by the end of 2016. To engage our followers, we organized mini-games every month to get them to share the “Drink Responsibly” message to three other friends in order to win prizes. The “Drink Responsibly” message has been successfully shared through

social media more than 3.6 million times during period.

By whichever platform we choose to deliver the message, we ensure we keep to the high standards required from the HEINEKEN Responsible Marketing Code. This Code sets out eight principles to follow as part of our brand identity in all of our communications, including packaging, events, sponsorships, or advertisements. This encompasses providing information on the alcohol content of our beers on all the packaging of our products, and communicating responsible drinking messages (18+, pregnancy and drink-driving) in all of our events. Since the implementation of the Code in 2015, 100% of our employees and creative agencies have signed on to a commitment to comply with the guidelines. As a result, there have been no reported cases of non-compliance relating to marketing regulations, a record we continue to hold for the last four years.

Building strategic partnerships with the government to address alcohol abuse

We recognize the power of collective action, and since the early years of our responsible drinking programme, we have collaborated with the government and various NGOs to create greater impact while tackling issues of alcohol abuse. Our partners through the years include the National Traffic Safety Committee, and the International Centre on Alcohol Policies (ICAP) Vietnam. Building from our past efforts, we remain

actively engaged in dialogue with the government about implementing future joint programme to contribute to a more responsible drinking culture. A significant milestone in 2016 was to unify our Corporate Affairs departments so as to represent HEINEKEN Vietnam as one consistent voice, thereby increasing the effectiveness of engaging and partnering with the government for future efforts.

uống có trách nhiệm

? Uống có trách nhiệm là gì?

- Uống chừng mực
- Vào thời điểm thích hợp
- Tại nơi thích hợp
- Với lý do thích hợp

? Vì sao phải uống có trách nhiệm?

- Cuộc sống thú vị hơn
- Giữ gìn sức khỏe
- An toàn cho bản thân, gia đình và người xung quanh

X Uống không kiểm soát/ lạm dụng

- Gây nghiện
- Ảnh hưởng đến sức khỏe
- Có thể dẫn đến tử vong

X Không uống đồ uống có cồn trong những trường hợp sau:

- Khi lái xe và trước khi lái xe
- Khi chưa đủ tuổi (18+)
- Khi đang mang thai
- Khi đang uống thuốc

LƯU Ý

1 Uống theo thể trạng và cân nặng

2 Cung cấp các chất dinh dưỡng nuôi và bảo vệ tế bào khỏi tác hại của cồn

- Ăn trước và trong khi uống
- Uống từ từ
- Không uống cùng lúc nhiều loại rượu, bia
- Uống nước xen kẽ

3 Tập luyện và vận động đúng

- Không uống rượu bia trước, trong và ngay sau khi chơi thể thao

CHƯƠNG TRÌNH ĐƯỢC THỰC HIỆN CÙNG SỰ ĐỒNG HÀNH CỬA

ICAP (VIỆT NAM) VÀ CÁC ĐỐI TÁC ĐỒNG HÀNH CỬA KHÁC

Case study: “Drink Responsibly” Digital Message at Heineken Events

“Drink Responsibly” has always been part of HEINEKEN’s core marketing message, and this year we brought it to the direct attention of more people. Taking a step further from our static billboards, we launched a 5-minute digital message which was played across massive screens during two of our biggest events, Heineken Green Room and Tiger Remix. The Tiger Remix event in particular was held in five cities: Da Nang, Quy Nhon, Nha Trang, Ho Chi Minh City and Hai Phong, and the message has reached more than 1 million participants, mainly local youths. During the event, we also gave away Grab vouchers, provided free overnight parking place and free shuttles for attendees in an effort to tackle drink-driving.



Raising awareness of responsible consumption with our own people, our business partners, and the youth community

At HEINEKEN, we believe that change has to start with us - our people. Our employees are our responsible drinking ambassadors within their communities, and are expected to demonstrate and actively promote the responsible drinking culture through their words and actions. We constantly emphasize to our people the importance of their role in leading by example. This comprises:

- Communicating and applying the rule - “When we drink, we never drive” - whenever possible. This includes organizing motorbike taxi service for our salespersons, as well as free taxi trips back home for 2,000 of our employees who had driven to our annual company event in 2016.
- Providing annual Traffic Police Road Safety trainings for our 4,300 sale promoters, distributors and sales representatives, who altogether clocked up to 17,300 hours of training on this crucial topic.

This year, we made particular efforts in driving the message home by strengthening our people’s mindset towards the connection between responsible drinking and road safety. For the first time, the “Drink Responsibly” training was incorporated with our annual World Health and Safety day to create increased



awareness on the health impacts of alcohol abuse.

For the first time in 2016, we also introduced our “Drink Responsibly” programme to more than 250 distributors during our annual Distributors Conference. As part of the programme, we invited a doctor to speak about health and moderate drinking, and received much appreciation and positive responses from our distributors.

We have gone the extra mile to raise awareness of responsible drinking among millennials. While a study suggests that initiation of alcohol use is rare among Vietnamese youths, it has also been found that peer pressure is an important factor with the young as they try to “prove their machoism” through drinking.¹¹ Good habits develop early, and we believe

in the effectiveness of imparting the responsible drinking culture during a youth’s first encounter with alcohol at his legal age. In 2016 therefore, besides internal program, we extended our reach of the “Enjoy Responsibly Day” programme to two other universities, the University of Technology Pedagogy and the University of Saigon. 1,504 students and 1,200 staff attended the program. Conveying a positive message of “Moderation for happy and healthy life”, the event aims to educate students on alcohol health literacy with an educational talk by renowned doctor and nutritionist Dr. Dao Thi Yen Phi. It is our hope that these students will become our youth ambassadors who will then in turn influence their peers towards a responsible consumption culture.

Protecting water resources



Educating and partnering local communities to protect the quality of water resources and prevent water scarcity, achieving equitable access to safe drinking water for all.¹²

¹² SDG 6: By 2030, achieve universal and equitable access to safe and affordable drinking water for all; By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally; By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity; By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies; Support and strengthen the participation of local communities in improving water and sanitation management

Why is it important?

2016 saw greater concerns over water resources across the globe – with The 2030 Agenda for Sustainable Development, the United Nations World Water Development Report, and the World Wildlife Fund For Nature (“WWF”)¹⁴ highlighting the need to preserve water for public health and for sustained economic growth.

Closer to home, recent cases such as the marine life disaster in Central Vietnam¹⁵, and the worst drought experienced in Mekong Delta in nearly 100 years¹⁶, have reinforced the importance of uniting the government, businesses and communities in protecting the quality and availability of our water resources.

While water is an essential part of our products and operations (beer contains 95% water), we are aware that the communities around our breweries are equally dependent on water for their livelihoods. Over our 25 years of business, we have made substantial leaps forward in achieving world-class standards of water-use efficiency in our breweries, while ensuring the safety and quality of our wastewater discharge.

Our 2018 Global Milestone	Our 2016 HEINEKEN Vietnam milestone	Our progress in 2016	Indicator
Reduce specific water consumption in our breweries to 3.6hl/hl	Reduce specific water consumption in our breweries to 3.04hl/hl	Reduced specific water consumption in our breweries to 2.93hl/hl ¹⁷	

Reduce water consumption in our breweries

Our Progress in 2016



DIRECT WATER SAVINGS

More than **118** thousand m³ in 2016, equivalent to filling an estimated **47** Olympic-sized swimming pools



DA NANG BREWERY

within the **Top 5** water efficient brewery across HEINEKEN Group worldwide



DIRECT COST SAVINGS

Around VND **295** million in 2016

We are proud to have already achieved the global 2018 milestone and 2020 commitment since 2014. Yet, despite having met both targets ahead of time, we continue to make further reductions in our water consumption by about 3% to below 2.93 hl/hl in 2016 (2015: 3.02 hl/hl) – lower than our locally set target of 3.04hl/hl, as well as the group average performance of 3.6hl/hl.

While all the breweries continue to consume less water than in 2015, the Quang Nam Brewery in particular made a remarkable reduction of approximately 13%. This is a result of establishing a water consumption reduction team, adopting best practices from other breweries, and implementing strict housekeeping measures.

¹³ The United Nations World Water Development Report 2016: <http://unesdoc.unesco.org/images/0024/002439/243938e.pdf>

¹⁴ World Wildlife Fund – Greater Mekong: https://www.worldwildlife.org/projects?threat_id=water-scarcity

¹⁵ “Vietnam blames toxic waste water from steel plant for mass fish deaths”: <https://www.theguardian.com/environment/2016/jul/01/vietnam-blames-toxic-waste-water-for-mass-fish-deaths>

¹⁶ “Why Vietnam Is Running Dry, Worst Drought In Nearly 100 Years”: <https://www.forbes.com/sites/timdaiss/2016/05/25/why-vietnam-is-running-dry-worst-drought-in-nearly-100-years/#7af6ca1c74b3>

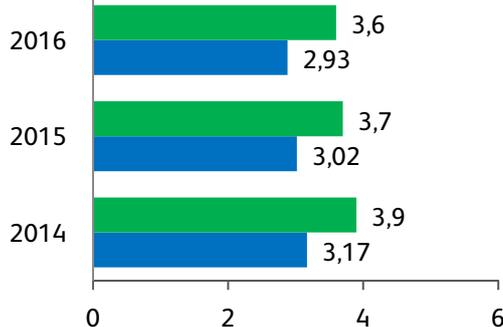
¹⁷ We are working on improving the reliability of our Hanoi water data due to weaknesses in the recording process. We hope to report the accurate numbers in future reports.

Our Strategies and our Key Measures

Rooted in the company's values – respect for people and for the planet -- we are continuously innovating and changing our mindset, behavior, and how we do things. Our strategies are implemented across our breweries as we share and leverage on each other's best practices.

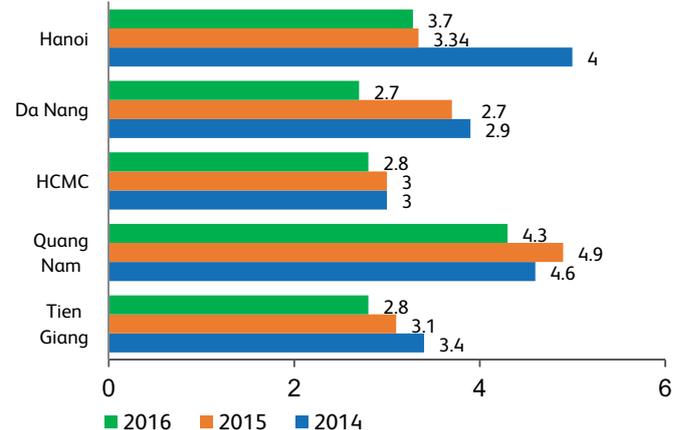
Specific Water Consumption

hl/hl beer



Specific Water Consumption by Brewery¹⁷

hl/hl beer



a. Change behaviour

- The Daily Control System (DCS): Promotes responsible water usage and encourage people across the breweries to be vigilant and timely in reporting any leakages.
- “Zero loss initiatives”: A programme that encourages our people to come up with ideas and reward them for these ideas.

b. Improving operational procedures

- Reuse of treated wastewater for cleaning by connecting residual hop water from the system to bottling line.
- Rechanneling surplus hot water from brew house for use in the pasteurization and cleaning-in-place processes.
- Modifications to the design dimensions of the water nozzle in the backwash water recovery system.
- Fast and efficient housekeeping activities to reduce water usage.
- Optimized the cycle of cleaning filler (e.g. once every 6 hours instead of once every 4 hours).
- Energy and water consumption audit at Quang Nam twice per month: 5 key representatives from sections identify abnormal points (e.g. leakages, improper usage of water for non-operational purposes) and check on the implementation of the corrective actions.
- Optimize circulation time of hot water in sterilizing process at Tien Giang at the canning line

c. Investing in water efficient equipment

- Sludge washer in wastewater treatment plant to reuse the discharge of waste treatment plant in cleaning the system.
- Use of water-efficient tools for cleaning the cellar and the filtration systems.

d. Collaborating for change

- Horizontal Expansion Good Practice Zero-Loss System: An excel system which shows all the solutions to problems previously faced across breweries. This is used to share the know-how and best practices within the group.

Wastewater management

Protecting water resources is not just about reducing the amount of water consumption; the quality of water discharged is equally important.

In 2016, our breweries at Tien Giang, Da Nang and Hanoi have cut the effluent organic load discharged by a notable 11-28%, as a result of deploying technologies and

best practices such as the membrane filter. Conversely, our Quang Nam brewery tripled its COD discharged. During the year, we had completed our new production unit at the Quang Nam brewery, and had intended to fully switch our production over to the new unit. However, due to business demand, we had to keep the older production unit

running, which led to an overcapacity of our wastewater treatment plant. Despite the increase however, the COD discharged remained well within the limits of the industrial zone. The management at Quang Nam brewery is currently working to improve the situation by increasing the capacity of their wastewater treatment plant.



Our Wastewater Treatment Standards

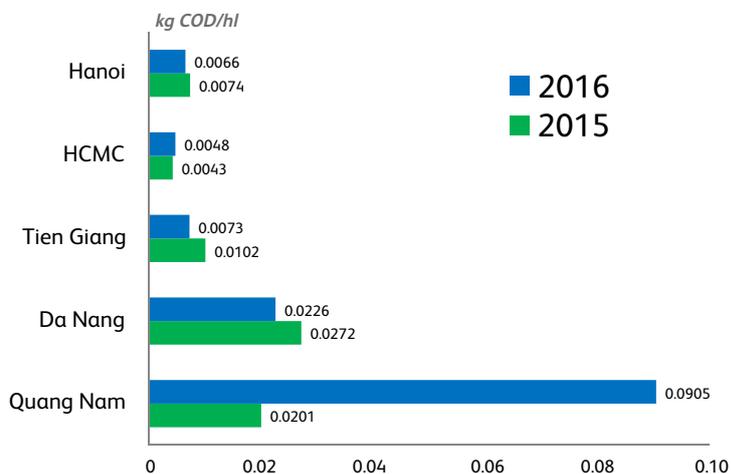
Surpassing the government's basic requirement of **Grade B**:

Grade A+: Hanoi, Tien Giang

Grade A: Ho Chi Minh City

Grade B: Da Nang, Quang Nam (currently upgrading our facilities at Da Nang and Quang Nam to Grade A) Our wastewater discharge at Hanoi, Tien Giang, and Ho Chi Minh City are safe enough to sustain aquarium life and vegetation in our brewery.

Effluent organic load discharged to surface water by brewery



OUR STRATEGIES AND OUR KEY MEASURES

a. Investing in wastewater treatment facilities

- At Tien Giang, installed the online monitoring system of the Wastewater Treatment Plant ("WWTP") to track the quality and efficiency of the treatment, which also resulted in energy savings.
- At Da Nang and Quang Nam breweries, replicating the modern technologies of the WWTPs which have already been implemented in our other Grade A+ breweries.

b. Improving operational procedures:

- Lower extract loss in our breweries indicates higher production efficiency, which resulted in less extracts having to be treated for waste.



Reducing CO₂ emissions



Substantially increasing the renewable energy mix in our operations, by investing in infrastructure and upgrading technologies¹⁸

¹⁸ SDG 7: By 2030, double the global rate of improvement in energy efficiency; By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support

Why is it important?

Global climate changes and its related consequences have culminated in countries committing to the Paris Agreement to limit global warming to two degrees Celsius – and the Sustainable Development Goals (“SDGs”).

In support of the global agenda, the Vietnamese government has announced the integration of the SDGs into its national policy and action plan, committing to reduce emission

intensity by 8% by 2030. While recognizing that these targets are ambitious, the government¹⁹ seeks supports from the private sectors and civil society in achieving them.

HEINEKEN Vietnam fully supports the national and global agenda. In fact, reducing CO₂ emissions has always been our focus since the beginning. Throughout our years of operation in Vietnam, we have been investing and re-

evaluating the best practices and technologies across our breweries. Today, we brew 100% from carbon-neutral renewables at four of our six breweries, and have started using solar energy as an alternative to electricity at our HEINEKEN Experience center. Our aim is for all six breweries to brew 100% from renewable energy by 2019. As we continue to expand our reach in Vietnam, we will next explore increasing our use of clean electricity.

Our 2018 Global Milestone	Our 2016 HEINEKEN Vietnam milestone	Our progress in 2016	Indicator
Reduce CO ₂ emissions from production by 37% to 6.7 kg CO ₂ -eq/hl		Reduced CO ₂ emissions by 38% to 3.3kg CO ₂ -eq/hl	
100% green fridges purchased	100% green fridges purchased	100% green fridges purchased	

Lower emissions in our production

Our Progress in 2016

From Barley to Bar, every bottle of beer produced and delivered to your door step consumes both thermal and electrical energy sources, which brings about CO₂ emissions.



4 Breweries operating on biogas and biomass for 100% of their thermal energy needs



Achieved the Vietnamese government’s 2020 (140-306 MJ/hl) and 2025 (129-286 MJ/hl) targets ahead of time (HEINEKEN Vietnam: 63-76MJ/hl)

¹⁹ Vietnam integrates Sustainable Development Goals in national policy: <http://www.vn.undp.org/content/vietnam/en/home/presscenter/pressreleases/2016/11/10/viet-nam-integrates-sustainable-development-goals-in-national-policy.html>

Less energy used to produce each bottle of beer

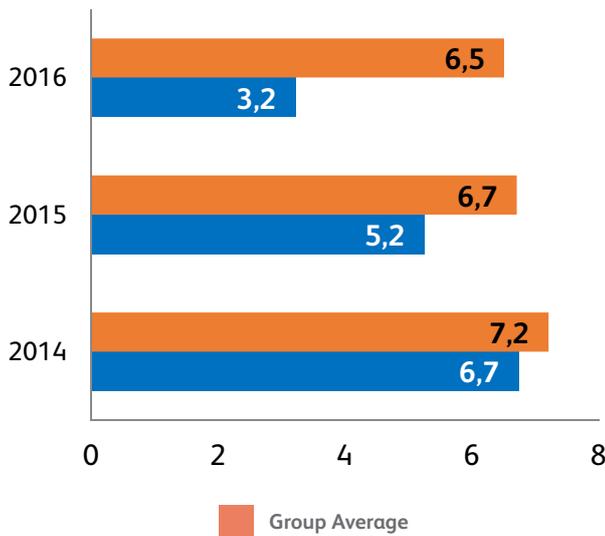
This year, our Da Nang, Ho Chi Minh City and Tien Giang breweries continued to retain their positions among the Top 5 performing breweries across the HEINEKEN group globally.

Despite our increase in total beverage production by 17-22%, we used around 16% less energy and emitted approximately 38% less CO₂ emissions for every hectoliter (hl) of beer produced

as compared to 2015. We have performed better than the 2016 HEINEKEN group global average and have also surpassed the group's 2018 milestones ahead of time.

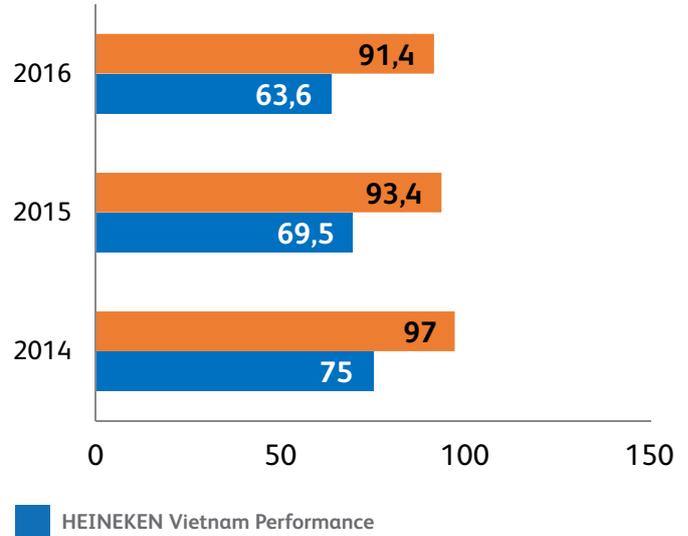
Specific greenhouse gas emissions

kg CO₂-eq/hl beer



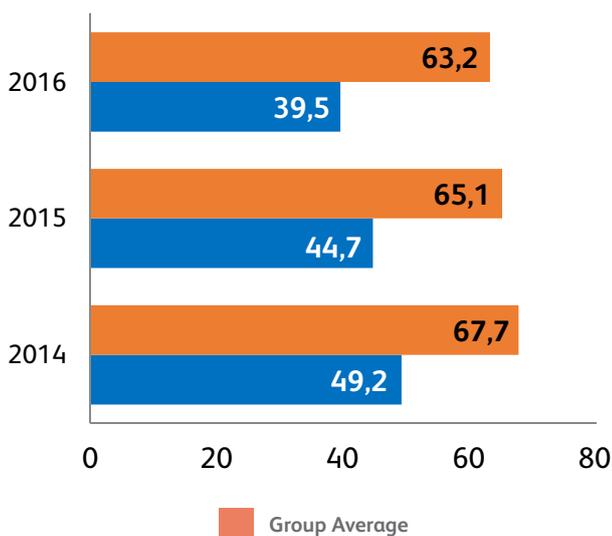
Total specific energy consumption

MJ/hl beer



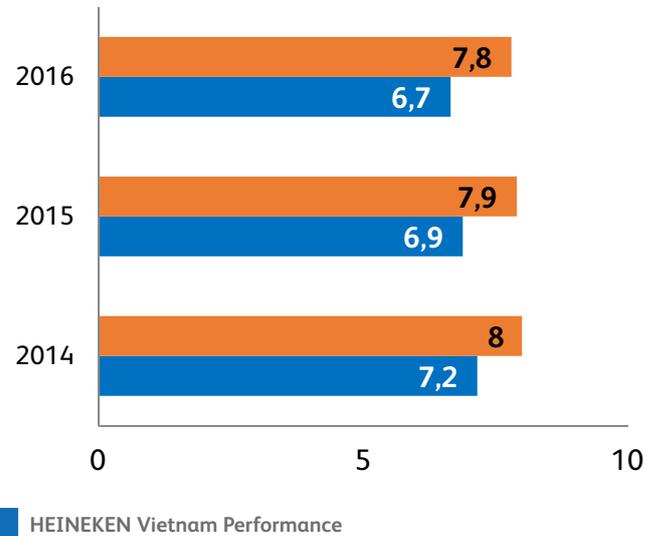
Specific thermal energy consumption

MJ/hl beer



Specific electricity consumption

kWh/hl



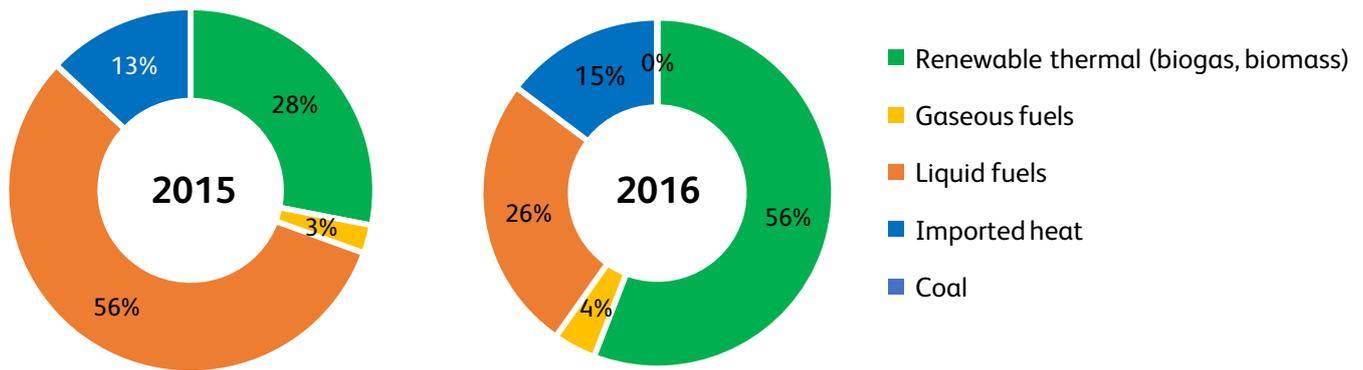
Renewables in the energy mix

Our 2015 global carbon footprint study²⁰ has shown that our breweries produce scope 1 (resulting from fuel combustion and refrigerant losses) and scope 2 emissions (resulting from heat import and purchased electricity) in nearly equal measure. In response to the findings, we have increasingly introduced cleaner and lower-emission sources of energy to support our value chain. The use of

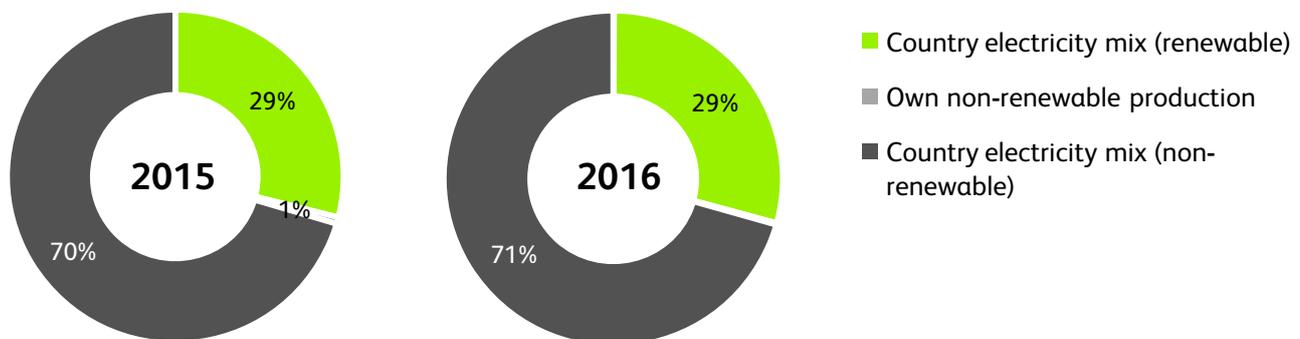
biomass and biogas in our breweries has doubled as compared to last year, contributing to more than half of the thermal energy mix as compared to one-third in 2015. Our success on using renewables began from the use of rice husk and wood chips purchased from farmers in the local communities and harnessing wastewater as renewable fuel in our Da Nang brewery and Ho Chi Minh

brewery, respectively. Their success has subsequently been replicated across our other breweries. By the end of 2016, we were brewing 100% from renewable energy at four of our six breweries, and plan to brew 100% from renewable energy at all six breweries by 2019. We have also started to harness solar energy for electricity generation in 2016 and will increasingly explore renewable electricity solutions.

Thermal fuel mix for beverage production



Electricity mix for beverage production



²⁰ This extensive carbon footprint model was based on a life cycle approach including greenhouse gases scope 1, 2 and 3 emissions, with reference to the WBCSD/WRI's Product Life Cycle Accounting and Reporting Standard; HEINEKEN participates in the EU Product Environmental Footprint Pilot (PEF) for the Beverage Industry and will update its carbon footprint calculation methodologies accordingly.

Our Strategies and our Key Measures

“Collaborate through trust” amongst our breweries is one of the five behaviours of the HEINEKEN Greenprint to Win. By sharing key challenges and best practices, we are able to replicate successful initiatives in one brewery to the other breweries in the shortest time.

a. Change behaviour

- Energy Saving Initiative Campaign, “Zero loss initiatives” and brainstorming sessions twice per year that encourage our people to come up with innovative ideas of improvement and reward them for these ideas.
- Adjusting air-conditioning at the breweries (e.g. at least 25 degrees Celsius)

b. Harnessing clean energy

- Harness steam from burning rice husk and wood chips in biomass boilers to generate thermal energy for beer production.
- Using biogas (essentially methane) produced by our wastewater treatment plants (WWTP) as a source of thermal energy to produce beer.
- Installed solar panels at Ho Chi Minh City HEINEKEN Experience (please refer to case study for more details).

c. Switching to lower-emission source

- Using natural gas instead of diesel to power our forklifts

d. Investing in energy efficient equipment

- Improve aeration frequency at the WWTP by replacing old and low-efficiency equipment with a new equipment that has energy saving features.
- Online monitoring system of the WWTP to track the quality and efficiency of the treatment, resulting in lower energy consumption.
- Insulation at the hot water system reduces the amount of energy needed for heating through limiting energy losses.
- High efficiency boilers, as well as variable speed drives in all pumps and fans for optimum control and reduced energy consumption.
- Wort Stripper in the Heat Recovery System, which further reduces the thermal energy required for boiling with a positive impact on the quality of beer
- Use of energy-efficient LEDs at the packaging lines.
- Equitherm technology at Ho Chi Minh City brewery extracts energy at high temperature levels after the wort has been boiled. This energy is then reused in other processes such as the Cleaning-In-Process system, which are run at lower temperatures than that required for boiling the wort.

e. Improving operational procedures

- Reduced the heating temperature of the bottle washers from 80°C to 75°C, without compromising on cleanliness.
- Minimized the cooling and storage time of our beer and waste yeast at our cooling plants.
- Increase operating efficiency at the bottling and canning lines.
- Energy and water consumption audit in Quang Nam brewery twice per month

f. Collaborating for change (similar to the initiatives for “Protecting water resources”)

- Horizontal Expansion Good Practice Zero-Loss System: An excel system which documents the solutions to problems previously faced across breweries. This is used to share the know-how and best practices within the group.
- Relocating or exchanging talent to share their know-how and implement processes.

Lower emissions in our fridges

Our core values – Quality and Enjoyment, influence our business decisions such as supplying fridges to our retailers in order to maintain the quality and market the branding of our beers. While standard fridges consume a large amount of energy, our green fridges (aligned with the HEINEKEN Energy Efficiency Index (HEEI)²¹ and the four ‘green’ characteristics²²) are able to save up to an average of 45%²³ energy use. This results in a substantial reduction on the amount of the carbon footprint from cooling.

Waste management and environmental compliance

It is our aim to recycle majority of our residual products (e.g. brewer’s spent grains, surplus yeast and materials like glass, cardboard, aluminum, plastic and paper) from the brewing process. Our global HEINEKEN Waste Hierarchy sets out a methodology for prioritizing the treatment and disposal of waste in the order of causing least impact to the environment (see Waste Hierarchy below).

In 2016, 98.9% of our inputs were re-used or recycled with only 1.1% lost or sent to landfill. Approximately 92% of our residual products were recycled into animal feed and fertilizer due to the high nutritional value of brewer’s grains and yeast, while 5% were recycled into material loops and 3% were incinerated or disposed at the landfill or dump. We keep the amount of waste which is incinerated or dumped, low with the use of a Beer Membrane Filter (BMF) in our breweries. The BMF helps to reduce the use of kieselguhr powder, which is toxic to the environment and has to be treated before disposal. BMF was first pioneered in our Ho Chi Minh City brewery and implemented in our Da Nang brewery in 2016.

There were no reported environmental complaints and accidents related to our waste management in 2016. Our overall non-recycled industrial waste production in our breweries was 0.17 kg/hl. In particular, our Hanoi brewery

Waste Hierarchy

Destination	2016 Quantity (ton)	% of total
Re-use	–	–
Human consumption	–	–
Animal feed	295,252	89%
Materials	15,659	5%
Compost/ soil improvement	9,263	3%
Energy (biogas)	21	0.0%
Combustion with energy recovery	5,731	2%
Combustion without heat recovery	1,575	0.5%
Landfill	2,545	1%
Dump	28	0.0%
Unknown	404	0.1%
Total co-products and waste	330,479	100%

■ Recycling ■ Recovery ■ Disposal

charted a 55% decrease in the amount of non-recycled industrial waste generation, due to improvement in waste management procedures such as draining the residual water from kieselguhr before disposal.

²¹ HEINEKEN Energy Efficiency Index is the energy consumption of the fridge divided by the average energy consumption of similar HEINEKEN fridges on the market in 2010, multiplied by 100

²² Depending on size and local regulations, the four characteristics of green fridges are: 1. Use of hydrocarbon refrigerant, 2. LED illumination, 3. An energy management system, 4. Energy-efficient fans.

²³ HEINEKEN global savings of average energy use as compared with baseline year 2010.

Case study #1: Solar Energy, another milestone to increasing use of renewable energy mix

Inaugurated on 19 April 2016, our first solar energy project at the HEINEKEN visitor experience center (dubbed “HEINEKEN Experience”) at Ho Chi Minh City Brewery, generated more than 134kWh of electricity on its first day of operation. This is equivalent to 11 litres of oil, 16 cubic meters of gas or 17 kilos of coal to generate the same amount of energy, which would have resulted in 90kg of CO₂ emissions.

A total of more than USD 80,000 was invested in the

installation of 197 solar panels on the roof of HEINEKEN Experience. Since then, almost 100% of the electricity needs of HEINEKEN Experience is supplied by solar energy. This has led to a significant decrease of electricity consumption within less than a year of installation, with an estimated 56,000kWh less electricity being consumed in a year.

Besides advancing our energy performance and bottom line, this initiative has served as a platform for

us to educate our community on the benefits and importance of harnessing renewable energy. As at 31 December 2016, nearly 11,000 visitors have visited the HEINEKEN Experience and expressed great interest in the installation of the solar panels and our sustainability strategy.

Along with HEINEKEN Global, we are proud to be one of the top 50²⁴ breweries across the world that have harnessed the power of the sun in striving towards a zero carbon footprint.



52.205kWp Solar PV System at HEINEKEN Experience

²⁴ Top 50 Solar Beer Breweries, Solar Plaza: <http://www.solarplaza.com/channels/top-10s/11397/top-40-solar-beer-breweries/>

Case study #2: The Fourth Brewery operating 100% on biomass, another milestone to increasing use of renewable energy mix

In 2016, Hanoi embarked on the journey of operating 100% on biomass, a proud milestone that testifies to our commitment in investing infrastructure and upgrading technologies to substantially increase the renewable energy mix in our operations.

At the same time, this reflects the success of our strategies -

collaborate for change. Starting from Da Nang and extending to Ho Chi Minh and Tien Giang, Hanoi has now joined the bandwagon, earning HEINEKEN VIETNAM a spotlight amongst the global HEINEKEN breweries.

The Hanoi brewery has attained significant achievement within a period

of one year:

- Reduction of 3,368 tons of CO₂ emitted to the environment, equivalent to 40,9% reduction of CO₂
- Saved VND 2.7 billion equivalent to 13.7% reduction of energy consumption
- Generated VND 6.3 billion worth of income to the community

Case study #3: Empowering Vung Tau

Since its acquisition into the HEINEKEN Vietnam family on July 2016, Vung Tau brewery has charted an impressive reduction in its energy consumption. Both the thermal and electricity energy consumption has decreased by around 60% owing to close-knit collaboration amongst the various breweries, with brewery managers from other more established breweries in Vietnam being sent to Vung Tau to train and empower the approximately 100 production employees there. This included training on the following areas:

- Change behaviour -

KPI	Unit	Target	Jul'16	Dec'16
Water consumption	hl/hl	<=5.0	13.6	4.3
Electricity consumption	kWh/hl	<=9.0	23.1	9.4
Thermal energy consumption	MJ/hl	<=100.0	205.1	80.8

HEINEKEN core values and HEINEKEN Five behaviours

- World-class brewing technologies and skills
- Management system (including installation of the measurement system and monitoring the system)

Empowering Vung Tau brewery does not stop at achieving remarkable environmental performance. Through collaboration, within

a period of less than 6 months, we have transformed the lives of the 100 production employees, equipping them with skills and turning a brewery from its previous state of low activity into a highly productive unit. With the current commendable performance, we look forward to seeing the full year impact of our Vung Tau brewery next year.

Promoting health and safety



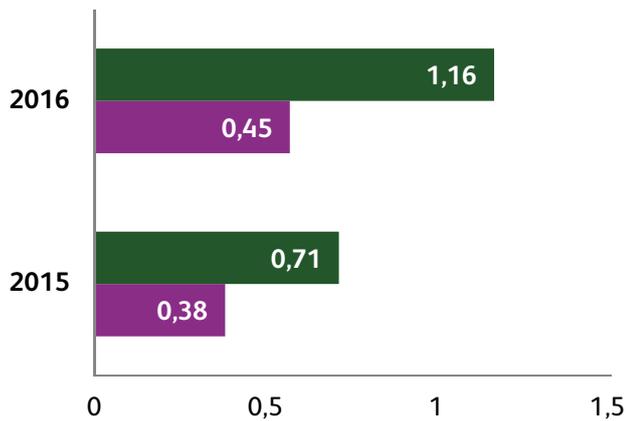
People are at the heart of our company, and nothing is more important than the health and safety of our people. Our commitment has been translated into an approach – “Safety First” – that aims to improve safety by first transforming the behaviours and habits of each individual.

Safety Performance

Our Progress in 2016

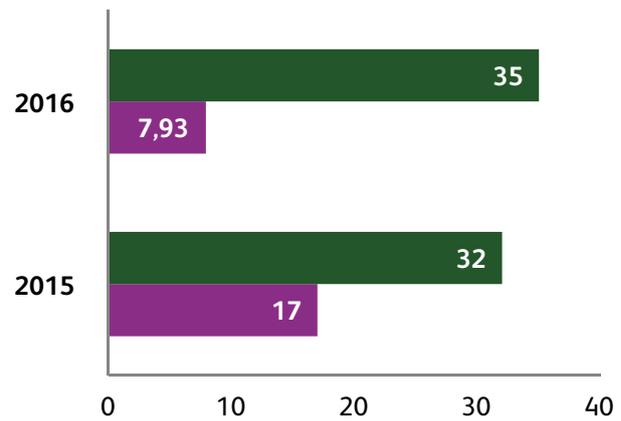
Accident Frequency

Cases/100 FTE



Accident Severity

Lost calendar days/FTE



	Production		Company-Wide	
	2015	2016	2015	2016
Fatalities	0	0	0	1
Fatalities of Company personnel	0	0	0	1
Fatalities of contractor personnel	0	0	0	0
Accidents	4	0	7	13
Accidents of Company personnel	4	0	7	9
Accidents of contractor personnel	0	0	0	4
Lost days of company personnel	76	151	124	542
Total workforce (FTE)	897	77	1,905	2,291

Despite our best efforts to report near misses, routinely conduct safety trainings, and provide safety equipment, amongst other measures, our Accident Severity and Accident Frequency increased in 2016. This increase was due to one fatal work-related traffic accident in 2016 involving a female employee

on her commute back home from work; the accident was caused by avoiding an unexpected obstacle on the road. We will continue to step up our efforts to reinforce “Safety First” as a fundamental behavioural change, in order to prevent the reoccurrence of similar accidents. In fact we have

seen an increase in near miss reporting (2016: Near miss 2,138, 2015:855), which we then promptly acted upon. In addition, getting every employee home safe everyday remains our top priority and we are committed to achieve that through various activities and trainings.

Our Strategies and our Key Measures

Led by the Safety Committee and supported by 32 Safety Ambassadors, we address safety across HEINEKEN Vietnam in compliance with the HEINEKEN Global Standards and local legal requirements. Our key initiatives are presented below:

Key initiatives at our production unit	Key initiatives across the company
<p>Safety pyramid</p> <ul style="list-style-type: none"> ▪ A way of thinking that promotes a safe working culture by focusing on taking preventive actions (leading indicators) rather than just corrective actions when an incident occurs (lagging indicators). ▪ Filled up monthly on a cumulative basis so as to track progress to date 	<p>Accident Reporting and Investigation Software programme (ARISO)</p> <ul style="list-style-type: none"> ▪ A programme which ensures completeness and timeliness of accident reporting and investigation across all departments. ▪ Integration of preventive and corrective actions across HEINEKEN Vietnam, which are then shared through Safety Alerts
<p>Safety Training Observation Programme (STOP) system</p> <ul style="list-style-type: none"> ▪ A system that promotes a high level of safety awareness; coming from a position of care instead of disciplinary actions. ▪ An employee who displays risky behaviours will be educated by a team of patrolling observers at the point of action, so as to prevent future reoccurrence. 	<p>Near-Miss Reporting</p> <ul style="list-style-type: none"> ▪ Prompt reporting and analysis of the causes of near-misses, and implementation of preventive actions against the actual occurrence of such accidents in the future.
<p>Operational Risk Reduction (ORR)</p> <p>A six-step process that reduces the safety risks in our working environment through:</p> <ul style="list-style-type: none"> ▪ Data collection on the activities and working environment of each brewery ▪ Restoration of basic conditions to latest safety standards ▪ Identification of hazards and hazard controls through 5 Whys analysis ▪ Detailed safety risk assessment ▪ Design and implementation of countermeasures ▪ Standardization across the brewery through monitoring activities and safety audits. 	<p>Road Safety Training and Motorbike Taxi Service</p> <ul style="list-style-type: none"> ▪ Training (approximately 17,300 hours) that instils the importance of our people's role in advocating "when you drink, never drive" ▪ The Motorbike Taxi Service is a safe mode of transport for our people (especially our salespersons) in order to minimize cases of drink-driving.

World Health and Safety Day ("WHSD")

An annual event that rallies employees together to raise their awareness on safety and health. The highlight of the year was the introduction of the Life Saving Rules ("LSR"), which is further elaborated in the case study below.

Healthcare and Wellbeing

- Checkups for our workers and distributors: Following feedback from our people, we improved the medical standards and accessibility of our free medical checkups for our employees, by engaging medical centers to perform the checkups, as well as scheduling more time slots to ensure that all employees would be able to attend. This resulted in a remarkable 98% attendance from our employees. Finally, we also extended the health checkup service to our distributors.
- Anti-smoking campaign: This campaign provides assistance to our employees to quit smoking, through a gradual process of providing them with nicotine patches, SMS reminders to reduce their level of smoking, and one-to-one consultations.

Case study: Success of Life Saving Rules (LSR) at HEINEKEN Vietnam

Launched in 2016, the LSR is an enhancement to our “Safety First” approach, providing clearer guidance to our people on ensuring their safety, and emphasizing the seriousness of the issue, by enforcing disciplinary actions if our employees and contractors do not adhere to the set of 12 rules.

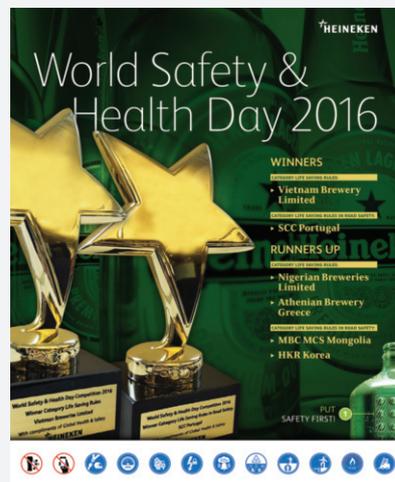
To date, we have effectively implemented the LSR across our operations. In particular, Quang Nam brewery is a success story in adopting the LSR. Along with our existing strategies, the implementation of LSR has contributed to our safety performance -- zero accidents in 2016 – despite ongoing construction to build a second production unit.

On a global level, HEINEKEN Vietnam is proud to be recognized for upholding our commitment to safety. In 2016, we were awarded the top prize in the Life Saving Rules – General category of the 2016 HEINEKEN World

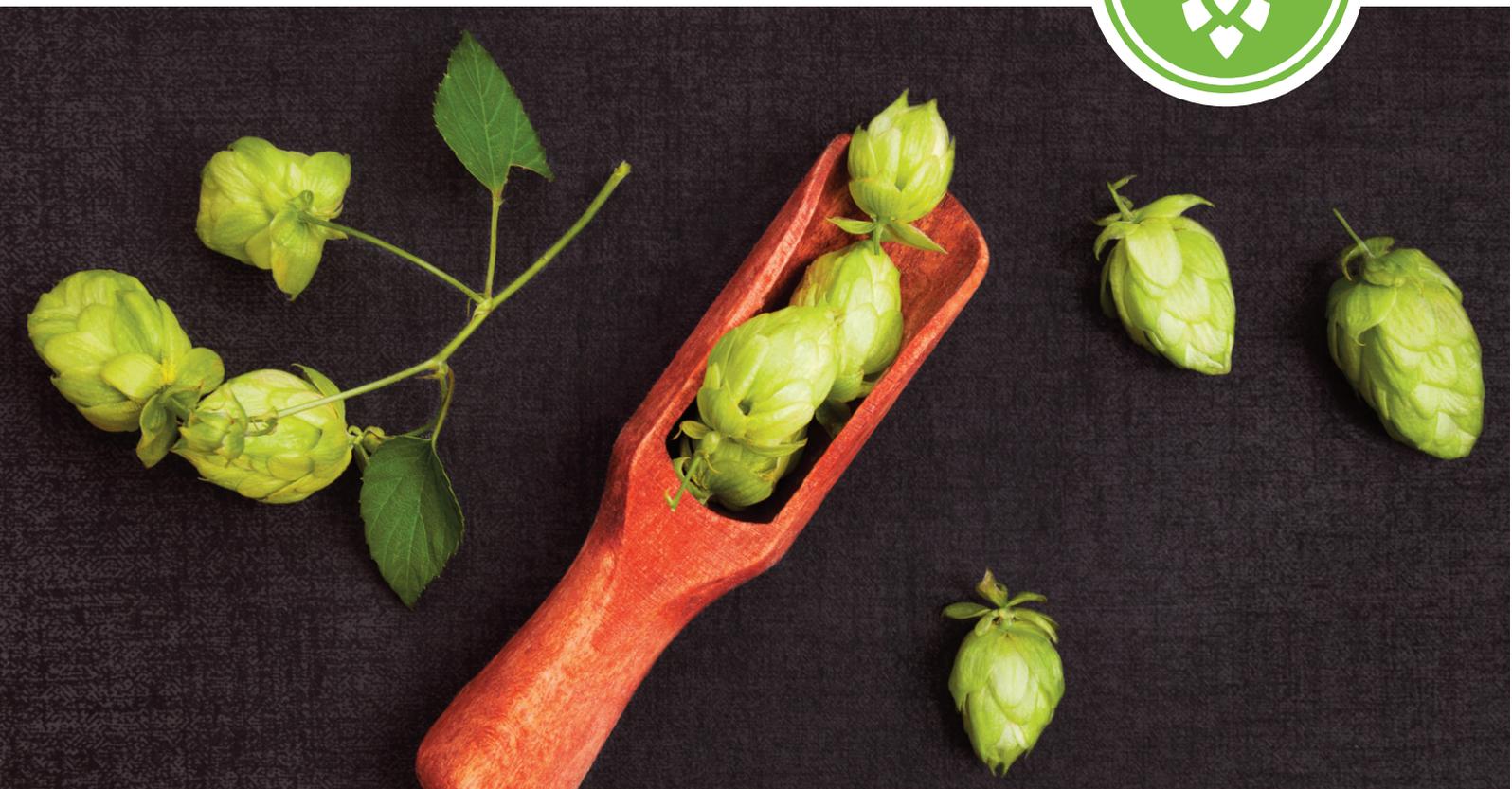
Employment Category	Occurrence	Penalty
Employee	3 levels of offences	Level 1: Written warning Level 2: Delay pay raise, not exceeding 6 months or terminated Level 3: Terminated
Contractors	Twice per month	Forbidden from entering the company permanently

Be sober and free from drugs	Phone hands free only	Wear your seatbelt and helmet
Drive at the allowed speed	Operate vehicles only when authorized	Lock out, tag out before work on machines or equipment begins
Protect yourself against a fall when working at height	Obtain authorisation before starting any hot work activity	Drive forklift trucks safely
Comply with CO ₂ procedure when required	Protect yourself when working with chemicals	Obtain authorisation before entering a confined space

Safety and Health Day Award. This award recognized our organization of the HEINEKEN Vietnam World Safety & Health Day, for excellence in promoting the LSR during our event, the participation of senior management in our event, and the relevancy of our brewery health and safety strategy with the activities held during the event.



Sourcing Sustainably



We partner with our suppliers to achieve a sustainable and holistic growth as a community, while ensuring a consistent supply to meet the growing demand of our products. These goals are achieved by implementing the right practices throughout our supply chain – through our local sourcing efforts and our Supplier Code of Procedures.

Local Sourcing

Since 2015, we have increased our percentage of packaging materials²⁵ which are sourced from local suppliers, from 75% in 2015 to 100% in 2016. This performance is a testimony of our commitment to choose local Vietnamese suppliers and support mutual growth with our partners whenever possible. By doing so, we help to create jobs and wealth in Vietnam. Our 2016 economic impact study shows that we have created an additional 123,500 jobs through our value chain as a result of our policy of local sourcing.

Our Supplier code procedures²⁶



HEINEKEN Vietnam is currently at Step 3&4

The 4-step HEINEKEN Supplier Code Procedures is adopted in our operations and applies to all our suppliers of materials and services. It serves as a guideline and defines the minimum standards of compliance pertaining to the areas of Integrity and Business Conduct, Human Rights, and the Environment. As at 2016, with all our suppliers having signed the Supplier Code of Conduct, we have progressed on to supplier monitoring (step 3) and audit (step 4). 400 suppliers have completed and passed the supplier audits.

²⁵ We do not source our agricultural raw materials (barley and hop) locally, as the climatic conditions are unsuitable for the growth of these ingredients.

²⁶ For full details of our Supplier Code and the four-step procedures, please refer to <http://www.theHEINEKENcompany.com/sustainability/focus-areas/sourcing-sustainably>.

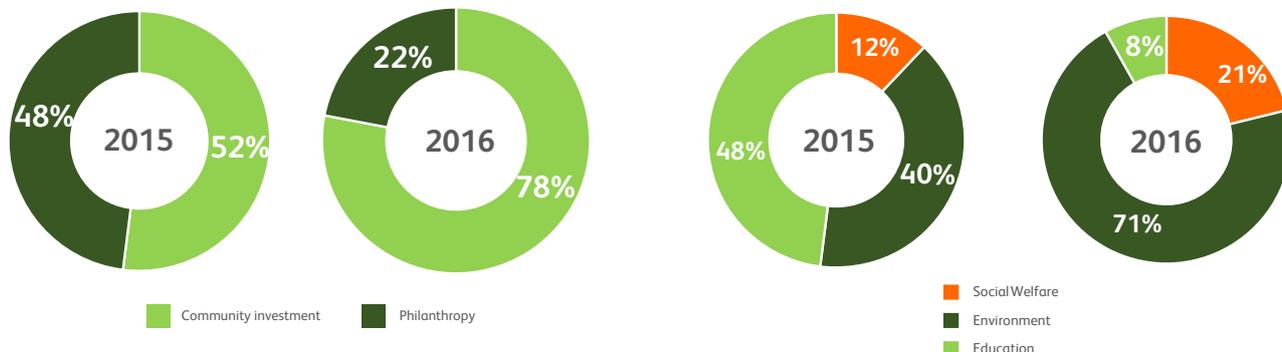
Growing with community



We partner our community to Brew a Better Vietnam specifically in two priority areas²⁷, which are in line with our business agenda – Environment (water) and Education. We are committed to providing access to clean water and supporting the participation of local communities in improving water management.

²⁷ We do not include our responsible drinking campaign, improvement of brand promoters' welfare and investment in operational infrastructures as part of community investment. This is because we consider these initiatives as basic building blocks which are essential for the responsible operation of our business

Investing in our communities



Contributions to communities by motive

Contributions to communities by cause

2015



Cash
60%



Management
37%



Time
2%

2016



Cash
68%



Management
25%



Time
7%

Forms of direct contribution to Communities



With the support
of more than
VND **25** Billion
in cash and
in-kind...



...together with
6,496 volunteer
hours from 1,624
employees



We reached out to
7,064 households
in Vietnam

Case study: “1 Minute Less for Million Smiles” continues to solve immediate needs of our community

Between March and June 2016, Vietnam experienced a particularly dry season, and to reach out to households affected by the drought, we launched our “Smiles Truck” as part of our yearly “1 Minute Less for Million Smiles” campaign. This is our fifth year into our “1 Minute Less for Million Smiles” campaign, a HEINEKEN Vietnam community programme which aims to:

- Raise awareness in the community about the importance of freshwater
- Communicate the necessity to jointly save and protect water resources
- Execute projects to support communities’ access to freshwater, with every 100,000 pledges or good deeds made by members of



“1 Minute Less for Million Smiles” campaign

the public on saving water, funding one water project

In May 2016, we have delivered 576,000 liters of freshwater from local water supply plants to 2,500 drought-affected households nationwide, improving their day-to-day livelihoods. These households were in remote



and rural areas facing severe drought and sources of increasingly saline water in Tien Giang, Kien Giang, Binh Thuan, Ninh Thuan, and Quang Nam.

Case study: Nurturing the next generations of leaders

The launch of the scholarship for children of non-supervisory employees (JG50) since 2008 demonstrates our commitment to empower future generations with knowledge for a more sustainable future

The scholarship aims to pave a brighter future for the children of our people, while reducing the financial burden of our people and their

family. Every child (ranging from primary to university) stands an equal opportunity to be awarded with this scholarship upon meeting the following assessment criteria:

- Academic results
 - Primary/Secondary/High school: Good academic result
 - University/college: GPA of minimum 7.0 for the whole academic year

- Parents must have rendered at least one year service (as at 31 December 2016) at HEINEKEN Vietnam
- Maximum of only one scholarship per child (in the event that both parents are employees of HEINEKEN Vietnam)

As at 2016, a total of 138 children have benefitted from the scholarships

Appendices

Our Key Stakeholders and How We Communicate

Stakeholders	Examples	Purpose and Goals	Methods of Engagement	Frequency of Engagement
Customers and Consumers 	<ul style="list-style-type: none"> ▪ Distributors ▪ Outlet owners ▪ Consumers 	<ul style="list-style-type: none"> ▪ Strengthen and expand distribution network ▪ Maintain & increase brand loyalty ▪ Promote sustainability awareness ▪ Promote responsible consumption ▪ Increase customer & consumer satisfaction 	<ul style="list-style-type: none"> ▪ Distributor Conference ▪ Market Visit ▪ Reputation Survey ▪ Media, PR and Digital 	<ul style="list-style-type: none"> ▪ Annually ▪ Monthly ▪ Bi-annually ▪ sFrequently
Employees 	<ul style="list-style-type: none"> ▪ Employees 	<ul style="list-style-type: none"> ▪ Enhance and increase employee commitment and loyalty ▪ Promote sustainability awareness 	<ul style="list-style-type: none"> ▪ Town-hall meeting ▪ Executive Forum ▪ Flash news ▪ Newsletter ▪ Year-end dinner ▪ Away-day ▪ Employee Climate Survey 	<ul style="list-style-type: none"> ▪ Twice a year ▪ Twice a year ▪ On events ▪ Quarterly ▪ Annually ▪ Annually ▪ Yearly
Employee representatives 	<ul style="list-style-type: none"> ▪ Vietnam General Confederation of Labour ▪ Vietnam Labor Safety Committee ▪ Department of Labours, Invalids & Social Affairs ▪ Trade Union 	<ul style="list-style-type: none"> ▪ Ensure business operation complies with law & regulation ▪ Laws & Regulation updates 	<ul style="list-style-type: none"> ▪ Conference ▪ Meeting and workshops 	<ul style="list-style-type: none"> ▪ Frequently on events ▪ Frequently on events
Governments 	<ul style="list-style-type: none"> ▪ Prime Minister's Office ▪ National Assembly ▪ Ministry of Health ▪ Ministry of Industry and Trade ▪ Ministry of Finance ▪ General Department of Tax ▪ Member of National Assembly in province ▪ People's committees (in-charge of the province and cities) ▪ DPI, DoH, DoC, DoF, DoNRE, DoPA, DoIT, DoIC, DoCS, DoIC, DoTax ▪ Provinces' Authorities 	<ul style="list-style-type: none"> ▪ Advocates alcohol related law/regulation development ▪ Support for business operations i.e. extension projects, in-charge, advertisement, promotion, construction, land & housing ▪ Support in promoting sustainability practice amongst Vietnamese businesses 	<ul style="list-style-type: none"> ▪ Courtesy visits ▪ Friendly events ▪ Festive occasions (New year, Tet Autumn, Biz. anniversary) ▪ Industry workshops ▪ Business calls ▪ Study trip ▪ Sponsorship 	<ul style="list-style-type: none"> ▪ Frequently/On events

Stakeholders	Examples	Purpose and Goals	Methods of Engagement	Frequency of Engagement
Industry associations 	<ul style="list-style-type: none"> International Center for Alcohol Policies Vietnam Beer Alcohol Beverage Association 	<ul style="list-style-type: none"> Support for law/regulation development 	<ul style="list-style-type: none"> Industry workshops Study trip Supporting sponsorship 	<ul style="list-style-type: none"> Monthly/ on events
Investors 	<ul style="list-style-type: none"> Bankers Saigon Trading Group 	<ul style="list-style-type: none"> Maintain & increase shareholders' relationship Exchange of shareholders' views and perspectives 	<ul style="list-style-type: none"> Monthly/ Quarterly Reports Ad-hoc updates Year-end review Daily Transaction 	<ul style="list-style-type: none"> Monthly/quarterly Ad-hoc Hàng năm Hàng ngày
Media 	<ul style="list-style-type: none"> Thanh Nien HTV VNExpress 	<ul style="list-style-type: none"> Exchange of views and information 	<ul style="list-style-type: none"> Media Meeting Press Conference Reputation Survey 	<ul style="list-style-type: none"> Twice a year On events Bi-annually
NGOs & international organizations 	<ul style="list-style-type: none"> Red Cross Central Youth Union Vietnam Chamber of Commerce and Industry Vietnam Business Council for Sustainable Development 	<ul style="list-style-type: none"> Partnership for impact Information update and exchange on best practices/expertise on sustainability development 	<ul style="list-style-type: none"> Tet Charity/Mid-Autumn Festival Water Programmes Reputation Survey Expert Meetings/Forum 	<ul style="list-style-type: none"> Annually Frequently Bi-annually On events
Suppliers 	<ul style="list-style-type: none"> Crown Da Nang Malaya Vietnam Glass Limited 	<ul style="list-style-type: none"> Ensure business performance and compliance 	<ul style="list-style-type: none"> Reputation Survey Expert Meetings 	<ul style="list-style-type: none"> Bi-annually On events

Definition of Parameters and Indicators

Environmental parameters and indicators

Parameters	Definition
Thermal energy consumption	Consumption of thermal energy per unit produced in MJ (the corresponding CO ₂ emission is derived from this figure using the WBCSD Protocol)
Electricity consumption	Consumption of electrical energy in kWh
Water consumption	Water consumption in m ³
Solid waste disposal	Non-recycled waste in kg such as hazardous waste, wastewater treatment sludge and industrial waste
COD load of effluent	The chemical oxygen demand of treated or untreated wastewater leaving the production unit and discharged to surface water in kg
Number of complaints	External complaints related to nuisance
Number of external environment-related incidents	Incidents related to environment and safety which had an impact outside the production unit

Performance indicators	Definition
Specific thermal energy consumption	Thermal energy consumption per unit produced in MJ/hl beer, cider, soft drinks and water
Specific electricity consumption	Electricity consumption per unit produced in kWh/hl beer, cider, soft drinks and water
Specific total energy consumption	Equals thermal energy consumption plus 3.6 times the electricity consumption per unit produced
Specific CO ₂ emission	Fossil CO ₂ emission (direct and indirect) respectively derived from thermal energy and electricity consumption, plus refrigerant losses expressed in CO ₂ equivalents per unit produced in kg/hl beer, cider, soft drinks and water
Specific water consumption	Water consumption per unit produced in hl/hl beer, cider, soft drinks and water

Safety parameters and indicators

Parameters	Definition
Fatal accidents	Fatalities of own staff and contractor personnel
Accidents	Accidents of own staff and contractor personnel
Lost days	Absence due to an accident, own staff in calendar days
Workforce	Expressed in Full-Time Equivalents (FTE)

Performance indicators	Definition
Accident frequency	Own staff, number of accidents resulting in absence from work per 100 FTE
Accident severity	Own staff, lost days from work per 100 FTE

Community investment indicators

Parameters	Definition
Direct contributions	Contributions made by the company; the combined cash value of these contributions = the total cost of our community investment project.
Cash	Total cash contributed. E.g. direct donations, social sponsorship, matching employee giving
Time	Value of time contributed by employees during company time. E.g. employee volunteering, fundraising activities
Management	Running costs and overheads. E.g. professional advice, research, communication to relevant audiences
Leveraged contributions	Contributions from outside the company as a result of company's initiative
Employees in their personal capacity	Value of direct donations or funds raised by employees, including time contribution that are outside working hours
External partners	Value of donations contributed by partners to the project

Appendices

Global Reporting Initiative (GRI) Table 4.0

General Standard Disclosures



Profile Disclosure	Description	Cross-Reference/Direct Answer
Strategy and analysis		
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Managing Director foreword (Page 4)
Organizational Profile		
G4-3	Name of the organization	Report scope (Page 6)
G4-4	Primary brands, products, and/or services	Report scope (Page 6)
G4-5	Location of organization's headquarters	Report scope (Page 6)
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Report scope (Page 6)
G4-7	Nature of ownership and legal form	Report scope (Page 6)
G4-8	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	Report scope (Page 6)
G4-9	Scale of the reporting organization	Report scope (Page 6)
G4-10	Total workforce by employment type, gender, employment contract and region	Values and Behaviours (Page 21)
G4-11	Percentage of employees covered by collective bargaining agreements	All our employees are covered by collective bargaining agreements.
G4-12	Description of the organization's supply chain	25 years of efforts and more to come (P. 10) Sustainability Governance (P. 20), Sourcing Sustainably (Page 46)
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Managing Director foreword (Page 4), Report scope (Page 6), Sustainability Governance (Page 20)
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Sustainability Governance: Crisis Management (Page 21)

Global Reporting Initiative (GRI) Table 4.0

General Standard Disclosures



Profile Disclosure	Description	Cross-Reference/Direct Answer
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	<p>Advocating Responsible Consumption (Page 25)</p> <p>HEINEKEN is a signatory to the UN Global Compact (UNGC).</p> <p>HEINEKEN endorses the principles enshrined within the Universal Declaration of Human Rights and the Core or Fundamental Conventions of the International Labour Organization (ILO) based on respect for the dignity of the individual without distinction of any kind.</p>
G4-16	Memberships in associations (such as industry associations)	Advocating Responsible Consumption (Page 25)
Identified material aspects and boundaries		
G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures (List all entities in the consolidated financial statements)	Managing Director foreword (Page 4), Report scope (Page 6), Sustainability Governance (Page 20)
G4-18	Process for defining report content and the Aspect Boundaries and explain how the Reporting Principles has been implemented	Report scope (Page 6), Our Material Issues in the Vietnamese Context (P. 18)
G4-19	List all material Aspects identified	Our Material Issues in the Vietnamese Context (Page 18)
G4-20	The Aspect Boundary within the organization: Whether the Aspect is material within the organization; The list of entities included in G4-17 for which the Aspect is or is not material; Specific limitation regarding the Aspect Boundary within the organization	Report scope (Page 6), Our Material Issues in the Vietnamese Context (Page 18)
G4-21	The Aspect Boundary outside the organization: Whether the Aspect is material outside the organization; The list of entities for which the Aspect is material, relate to geographical location; Specific limitation regarding the Aspect Boundary outside the organization material, relate to geographical location; Specific limitation regarding the Aspect Boundary outside the organization	Report scope (Page 6), Our Material Issues in the Vietnamese Context (Page 18)
G4-22	Explanation of the effect of any restatements	No restatements in the reporting period
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Managing Director foreword (Page 4), Report scope (Page 6), Sustainability Governance (Page 20)



Global Reporting Initiative (GRI) Table 4.0

General Standard Disclosures

Profile Disclosure	Description	Cross-Reference/Direct Answer
Stakeholder engagement		
G4-24	List of stakeholder groups engaged by the organization	Our Key Stakeholders and How We Communicate (Page 17)
G4-25	Basis for identification and selection of stakeholders with whom to engage	Our Key Stakeholders and How We Communicate (Page 17)
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Our Key Stakeholders and How We Communicate (Page 17)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting; Report the stakeholder groups that raised each of the key topics and concerns	Our Key Stakeholders and How We Communicate (Page 17)
Report Profile		
G4-28	Reporting period	Report Scope (Page 6)
G4-29	Date of most recent previous report	31 December 2015
G4-30	Reporting cycle	Report Scope (Page 6)
G4-31	Contact point for questions regarding the report or its contents	Reference Information (Page 63)
G4-32	a. Report the 'in accordance' option the organization has chosen b. Report the GRI Content Index for the chosen option	Reliability, Completeness and Methodology (Page 7)
G4-33	Policy and current practice with regard to seeking external assurance for the report	Reliability, Completeness and Methodology (Page 7)
Governance		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Sustainability Governance (Page 20)
Ethics and Integrity		
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Values and Behaviours (Page 23)



Global Reporting Initiative (GRI) Table 4.0

Specific Standard Disclosures: Disclosure on Management Approach (DMAs)

GRI Aspect	HEINEKEN Focus Areas	Cross-Reference
Economic Performance	Not a HEINEKEN focus area	HEINEKEN Annual Report 2016, Report of the Executive Board: Operational Review (Page 10-15), Regional Review (Page 20)
Indirect Economic Impacts	Not a HEINEKEN focus area	Growing with Communities (Page 48)
Energy	Reducing CO ₂ emissions	Reducing CO ₂ Emissions (Page 34)
Water	Protecting water resources	Protecting Water Resources (Page 30)
Emissions	Reducing CO ₂ emissions	Reducing CO ₂ Emissions (Page 34)
Effluent and Waste	Protecting water resources, Reducing CO ₂ emissions	Wastewater Management (Page 33), Waste management and environmental compliance (Page 33)
Environmental Compliance	Reducing CO ₂ emissions	Reducing CO ₂ Emissions (Page 34), Protecting Water Resources (Page 30)
Supplier Environmental Assessment	Sourcing sustainably	Sourcing Sustainably (Page 46)
Occupational Health and Safety	Promoting health and safety	Promoting Health and Safety (Page 42)
Supplier Assessment for Labor Practices	Sourcing sustainably	Sourcing Sustainably (Page 46)
Supplier Human Rights Assessment	Sourcing sustainably	Sourcing Sustainably (Page 46)
Local Communities	Growing with communities	Growing With Communities (Page 48)
Compliance	Values and Behaviours	Values and Behaviours (P. 23), Protecting Water Resources: Waste management (P. 33), 25 years of efforts and more to come (P. 10)
Supplier Assessment for Impacts on Society	Sourcing sustainably	Sourcing Sustainably (Page 46)
Customer Health and Safety	Advocating responsible consumption	Advocating Responsible Consumption (Page 25)
Product and Service Labelling	Advocating responsible consumption	Advocating Responsible Consumption (Page 25)
Marketing Communications	Advocating responsible consumption	Advocating Responsible Consumption (Page 25)
Compliance	Advocating responsible consumption	Advocating Responsible Consumption (Page 25)

Global Reporting Initiative (GRI) Table 4.0

Specific Standard Disclosures: Performance Indicators



Profile Disclosure	Description	Cross-Reference/Direct Answer
ECONOMIC Economic Performance		
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government (by country) and community investments; EVG&D separately at country, regional or market level	25 years of efforts and more to come (Page 10) Growing With Communities (Page 48)
Indirect economic impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	25 years of efforts and more to come (Page 10) Growing With Communities (Page 48)
G4-EC8	Significant indirect economic impacts, including the extent of impacts	25 years of efforts and more to come (Page 10) Growing With Communities (Page 48)
ENVIRONMENTAL Energy		
G4-EN3	Energy consumption within the organization	Reducing CO ₂ emissions (Page 34)
G4-EN5	Energy intensity	Reducing CO ₂ emissions (Page 34)
G4-EN6	Reduction of energy consumption	Reducing CO ₂ emissions (Page 34)
Water		
G4-EN8	Total withdrawal by source	Protecting Water Sources (Page 30)
G4-EN10	Percentage and total volume of water recycled and reused	Protecting Water Sources (Page 30)
Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Reducing CO ₂ emissions (Page 34)
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Reducing CO ₂ emissions (Page 34)
G4-EN18	Greenhouse gas (GHG) emissions intensity	Reducing CO ₂ emissions (Page 34)
Effluents and waste		
G4-EN22	Total water discharge by quality and destination	Protecting Water Sources (Page 30)

Global Reporting Initiative (GRI) Table 4.0

Specific Standard Disclosures: Performance Indicators



Profile Disclosure	Description	Cross-Reference/Direct Answer
Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Protecting Water Resources: Waste management (Page 33)
Supplier environmental assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Sourcing Sustainably (Page 46)
SOCIAL LABOUR PRACTICES AND DECENT WORK Occupational health and safety		
G4-LA5	Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programmes	Promoting Health and Safety (Page 42)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Promoting Health and Safety (Page 42)
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Promoting Health and Safety (Page 42)
Supplier assessment and labour practices		
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Sourcing Sustainably (Page 46)
HUMAN RIGHTS Supplier human rights assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Sourcing Sustainably (Page 46)
Local communities		
G4-SO1	Percentage of Operating Companies with implemented local community engagement, impact assessments, and development programmes	Advocating Responsible Consumption (Page 25) Growing with Communities (Page 48)
G4-SO2	Operating Companies with significant actual or potential negative impacts on local communities	Advocating Responsible Consumption (Page 25) Growing with Communities (Page 48)

Global Reporting Initiative (GRI) Table 4.0

Specific Standard Disclosures: Performance Indicators



Profile Disclosure	Description	Cross-Reference/Direct Answer
Compliance		
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Protecting Water Resources: Waste management (Page 33), 25 years of efforts and more to come (Page 10)
Supplier assessment for impacts on society		
G4-S09	Percentage impacts of new suppliers that were screened using criteria for impacts on society	Sourcing Sustainably (Page 46)
PRODUCT RESPONSIBILITY		
Customer health and safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Advocating Responsible Consumption (Page 25)
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Managing Director foreword (Page 4), Advocating Responsible Consumption (Page 25)
Product and service labelling		
G4-PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Advocating Responsible Consumption (Page 25)
Marketing communications		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Managing Director foreword (Page 4), Advocating Responsible Consumption (Page 25)
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Advocating Responsible Consumption (Page 25)

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Let us know your thoughts

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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