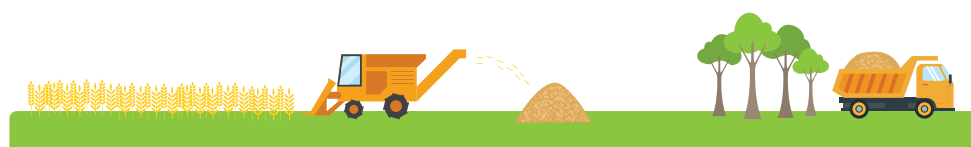




Sustainability Report 2018

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

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

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

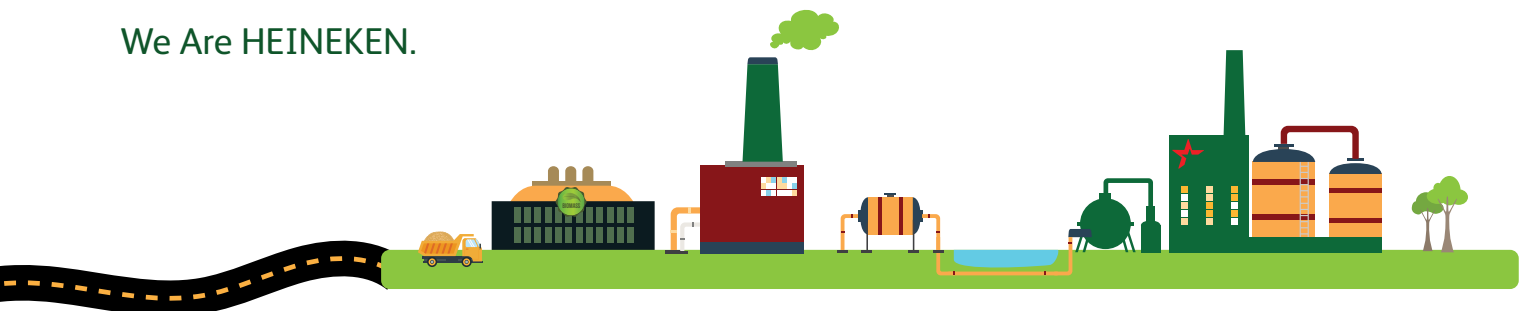
We stand by our values: passion for quality, enjoyment of life, respect for people and for the planet.

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.





Leo Evers, Managing Director

Managing Director Foreword

2018 was a truly exciting year for HEINEKEN Vietnam. It was our great honour to be awarded the most sustainable manufacturing company in Vietnam by the Vietnamese Chamber of Commerce and Industry for the second consecutive year and to be the only company to rank in the top three for the past three years. On 5 July 2018, HEINEKEN Vietnam proudly shared its sustainability program at the National Conference on Sustainable Development 2018, chaired by Prime Minister Nguyen Xuan Phuc.

We are grateful for the recognition of our hard work and progress in brewing a better Vietnam and will continue to challenge ourselves with the knowledge that there is always more that can be done. In 2018, we put sustainability at the forefront of our strategic thinking as the defining character of our business. We want this ambition to resonate throughout the company and to empower all our employees to integrate sustainability into everyday decision-making.

All of our breweries create virtually zero waste to landfills and all water used is treated and reused or safely returned to the environment. Our newest brewery in Vung Tau will become the first carbon neutral brewery in HEINEKEN Asia Pacific Region and will run on 100% renewable energy for both its thermal and electrical energy needs. We continue to expand the use of energy at all breweries and believe it will become the quintessential model as we continue to adopt circular economy practices in Vietnam. The use of both thermal and electrical renewable energy helped us avoid using 38,617 tonnes of CO₂. In 2018, our carbon emissions also decreased 10%. Additional efforts to reduce emissions along our supply chain include optimising our distribution network switching to more environmental friendly vehicles such as electrical forklifts. These initiatives have reduced over 2,500 tonnes of carbon emissions in 2018 alone.

We continue to invest significantly to promote our Responsible Drinking culture amongst our stakeholders. We worked with an international behaviour change expert to design more effective responsible drinking campaigns. In 2018, we brought the message to over 30.5 million people through our events and initiatives. We reinforce the responsible drinking culture among all employees by providing transportation support for sales members' visits, traffic simulation training and strict enforcement on When You Drive - Never Drink.

One of our greatest achievements in 2018 is hard to show in numbers or statistics – it is the pride and commitment that our people show for our sustainability initiatives. We did increase our Climate Survey scores, to become one of the highest in HEINEKEN globally and we were recognised as one of the best places to work in Asia by Human Resource magazine, but, it is the pride and support I see every day that really counts.

I look forward to another great year ahead in 2019 where we can work together with all our stakeholders and drive real action towards the SDGs. We hope you feel as inspired as we do to create positive impact and invite everyone to join us on our sustainability journey; so that together, we can brew a better Vietnam.



Leo Evers

Managing Director
HEINEKEN Vietnam Brewery
June 2019

OUR PURPOSE: Brewing a Better Vietnam



Q: What does it mean for sustainability to be part of business strategy?

It simply means that for every decision one makes at HEINEKEN we need to consider three questions:

- 1. Will it help drive market share?*
- 2. Will it help to increase profit?*
- 3. Is it sustainable?*

You should be able to answer yes for all three. If not, you should re-consider your decision.

Let me give you an example: Product packaging for Tet was proposed for my approval using printed silver ink. Whilst the attractive packaging would have probably increased sales, the fact that the metallic inks made the carton less recyclable and could create harmful waste and the added cost of the carton, meant it failed the 3Q test and so was not approved.

Vietnam has seen remarkable economic achievements in recent years. It is in the nation's strategic interest to combine this strong economic growth with environmental sustainability and social equality. HEINEKEN Vietnam is fully committed to take, and more importantly, inspire real action amongst our stakeholders towards supporting Vietnam's National Sustainability Agenda.

In 2018, HEINEKEN Vietnam made a shift in sustainability being not only a commitment, but also a top line purpose that should be at the forefront of how our business is driven. This approach leads the way for more behavioural changes in our organization as it provides all HEINEKEN employees in Vietnam a mandate to consider sustainability in their day-to-day work and decision-making.

With sustainability driving our business, we pioneer and champion the sustainability agenda in Vietnam through leading by example and continuously pushing ourselves to **achieve greater sustainability standards**. When completed by the end of 2019, Vung Tau Brewery will become the first carbon neutral brewery in the region, using 100% of both thermal and electrical energy generated from biomass. If



this pilot is successful, then this model will be expanded to other breweries in Vietnam to use biomass-generated electricity.

It is our belief that only by working together with our stakeholders and other members of the business community, that we can chart a sustainable development pathway for the country. Hence, we proactively **promote sustainability practices in the local business community and create more awareness amongst our stakeholders** through setting up a strict Supplier Code of Conduct and executing various engagement/ educational

activities. In 2018, HEINEKEN Vietnam sponsored circular economy workshops for over 20 small and medium enterprises, organized sustainability training for over 100 suppliers and gave talks at various platforms about HEINEKEN Vietnam's sustainability journey. We also ran several highly successful sustainability campaigns on key issues such as "When You Drive, Never Drink" to advocate responsible drinking, "One minute less for million smiles" to tackle water scarcity and even built a "Tiger Bridge" to encourage recycling and reducing waste that would otherwise end up in landfills.

Q: What do you think HEINEKEN Vietnam's

“ Firstly, we create positive economic value through our economic contribution. In 2018, we contributed 49 trillion dong, equivalent to 0.91% of Vietnam's total GDP, a 15% increase vs 2017. We also supported 166,000 jobs; directly and indirectly through our value chain.

Not only did we realize many best practices that helped us save energy and protect the environment, we also championed the circular economy model. Finally, we were very proud to be named the Most Sustainable Company in Vietnam for the second year in a row.

As a business, we shifted our sustainability strategy by re-defining sustainability as our over-arching business purpose. This change gives our employees a mandate to think about and apply sustainability in their everyday decision-making.

For our consumers, the first value we bring is high quality products; great beers and ciders for a range of occasions. At the same time, we bring a culture of Responsible Drinking. By leveraging our brand power, we reach a great number of people. Though the change in behaviour takes time, we can see that our initiatives are gaining traction. More and more people who went to our flagship Heineken® and Tiger brand events recognized our efforts to promote a more moderate culture.

Lastly, I think we bring value to our people by ensuring their safety and wellness. We build a safety culture in many ways; from providing transportation support for sales visits, regular training and especially strict enforcement on our When You Drive, Never Drink rule.

Mr. Leo Evers
Managing Director - HEINEKEN Vietnam



greatest created value for its stakeholders is?

“Provide staff with a great working environment, many opportunities for growth. Instill a culture of safety that really takes care of employees' safety and wellness. Truly care about environmental impacts and aim to provide practical solutions to sustainability issues.

Ms. Pham Thi Kim Chi
Manager - Customer Service & Logistics,
25 years service award



“Provide support for local infrastructure project and raising awareness on environmental protection within communities

Mr. Nguyen Thanh Hai
Deputy Head of the National Assembly
Delegation of Tien Giang Province

“A responsible corporate citizen, with significant contribution to the state budget, great initiatives to protect and preserve the environment and meaningful community programs that create positive social impact.

Mr. Tran Van
Ex-Member of National Assembly



“Heineken Vietnam establishes a fair and transparent working relationship with all the suppliers and is innovative when it comes to best sustainability practices. I have come to embrace Heineken's initiatives on Life Saving Rules, Water Conservation and many others to help improve the Sustainability for my company.

Mr. Hoang Anh Dung
Director of Hoang Nguyen Garment Company, Supplier

“A safe and nurturing work environment, with great support from supervisors. Great training on safety and harassment handling for promoters as well.

Sales Promoter

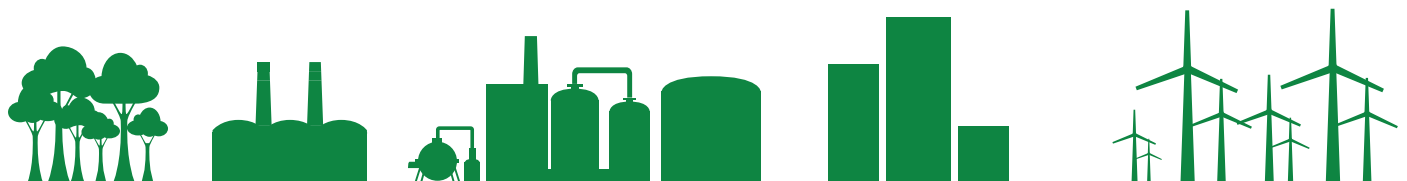
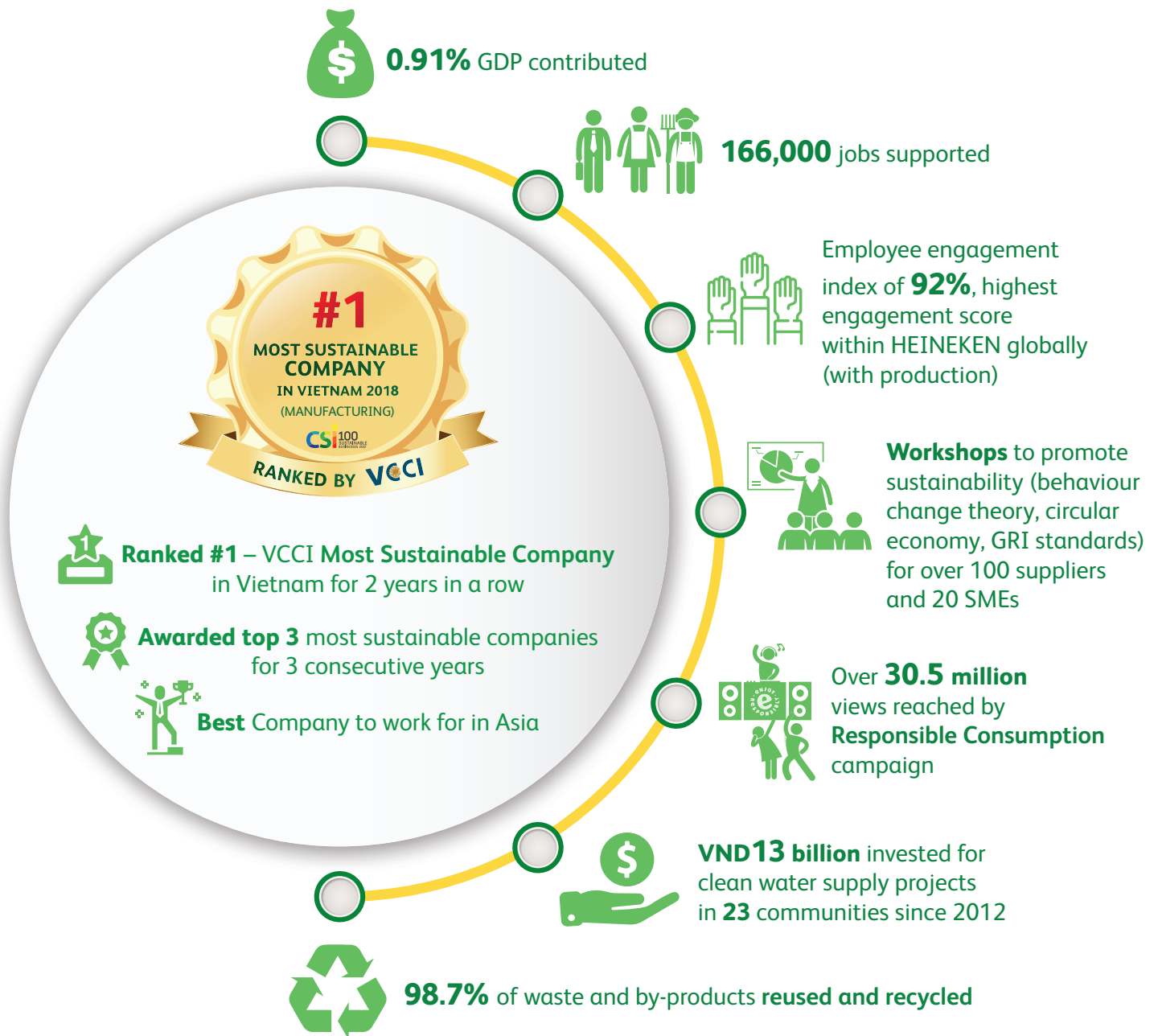


“Putting consumers first before profit by encouraging us to drink responsibly.

Event goer
Tiger Wall event



Highlights of 2018

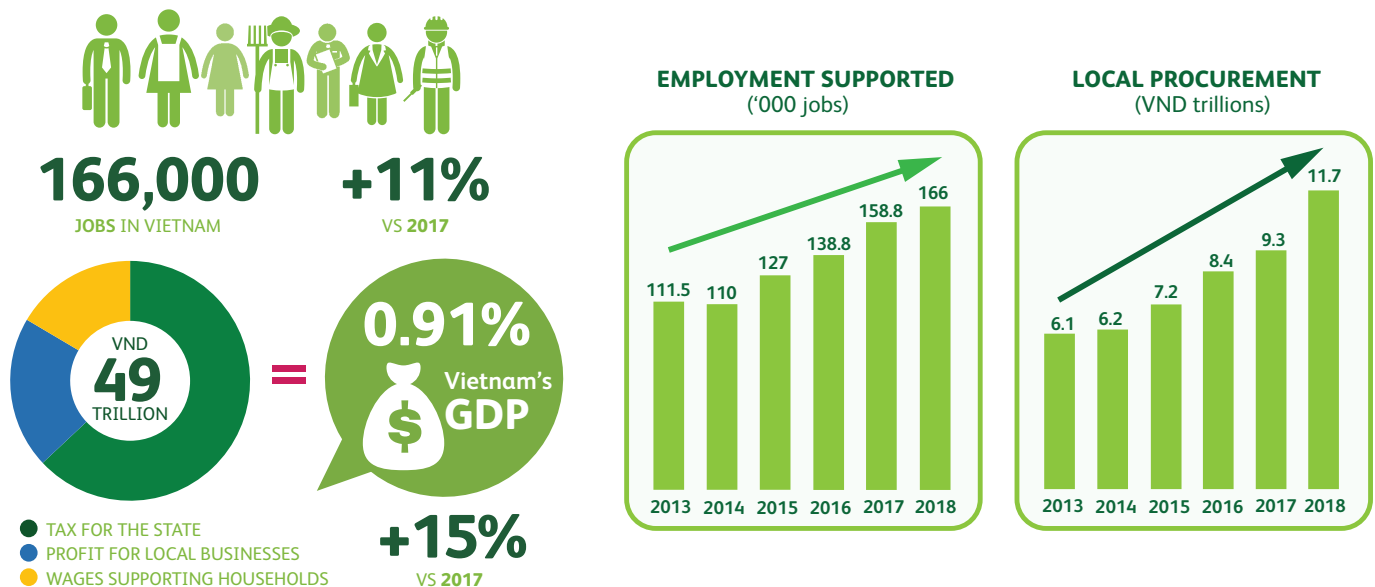




Sustaining Prosperity for a Better Vietnam

HEINEKEN Vietnam's Created Value #1:

Direct and indirect economic contribution through job creation and GDP contribution



The importance of HEINEKEN Vietnam's direct contribution to the economy is recognized through tax contributions and job creation throughout the value chain. It is therefore critical for HEINEKEN Vietnam as a company to be able to sustain itself economically and to quickly adapt to the changing retail landscape.

Driven by the need to constantly evolve and innovate, we continue our efforts to deliver a variety of high-quality products, to add to our portfolio of international and local beers and ciders. In 2018, we introduced Amstel beer to Vietnamese consumers and launched a new flavour for Strongbow (Dark Fruit). To stay ahead of market trends, we stay close to our consumers, listening to their needs and responding quickly where needed.

We also want to drive more efficient use of our economic resources and achieve meaningful cost reduction across business functions. More than just cost optimization, we aim to instil the entrepreneurship spirit in our employees where everyone strives to be more efficient and more effective everyday.

These strategies help drive profits and ensure that HEINEKEN Vietnam can continue to sustain its growth. It is only by sustaining our own growth, that we can create economic value across the value chain, providing job security for our employees and stable income for our vendors.

In 2018, HEINEKEN Vietnam directly employed 3,277 employees and supported over

162,000 indirect jobs throughout its value chain: upstream relating to sourcing of ingredients, packaging materials and services, as well as downstream relating to the distribution and trade of our beverages. Our suppliers, distributors, contractors and trade partners can benefit from our activities, and grow their business alongside HEINEKEN Vietnam.

HEINEKEN Vietnam is also committed to local and sustainable sourcing as much as possible. By sourcing nearly all of our packaging materials in Vietnam, we are able to contribute more to the local economy. This supports local businesses and generates income while providing the added-value of reducing our carbon footprint in our supply chain.

HEINEKEN Vietnam's Created Value #2:

Enhancing competitive advantage for Small and Medium Enterprise (SMEs) in the industry

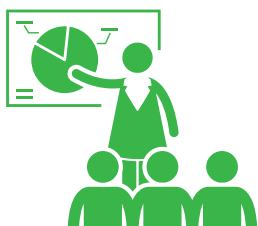


Aside from direct economic benefit, we also help develop our business partners' capabilities which results in their business growth. All new distributors attend a Distributor Orientation Programme that is designed to

improve their business and management skills. To deliver the most effective programme outcome, we tailor our approach to focus on developing our distributors based on their levels of "Skill and Will."



Training on logistics skills conducted for **67** distributors



4 training sessions conducted for distributor successors

In addition, we conduct trainings for potential successors of distributors, many of which are owned by first-generation distributors at retirement age, to provide them with the necessary soft skills and competencies to take over the family enterprise.

Across our distributors, logistics capabilities such as warehouse space, delivery trucks, receiving capacity (forlift/truck size) and inventory management have increased significantly. HEINEKEN Vietnam also provides support to develop outlet display and coach outlets on development.



Upskilling Small Enterprise



Transformed



Our distributor Tran Thanh Cang in Tien Giang has improved its operational management, made possible by HEINEKEN Vietnam's training program and support from 2014 to 2018. As a result, his monthly revenue in 2018 was about 8

times higher than 4 years prior. His business agility and competitive advantage has increased for a more viable business. In addition to the growth in sales, the distributor has entirely transformed his business facility.

HEINEKEN Vietnam's Created Value #3:

Creating sustainability culture amongst stakeholders

While the idea of sustainability has become mainstream, the practical application of it in Vietnam is still limited. Therefore, we believe the best way for sustainable development to be widely implemented in Vietnam is through sharing best practices and practical solutions.

A. Sustainability culture amongst SMEs and suppliers towards better businesses

With most of our impact happening in our supply chain, we believe that we can make the greatest difference by inspiring and empowering our suppliers to adhere to more socially and environmentally responsible business practices. Ensuring that our products are sourced sustainably, and our suppliers are held to the same high standard we hold ourselves to, is very important to HEINEKEN Vietnam. When we work with our suppliers to promote good practices and embrace sustainability into their business operations, they are also able to improve their business reputation and increase their competitive advantage. With businesses joining HEINEKEN Vietnam in this effort, we can support Vietnam's National Sustainability Agenda and the creation of shared value.

For that purpose, we actively engage with our suppliers and set clear guidelines through the HEINEKEN Supplier Code which covers areas of Integrity and Business Conduct, Human Rights, and the Environment.

We are aiming to build a more responsible local business community as 100% of our key

materials such as rice, corrugated carton, aluminium cans and glass bottles must follow stringent HEINEKEN Standards and are sourced from local vendors and manufacturers.

100% of new and existing materials and/or service suppliers must abide by our Code. In 2018, we terminated 5 commercial relationships with our suppliers that were unwilling to comply with our Supplier Code or refused audits by EcoVadis.

To help improve transparency in business conduct, enhance SMEs' competitive advantage and promote a sustainability culture, HEINEKEN Vietnam has been working with the Global Reporting Initiative (GRI) to present the benefits of becoming a sustainable business and promote sustainability reporting in Vietnam. In 2018, HEINEKEN Vietnam sponsored a training event on GRI Standards for 100 suppliers. We are proud to report that some of them have decided to adopt GRI principles, and started tracking and measuring their performance on material matters.

HEINEKEN Vietnam's created value

HEINEKEN Vietnam's sustainability stories shared at National Sustainability Conference and in more than 10 relevant workshops/forums nationwide



20 SMEs attended the circular economy workshop sponsored by HEINEKEN Vietnam

100 suppliers trained on the benefits of



doing business sustainably and how to report performance with GRI Standards



90% employees aware and participated in Green Office campaign

Millions of people engaged through various environmental education campaigns



In addition, HEINEKEN Vietnam sponsored a “Train-the-Trainer” workshop on Circular Economy by a leading behavioural change expert to 20 employees or members of the Vietnam Business Council for Sustainable Development. Through this, HEINEKEN Vietnam hopes to cascade the concept within their organisations and to further expand the application of such principles in their businesses.



B. Sustainability awareness for our consumers towards better environmental practices

Bridging communities, reducing waste by applying circular economy - Building a Tiger Bridge in Tien Giang



Transformed



Central to the circular economy model is the idea of turning waste into a resource. In Tien Giang province, Tiger uncaged an innovative project to collect used Tiger caps over a three-month campaign, that are then recycled by being melted down to create raw

materials in order to construct a bridge for the local community. This 30-meter-long bridge made the daily commute much less challenging for local people in 3 communes: Tam Hiep Commune, Tan Ly Dong Commune of Chau Thanh district and Tan Lap 1 of Tan

Phuoc district. Altogether, 70 participating Tiger outlets collected over 520,000 caps, equivalent to over a ton.

This meaningful project showed multifaceted benefits: recycling bottle caps instead of sending



them to the landfill, improving community infrastructure while strengthening the brand. Although the same results could have been achieved with a donation of the funds towards constructing the bridge it was more important to HEINEKEN

Vietnam to create a touchpoint with consumers and promote recycling practices in the community.

The completion of the Tiger Bridge in Tien Giang is just the start; more projects are in the pipeline for 2019.

C. Sustainability culture amongst our employees towards a strong corporate DNA

All new employees are inducted into HEINEKEN Vietnam with a strong understanding of HEINEKEN Vietnam's sustainability vision and agenda, together with its goals and strategies. In addition to an overview of the company, the induction programme also includes general awareness of sustainability, its benefits and the sustainability achievements of HEINEKEN Vietnam, creating interest in sustainability among employees and inspiring them to take action.

Together with our renewed vision and mission, this was communicated to all employees at our Town Hall and emphasised by our Managing Director.

Workshop on Circular Economy

It is important that every employee understands what HEINEKEN Vietnam stands for. Sustainability is not just the work of the sustainability team in HEINEKEN Vietnam. It is something we hope to instill in all of our employees.

In December 2018, a training course on "Circular Economy" by world leading sustainability consultants was held for 30 participants from different departments; including Supply Chain, Trade Marketing, Marketing, Human Resources and Corporate Affairs.

Topics covered in the workshop included core circular economy principles, the business case and examples, the local



context in Vietnam and exploration of opportunities for HEINEKEN Vietnam. At the 2nd session of the training, the HEINEKEN Vietnam Sustainability Team acted as facilitators for the purpose of becoming trainers, to further cascade the theory to employees at all functions.

Green Office Programme



Aiming to promote sustainability awareness and build a sustainability culture among all employees beyond production, HEINEKEN Vietnam launched the Green Office campaign in 2018, to focus on reducing water, energy, paper and waste.

Significantly, all offices and breweries took active steps to make their workplace greener and participated in Green Office competitions. Each participant was graded

on their local initiatives and actual improvement in their sustainability footprint.

As a result, the campaign has helped reduce HEINEKEN Vietnam's overall carbon footprint and serves as an ideal platform to educate and engage staff on sustainability initiatives. The activities implemented at offices as part of this campaign include:

- Replacing plastic cups with mugs/water bottles

- Switching from paper system for meal tickets to digital fingerprint scanners
- Reducing water and paper usage
- Promoting recycling
- Planting greenery in brewery compound and within office
- Using natural light and ventilation as far as possible and setting air-conditioning temperature at 25°C.
- Keeping offices clean and tidy by following 5S standard -Sort, Set in order, Shine, Standardise, Sustain.

D. Sustainability awareness for our community towards a better society

It is said that our choices define who we are. At HEINEKEN Vietnam, sustainability is our choice. We choose Green by taking care of our people and the planet to sustain prosperity

for a better Vietnam. In 2018, we spread our sustainability culture even further through our communications & social media campaign that was launched on our corporate Facebook fan

page. By promoting the hashtag #WeChooseGreen, we encourage more people to take realistic and simple actions for a better, greener Vietnam in their daily life.

Community Water Program “1 Minute Less for Million Smiles”



Despite the many rivers that cross Vietnam, many communities still lack proper access to safe water and sanitation. Committed to water stewardship, HEINEKEN Vietnam started the “1 minute less for 1 million smiles” programme since 2011. This programme aims to raise public awareness on the importance of environmental and water resource protection, and provide access to clean water for local communities.

To date, HEINEKEN Vietnam has provided clean water for

communities at risk across 23 water supply projects with a total sponsorship amount of more than VND 13 billion to local communities across Vietnam. The program was conducted through a three-year partnership between Vietnam Youth Federation and HEINEKEN Vietnam to help spread water saving and protection messages.

To enhance the message even more, we also collaborated with HCMC Urban Drainage Co. and Steering Center of the Urban Flood Control

Programme to decorate 100 manhole covers in the main streets with paintings. We launched a manhole decorating contest in October 2017 on our Facebook fan page and the campaign attracted 2,200 online participants; drawing the attention of young people towards environmental and social causes. The best 10 designs were subsequently selected for decorating the covers. The programme will continue with more impactful innovations to help address Vietnam’s water issues.

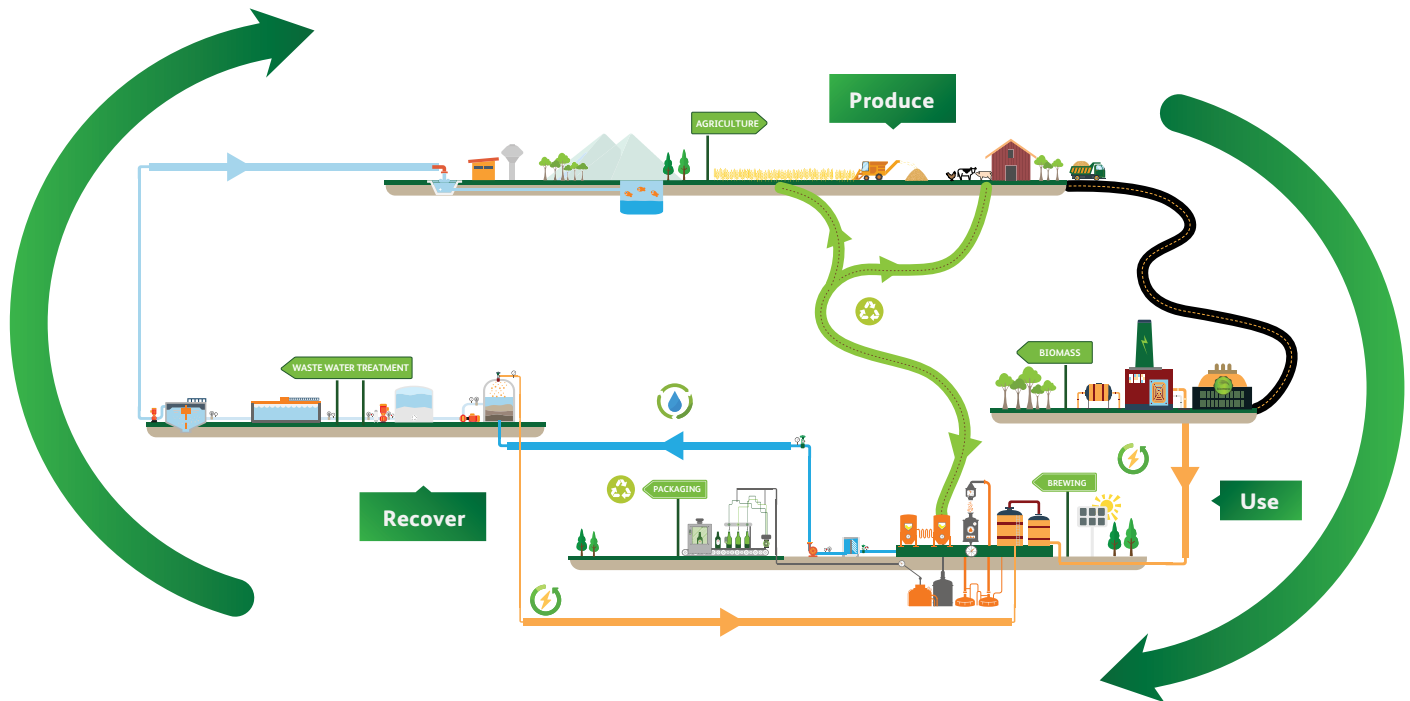


Protecting the Planet for a Better Vietnam

HEINEKEN Vietnam is committed to the global agenda on climate action and is taking firm action to reduce our carbon emissions across the entire value chain – from production and transport to packaging and cooling of our products in the outlets. Our carbon footprint in our supply chain is one of the lowest within HEINEKEN and also well ahead of competition in Vietnam. Besides applying circular economy into our operations, we also hope that our efforts will inspire the growth of a new circular ecosystem for the economy, where renewable energy is the norm and production by-products are recycled and reused infinitely.

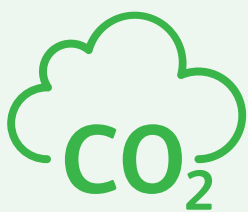
HEINEKEN Vietnam's Created Value #4:

Efficient use of resources by practicing the circular economy model



A. Resource efficiency in production

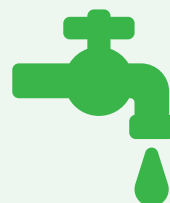
HEINEKEN VIETNAM'S CREATED VALUES TO PROTECT THE PLANET



Reduced carbon emission intensity per hl beer by **10%**



Saved 4,000 tons of aluminium a year from packaging innovation



Reduced water by **2%**



Water efficiency: #1 in Asia Pacific, Top 10 worldwide

We are focused on the circularity of our packaging from design to end-of-life stage. This begins with bottles. We have designed the route-to-market process

where nearly 100% of our bottles are returned for reuse and after a certain period of time, will be sent to a glass factory to be recycled.

Aluminium cans are also a sustainable solution for beverage packaging as they are highly recyclable and by using cans, we can transport more volume with less weight

in the truck which reduces the energy consumption for transporting beer. In 2018, we successfully reduced the thickness of the can by 9%; from 0.270mm to 0.245mm and opted for light-end aluminium for the can lid which saves 0.3g per piece without compromising the packaging quality. The estimated saving is over 4,000 tons of aluminium a year. Not only is it economically effective (estimated saving from 3-4 million Euros), it cuts approximately 206,000 Mt CO₂ of emission from the can production process, equivalent to removing 40,000 cars from the road for a year.¹

Besides glass and aluminium, another key resource in our production process is water (beer is 95% water). In Vietnam, water efficiency is critical as the country is facing water supply issues due to the

lack of proper infrastructure and uneven distribution of rainfall. Although our overall water consumption efficiency (2.93 hl/hl beer) is much lower than the HEINEKEN global average (3.50 hl/hl beer), we continue to raise the bar even further and have ambitious targets to reduce to 2.48 hl/hl beer by 2021. Our key strategies are to continuously optimize the production process and recycle water as much as possible.

- In 2018, we worked with our supplier to review the cleaning process at our brewery. The improvement includes cutting down the use of chemicals and hence, reducing the number of washes required. In total, we saved approximately 27% in water consumption for the cleaning and also reduced cost.
- We treat 100% of waste water which is then used for

landscaping or returning safely to the environment. As we operate grade A wastewater treatment plants, we can send our treated water safely back to nature. The wastewater treatment process also generates biogas, a renewable fuel source we use for energy needs. The value extracted from our wastewater treatment system goes beyond simply mitigating pollution.

- In our community, we sponsored water connection stations to those who are in need of clean water. Since 2011, our community water “1 Minute Less for Million Smiles” programme sponsored 23 water connection stations, offering clean water access to thousands of households across Vietnam. In the future, we have plans to increase our water balancing efforts in addition to continually reducing water consumption.

B. Waste recovery

In 2018, 98.7% of our waste or by-products, which include spent grains, surplus yeast and other materials like glass, cardboard, aluminium, plastic and paper were re-used or recycled. Some exemplary examples in waste recovery across our operation are:

- By-products from brewery (sludge) are sold to third-party

suppliers that can generate extra revenue by transforming these materials into bricks or compost for crops.

- All broken glass is collected and returned to a glass factory to be recycled to make more bottles. Our brewery in Hanoi collected 180 tonnes of broken glass last year and saved approximately half a billion Vietnamese Dong.



¹Estimation based on data on cancentral.com. GHG emissions associated with producing 1,000 12-ounce beverage cans are approximately 129.1 kg CO₂, which is equal to emissions of 0.025 cars per year.

Our champion in circular economy: Tien Giang Brewery takes the lead

MOST EFFICIENT BREWERY

Energy



Saved **1.34** MWh

#1 in Water



Saved **10,071** m³ of water

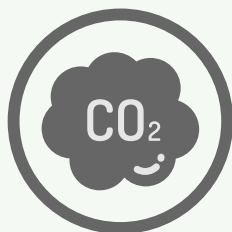
Thermal
energy



Saved **2.96** million MJ

96% thermal consumption is renewable

#3 in Carbon
emissions



- Stopped using Freon (greenhouse gas) in CO₂ cooling system and air conditioning
- Converted to electrical forklifts
- Recovery & Export Biogas at WWTP to Biomass Boiler



HEINEKEN Vietnam's Created Value #5:

Taking action on climate change through low carbon operations

A recent report by the Intergovernmental Panel on Climate Change (IPCC) in October 2018² named Vietnam among the top countries exposed to climate change. With 70% of its population living along the

coast and low-lying areas, Vietnam is a country highly vulnerable to the impacts of rising sea levels and more powerful storms, among other dangers. Vietnam is projected to become a significant emitter of greenhouse gases due to its

rapid economic development. HEINEKEN Vietnam believes that it can play a part in the country's collective effort to cut emissions and help lead the transition for Vietnam to a low-carbon and climate-resilient economy.

A. Lowering emissions in production

HEINEKEN Vietnam is pushing the boundaries by setting an ambitious goal to achieve carbon-neutrality. Our focus remains on both improving energy efficiency and increasing the share of renewable energy for our energy needs. The long-term plan is to have 100% of our energy needs come from renewable sources such as solar, biogas and biomass, while the remaining is purchased from other sources. To achieve this, solar projects are in progress in three of our breweries with a total capacity of 3MW when completed. There is also a pilot run for the Direct Power Purchase

Agreements (DPPA) model and when implemented in Vietnam, will provide even more renewable energy options.

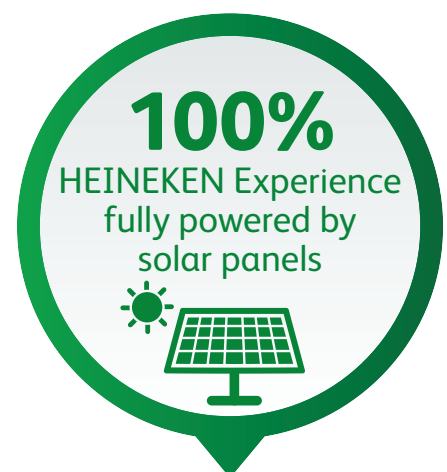
Agricultural by-products such as rice husks, sawdust and woodchips are used to generate steam to power our operations, which would otherwise have become unused waste. Biogas is also generated from our wastewater treatment. So far, 4 of our 6 breweries are already carbon-neutral for their thermal energy needs from

biomass-generated steam. This not only reduces our impact on the environment, but also reduces our costs as well as generates additional income for rice farmers, from whom we buy our rice husks.

With our current energy mix, we reduced the use of CO₂ by 38,617 tonnes as compared to using 100% fossil fuel for our operation.

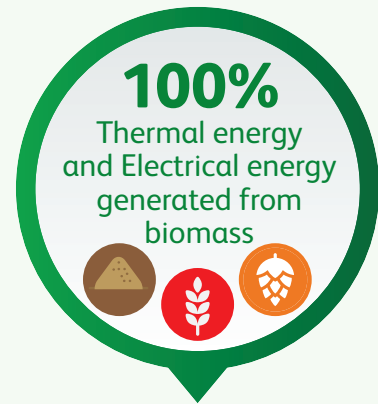
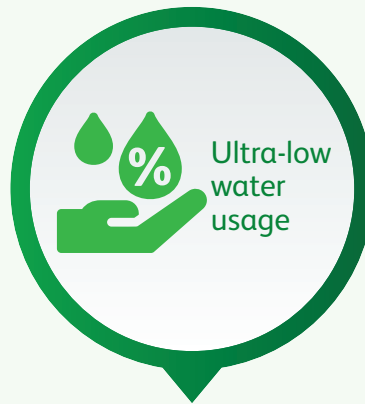
3MW Solar Project

Ho Chi Minh, Da Nang, Hanoi



²IPCC Special Report on Global Warming of 1.5°C, 2018

Vung Tau Brewery as the Point of Calibration for Zero Carbon Footprint



Vung Tau Brewery will become one of the biggest breweries within HEINEKEN in Asia Pacific Region and a significant investment into sustainable practices.

When the current expansion works are completed by the end of 2019, Vung Tau Brewery will be our most

sustainable brewery as the first carbon neutral brewery in HEINEKEN Vietnam, generating 100% of both thermal and electrical energy from biomass.

If successful, the pilot on biomass-generated electricity at Vung Tau will

be applied to other breweries in Vietnam.

It is an ambitious plan but would be an exciting game-changer for HEINEKEN Vietnam. We believe our Vung Tau Brewery will set the benchmark for circular economy practices in Vietnam.













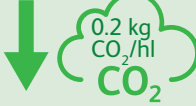
B. Lowering emissions from logistics

Throughout the supply chain we run programs to increase efficiencies in the breweries as well as in logistics. We have been optimising efficiencies in our distribution network resulting in significant lower carbon footprint. Currently, we monitor emissions for

transportation from brewery to brewery, from brewery to packaging warehouse and from brewery to distribution warehouse. In the long-term, we aim to develop an end-to-end calculation of our carbon footprint from imports to exports and last-mile

transportation to consumers.

We have developed several strategies to achieve this. To date, we have saved USD 3 million and 2,546 tons of carbon emissions through the initiatives described below.

Strategy	Initiatives	Results (compared to 2017)
Modal Shift	  Increased truck size from 8 tonnes to 16 tonnes in 73 routes to customers	 775 tons of CO ₂ saved, reduced 9,000 trips across 1,500,000km
	Leveraged train transportation for deliveries over long distances  We work with rail operators to try to increase the capacity and apply rail transportation for deliveries with longer lead-time over long distances. We hope to maintain the amount transported by rail for the next 2 years.	 Increased 900 trips by train, saving 188 tons of CO ₂ compared to transporting by trucks
Network optimisation	  Reduce inter-brewery stock transfer by reducing 13 warehouses to 11 Increase brewery warehouse capacity at Da Nang and Tien Giang	 1,509t CO ₂
Electric forklift	Conversion from LPG or diesel to electric forklifts  This has been fully implemented at Hanoi brewery. HEINEKEN safety standards are strictly adhered to for charging stations installations.	 Replacement has just begun. We aim to increase this substantially from 2018 to 2020 once 100% replacement is carried out.
LED lighting	 Installed at warehouses This has been fully implemented at Hanoi brewery. In addition, our warehouse at Vung Tau fully uses skylight.	
Euro IV standards	 Conversion of old trucks to new trucks with Euro IV standards We will progressively retire old trucks to improve our fleet with Euro IV standards from 30% to 50%.	 Carbon intensity against volume traded (kgCO ₂ /hl) dropped from 1.25 in 2017 to 1.05 in 2018

C. Lowering emissions from cooling: Green Fridge deployment

Guided by our core values of Quality and Enjoyment, we supply fridges to our retailers to store and display our beer products to provide high quality cold storage. Although this solution can come with a large carbon footprint, we provide the use of “green fridges” throughout our distribution channel. These green fridges have various

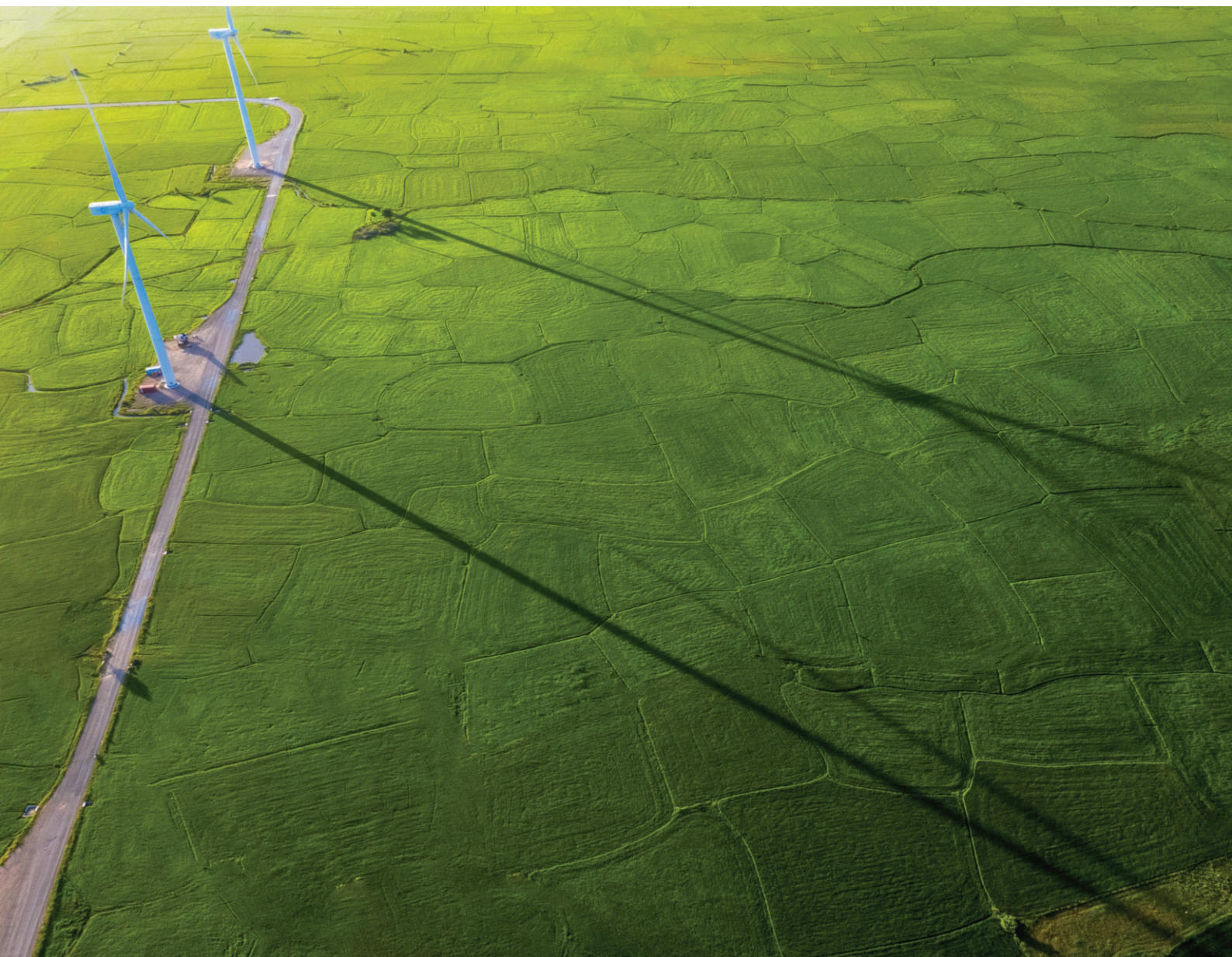


100%

of our fridges are
environmental friendly

environmentally-friendly features: energy-efficient fans, LED illumination, are hydrofluorocarbon-free, and

equipped with an energy management system Saving energy also means fewer costs in business for our customers.





Empowering People for a Better Vietnam

HEINEKEN Vietnam continues a “Culture of Care” in its approach to all its stakeholders, from consumers, employees, sales promoters, distributors to the public and local communities. We care deeply that everyone is empowered to always enjoy our products, stay healthy and get home safely. As one of the six key focus areas of HEINEKEN Vietnam’s sustainability strategy, responsible consumption is intricately linked with the HEINEKEN identity.

Our Core Values and behaviours represent what we stand for as an employer, business, and corporate citizen. As part of our company culture, they guide how we work and conduct business.

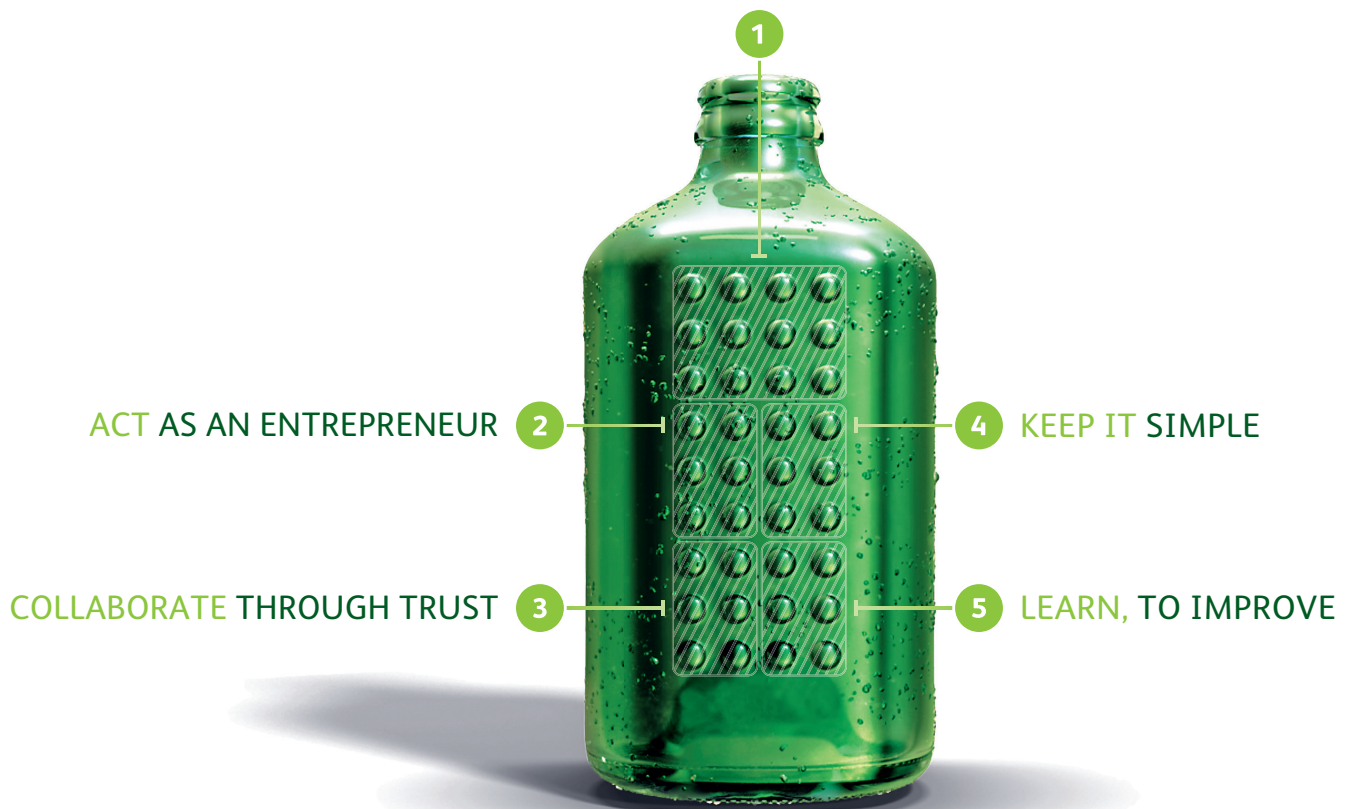
OUR VALUES AND BEHAVIOURS



OUR GREENPRINT TO WIN HEINEKEN BEHAVIOURS

The HEINEKEN 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.

PUT SAFETY FIRST!



HEINEKEN Vietnam's Created Value #6:

Changing Behaviours and Attitudes for Responsible Drinking

HEINEKEN Vietnam encourages responsible attitudes and advocates reducing the harmful use of alcohol. In 2018, we continued to invest significantly in our traditional responsible consumption initiatives. This includes the active promotion of responsible alcohol consumption as well as advertising our brands in strict accordance with HEINEKEN's Responsible Marketing Code. The Code covers all communications channels with the most common being: packaging, point of sale, signage, trade promotions, sponsorships, advertising, digital and social media.

We also hope that other industry players will join us in



this rewarding journey. In September 2018, HEINEKEN signed a partnership deal between the eleven leading beer, wine, and spirits companies from the International Alliance for Responsible Drinking (IARD) and four of the leading global internet platforms: Facebook, Snapchat, Twitter and YouTube. The purpose of IARD is to address the global public

health issue of harmful drinking and promote responsible drinking, bringing together companies from all sectors of the beer industry (beer, wine and spirits) in a common purpose of being part of the solution to the harmful use of alcohol. We believe our effort in championing responsible drinking will be amplified through this collaborative platform.



Heineken® When You Drive Never Drink and F1 Experience

Reached **50,000** participants
and **millions** online



Heineken® treated Vietnamese fans to a taste of the F1 experience on 4 May 2018. The event was an important platform for Heineken® to further raise awareness on the When You Drive, Never Drink (WYDND) campaign, with the end goal of driving behavioural change around the issue of drink driving in Vietnam. For the first time, Ho Chi Minh City was turned into a thrilling racetrack to pave the way for an incredible performance from famous F1 racer David Coulthard behind the wheel.

Heineken® When You Drive, Never Drink And Breakthrough Nudge Behaviour Change

Following its success in 2017, Heineken® continued its longstanding strategic partnership with the National Traffic Safety Committee (NTSC) to continue the traction and build on the campaign's momentum. In 2018, the campaign rolled out at 667 outlets in 8 cities nationwide including HCMC, Hanoi, Da Nang, Nha Trang, Hai Phong, Vung Tau, Bien Hoa and Can Tho. We partnered with Grab to provide consumers with roundtrip Grab codes regardless of the brand consumed in Hanoi and Ho

Chi Minh City. In 2018, 19,203 Grab codes were used. Through these channels, our message has successfully reached

13 million views.

Through the partnership with NTSC, new initiatives introduced this year include the proactive involvement of our road safety trainers from all 65 cities and provinces in Vietnam who are at the forefront of changing drink-driving behaviours on the ground. These trainers will be equipped with the necessary



This year, we received validation that our message has gained traction among Vietnamese consumers. At the AFF cup celebrations, one of the Vietnamese football fans raised a cardboard sign with the words, "When you drive, never drink - Vietnam will be the champion!".

tools and in-depth information to deliver engaging training sessions to influence drink-driving behaviour in Vietnam.

Additionally, as university students will be the future leaders who will shape the future of Vietnam, HEINEKEN Vietnam is empowering Vietnamese university students to be the future leaders of responsible consumption via a series of training sessions. We hope that the innovative marketing of our Heineken® brand will speak to young generations in a creative way that will inspire them to enjoy alcohol responsibly

and influence others to do the same.

The signature of this year's campaign was the launch of Heineken® flagship outlets in Ho Chi Minh City and Hanoi in partnership with our outlet network. This aimed to redesign drinking environments that encourages responsible consumption and empower consumers who choose not to drink and drive. In designing the programme,

we employed expert consumer insight and key findings from Heineken®'s Global behavioural research on the drink-driving issue to influence consumers' behaviour from start to finish. Thus, the outreach has been extended to cover the journey from consumers' office buildings to Heineken® outlets and the way to get home safely as we understand consumers make decisions on drink driving before reaching the outlets.

Office Buildings

1. AWARENESS message "When You Drive – Never Drink" before consumers go to the outlets.
2. Engage deeply to UNDERSTAND drink driving habits.
3. REMIND guests to have a plan in advance before visiting outlets.



Brand Ambassador beside a standee to get attention of office workers.

Heineken® Outlets

4. GET ATTENTION and REMINDER message "When You Drive – Never Drink".
5. Engage deeply to RECOGNIZE drink driving habits.
6. IMPLEMENT solution: overnight parking service, free Grab code.



Overnight parking area banner to guide guests to the overnight parking lot if they had a beer.



Brand Ambassador with standee to highlight message.

Brand Ambassador approaches guests to spread the "When You Drive – Never Drink" message via leaflet handouts and gifts.

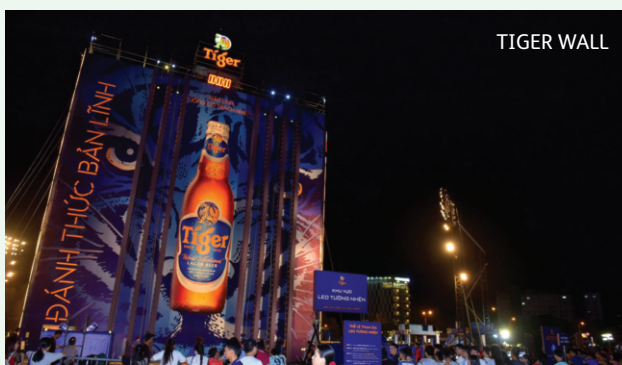
Tent cards and coasters on table with "When You Drive – Never Drink" message.

Engagement with the drinkers' spouse, mom or girlfriend

To amplify the message, we reached out to drinkers' closest family member – their spouse. This campaign was conducted via social media posts to reach the spouses as well as organising interactive booths at offices and outlets. The engagement took place over a period of 6 weeks and informed consumers about free Grab codes worth 50,000 VND and Green rides – whereby drinkers can be driven home by our designated drivers on the consumer's motorbike. From 12 offices and 232 outlet visits by our brand ambassadors, **over 5.9 million people were reached.**



Tiger Uncage the Courage to Drink Responsibly



TIGER WALL



TIGER REMIX



TIGER EVENT



TIGER UNCAGE BAR

We harness the potential of our brand and various events to propagate the message of responsible drinking and inspire behavioural change. Our signature events; Tiger

Wall, Tiger Remix continue to draw unprecedented crowds that serve as one of the most effective platforms for Responsible Drinking communication.

700,000 reaches across **20** provinces/ cities and **16.8 millions** reaches through social media

HEINEKEN Vietnam's Created Value #7:

Strengthening Safety First Culture amongst employees

Enhancing safety and operational excellence are at the core of our strategy and the cornerstones of our daily work. We work hard to develop a Safety First Culture and increase safety awareness. Our safety vision is crystal clear: We want everyone to go home safely every day.

Our health and safety strategy is built on five key components.

 Culture and Leadership	Leaders create a consistent and genuine “Culture of Care”	<ul style="list-style-type: none"> ▪ Safety First initiatives are featured on our quarterly Star magazine. ▪ Annual Health and Safety day with management participation. ▪ Success story talk show to inspire a culture of Zero loss culture.
 Competence	Improve Safety expertise and knowledge with the right safety professional and competency at all levels	<ul style="list-style-type: none"> ▪ Sharing of best practices amongst different breweries. ▪ Continue road safety officer program. ▪ Behaviour based safety training at 5 breweries ▪ ISO14001 courses held. ▪ Critical trainings at breweries including fire prevention, chemical safety, forklift driving and production.
 Compliance	Safety compliance lived by all as a powerful enabler of Safety and business performance	<ul style="list-style-type: none"> ▪ Strict compliance of “HEINEKEN Life Saving Rules” with 12 safety messages that help employees avoid accidental casualties and increase near miss reports. ▪ Monitoring compliance to HEINEKEN best practices through Heiquest system. ▪ Ensure compliance to all local regulations.
 Calibration	Build a robust system to be able to act preventively with facts and data	Monitor Safety KPI Dashboard for improvement opportunities.
 Continuous improvement	Our leaders drive safety improvements implementing tools and methods to support continuous improvements	<ul style="list-style-type: none"> ▪ Continue driving Total Productive Management Methodology for Safety ▪ Process Safety Management inspections at breweries

1 million safe working hours at Vung Tau Brewery expansion project

We work to ensure safety for our own employees and for our contractors and their employees. For all projects, we require contractors to adhere to the same standard of safety. A dedicated Health and Safety project officer from HEINEKEN will work closely with contractor's HSE



1 million safe working hours in Vung Tau Brewery

to monitor the compliance to best safety practices and safety performance.

In 2018, our Vung Tau

Brewery has a major construction project to extend its production capability to 5.8 million hl. The construction site has celebrated "1 million safe working hours" at the end of 2018 and is on the way to achieve 2 million safe working hours.

Road Safety



Our Sales staff are exposed to a higher risk of traffic safety accident during commuting from home to work place and vice versa as they are often on the road. In 2018, we invested VND 1 billion on implementing a driving simulation training course for all our Sales staff. The content was developed based on the top 5 most

common traffic accident causes. Starting from Ho Chi Minh city in 2018, this training will be rolled out to all sales offices across the country over the next year.

To eliminate the risk of drink-driving and late driving, we offer all staffs who finish their work after 22:00 with Grab bike codes so that they can go home safely everyday.

3,513

Sales staff participated



0 road fatality



HEINEKEN Vietnam's Created Value #8:

An efficient and inclusive working environment

For HEINEKEN Vietnam, people are at the heart of our business, so we are always seeking to “unlock the potential” of employees, maximize their prospects, and offer them a safe, proactive workplace for continual learning and growth. As a testament to our efforts, we have been recognised as one of the Best companies to work for in Asia.

The result is consistent with our own 2018 Climate Survey in which HEINEKEN Vietnam achieved the highest engagement score within HEINEKEN with breweries (score of 92), with an exceptional participation rate (98% of employees responded to the survey).

The high engagement index

achieved by HEINEKEN Vietnam validates the efforts taken to understand employee concerns and extra care paid to ensure their needs are well taken care of. We are heartened by the results and will continue to review our practices and engage with our employees deeply at every level of the organisation, supported by a culture of care.

HEART

I feel proud to work for this organization.



5%

higher than industry average

MIND

I learn valuable lessons when I encounter challenges at work.



7%

higher than industry average

SOUL

Given the opportunity, I would recommend my company's products/services to my friends/family.



11%

higher than industry average

Key Development Programs 2018

As people are at the heart of HEINEKEN Vietnam's business, we have invested immensely in developing staff at all levels.

- Since launching, the "Accelerate Your Talents" (AYT) program saw 10 employees attending overseas short-term assignments in Laos, China, Singapore, Japan, Myanmar and Papua New Guinea. With the purpose of creating a platform for employees to uncap their potential and move out of their comfort zones, the employees who attend the program have the chance to experience a new

work field, a different working environment, an unfamiliar culture and work with different team members.

- The HEINEKEN Vietnam Graduate Program (HVGP) as well as its regional initiative, the Asia Pacific Graduate Program (APGP) nurtures high-potential individuals, giving them the opportunity to work and learn in HEINEKEN offices around the world.

- Leadership Expectation training workshops are given in Hoc Mon, Tien Giang, Vung Tau, Da Nang, Quang Nam for all supervisors and

managers. The Learning & Development staff together with the internal trainers will help them understand and apply this capability to work effectively.

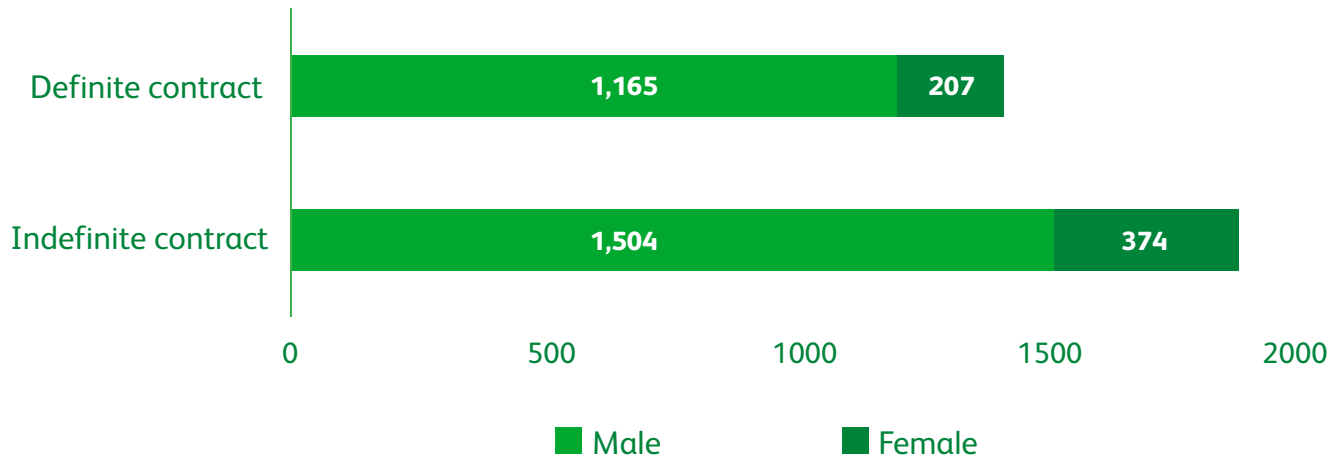
- Machine Expert Programme: Participants took turns sharing best practices, experiences and worked together to find solutions for current problems. They returned to work as experts who can share their new knowledge with other colleagues which contributes to the improvement in quality and productivity of machines at their workplace.



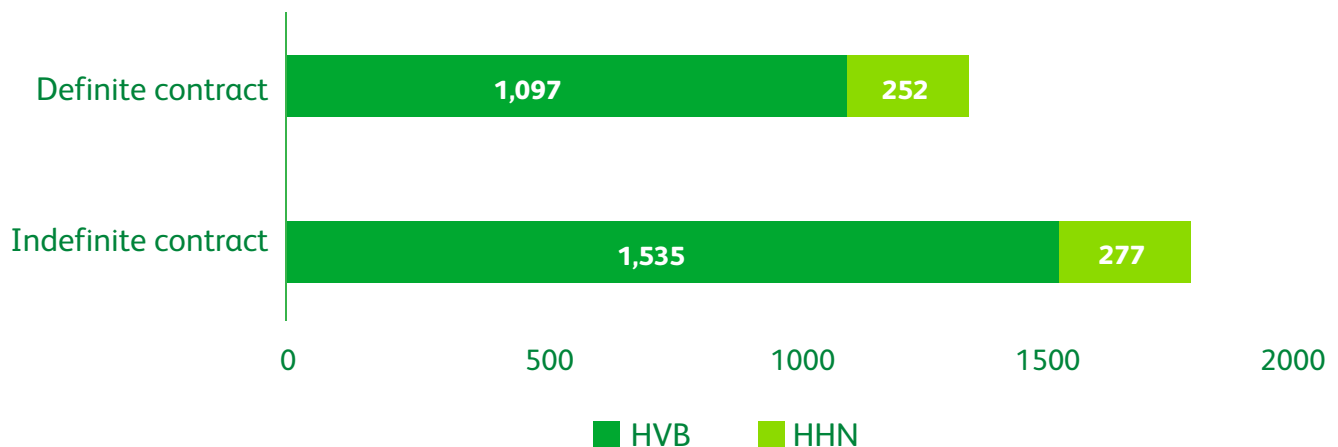
Performance in Figures

People

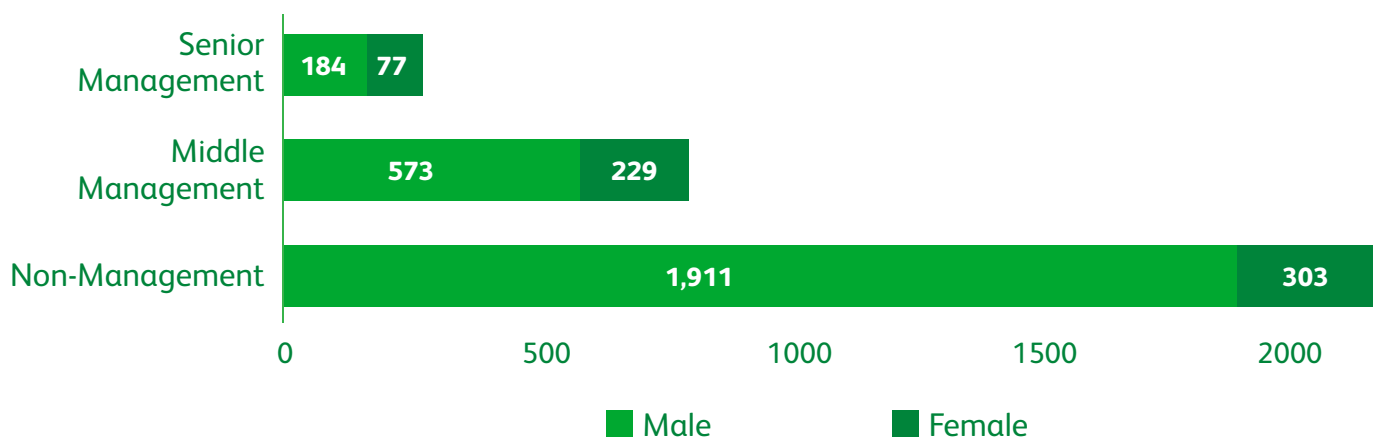
NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER IN 2018



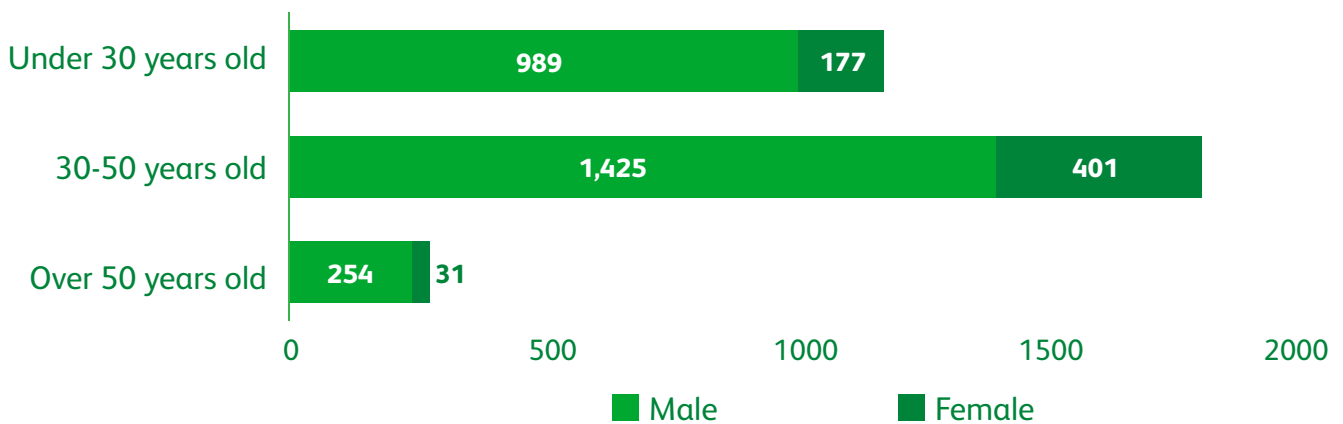
NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND REGION IN 2018



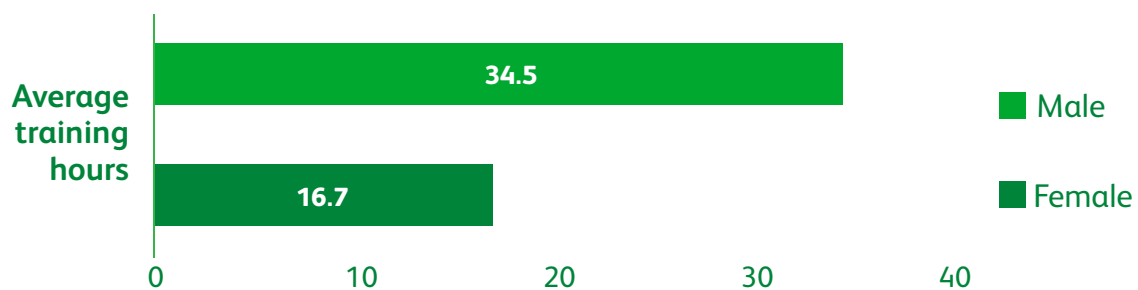
NUMBER OF EMPLOYEES BY EMPLOYMENT CATEGORY IN 2018



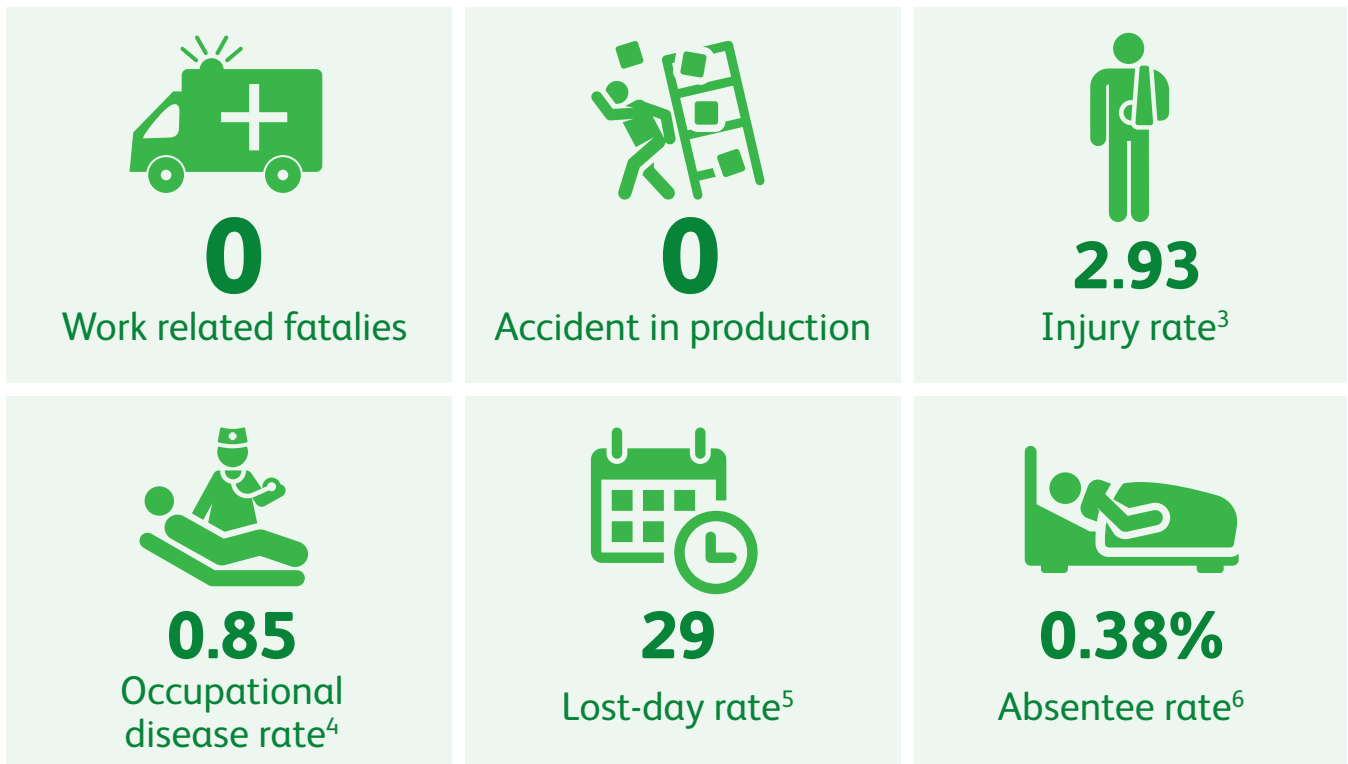
NUMBER OF EMPLOYEES BY AGE GROUP IN 2018



AVERAGE TRAINING HOURS BY GENDER IN 2018



HEALTH AND SAFETY OF OUR PEOPLE



Note: The existing reporting system does not have information on gender breakdown.

³ Injury rate is calculated as: Number of work-related injury cases, per million hours worked

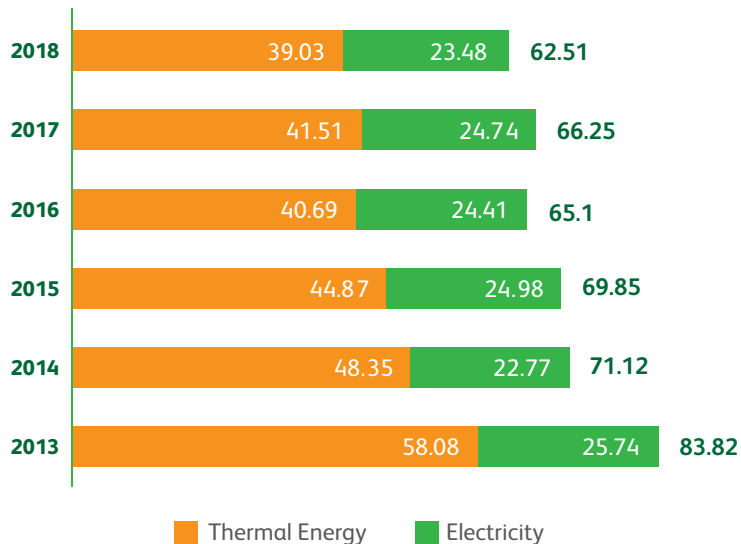
⁴ Occupational disease rate is calculated as: Number of work-related occupational disease cases, per million hours worked.

⁵ Lost day rate is calculated as: Number of lost man-days, per million hours worked

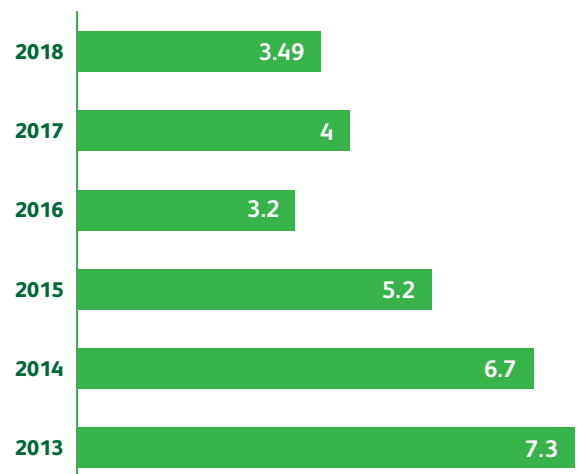
⁶ Absentee rate is calculated as: Number of absentee days, to total days scheduled to be worked

Energy and Climate

TOTAL SPECIFIC ENERGY CONSUMPTION MJ/hl beer



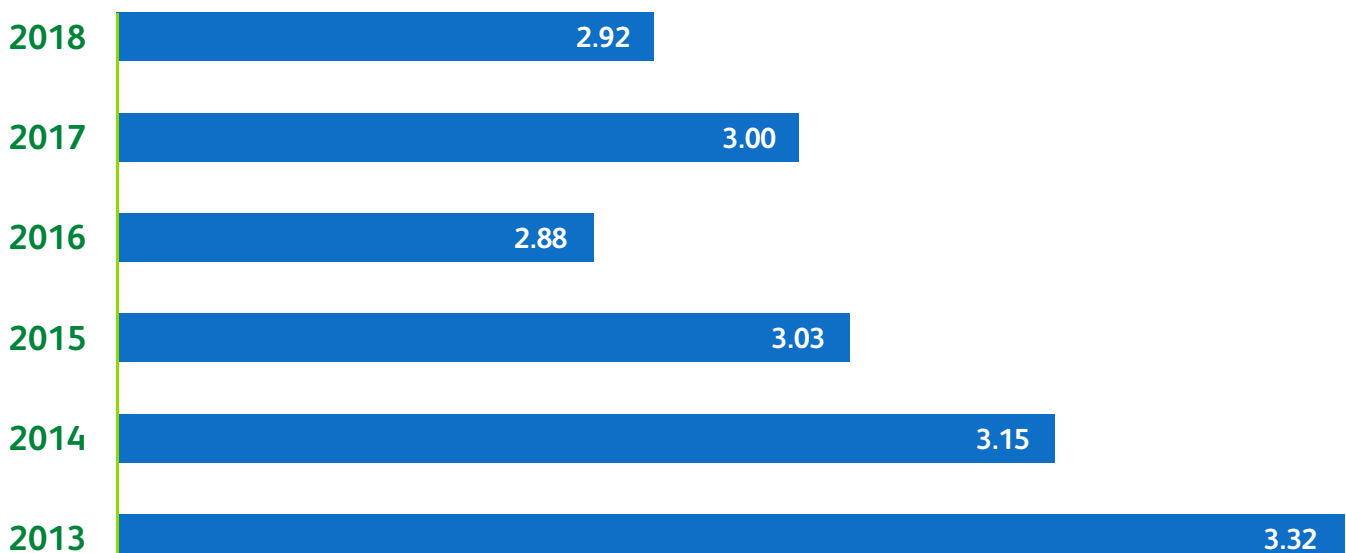
TOTAL SPECIFIC CARBON EMISSIONS kg CO₂-eq/hl beer



Total specific energy consumption and carbon emissions refers to energy and carbon emissions consolidated from all breweries normalised against beer production. Scope 1 emissions covers the use of diesel oil, fuel oil and liquefied petroleum gas. Default emission factors from 2006 IPCC Guidelines were used. Scope 2 covers emissions from purchased electricity. Market-based Scope 2 emissions are based mainly on energy supplier specific emission factors. Scope 2 emissions are based on Vietnam specific emission factors.

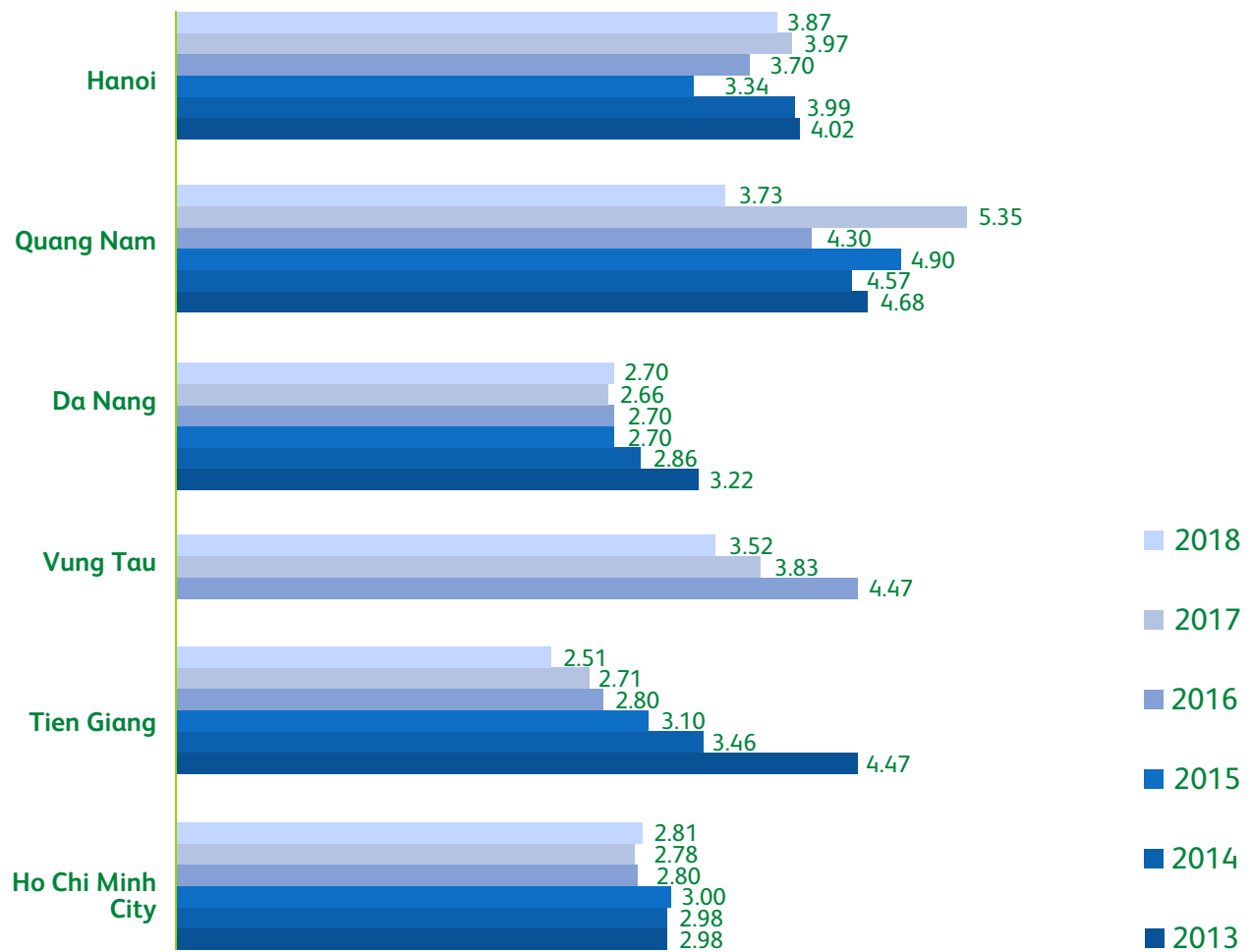
Water

SPECIFIC WATER CONSUMPTION hl/hl beer



SPECIFIC WATER CONSUMPTION BY BREWERY

hl/hl beer



Waste

Destination	Quantity 2018 (ton)	% of total 2018
Re-use	8.6	0.0%
Human consumption	-	-
Animal feed	252,211.3	89.6%
Materials	13,159.5	4.7%
Compost/soil improvement	1,415.3	0.5%
Energy (biogas)	1,123.3	0.4%
Combustion with energy recovery	6,279.5	2.3%
Combustion without heat recovery	92.8	0.0%
Landfill	3,507.8	1.3%
Dump	-	-
Unknown	-	-
Total co-products and waste	277,789.5	100%

MOST PREFERRED OPTION DESTINATION



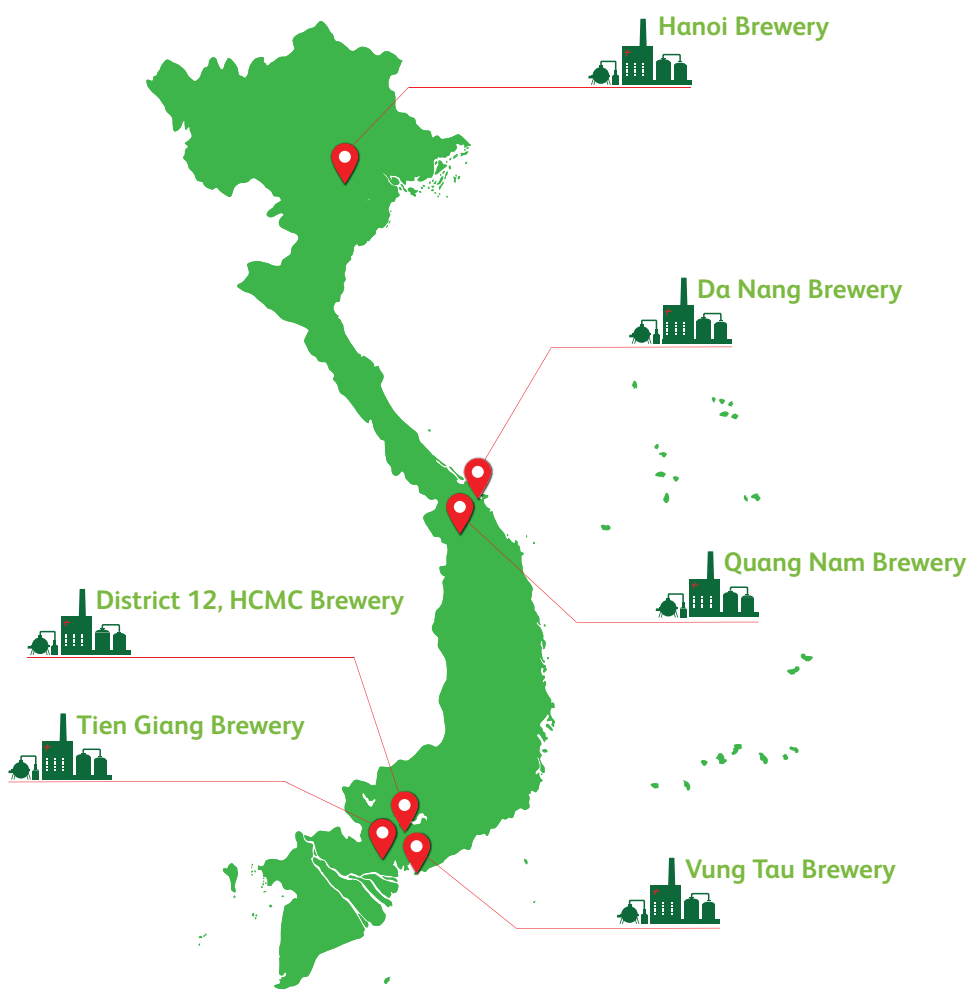
Virtually
**Zero
Waste**
to Landfill



Reporting Aspects

About HEINEKEN Vietnam

In 2018, we integrated with HEINEKEN Ha Noi Brewery Limited Company, making HEINEKEN Vietnam a unified group in Vietnam operating 6 breweries and 9 sales offices across Vietnam.



OUR OPERATING COMPANIES

HEINEKEN Vietnam Brewery Limited Company

HEINEKEN Vietnam Brewery - Da Nang Limited Company

HEINEKEN Vietnam Brewery - Tien Giang Limited Company

HEINEKEN Vietnam Brewery - Quang Nam Limited Company

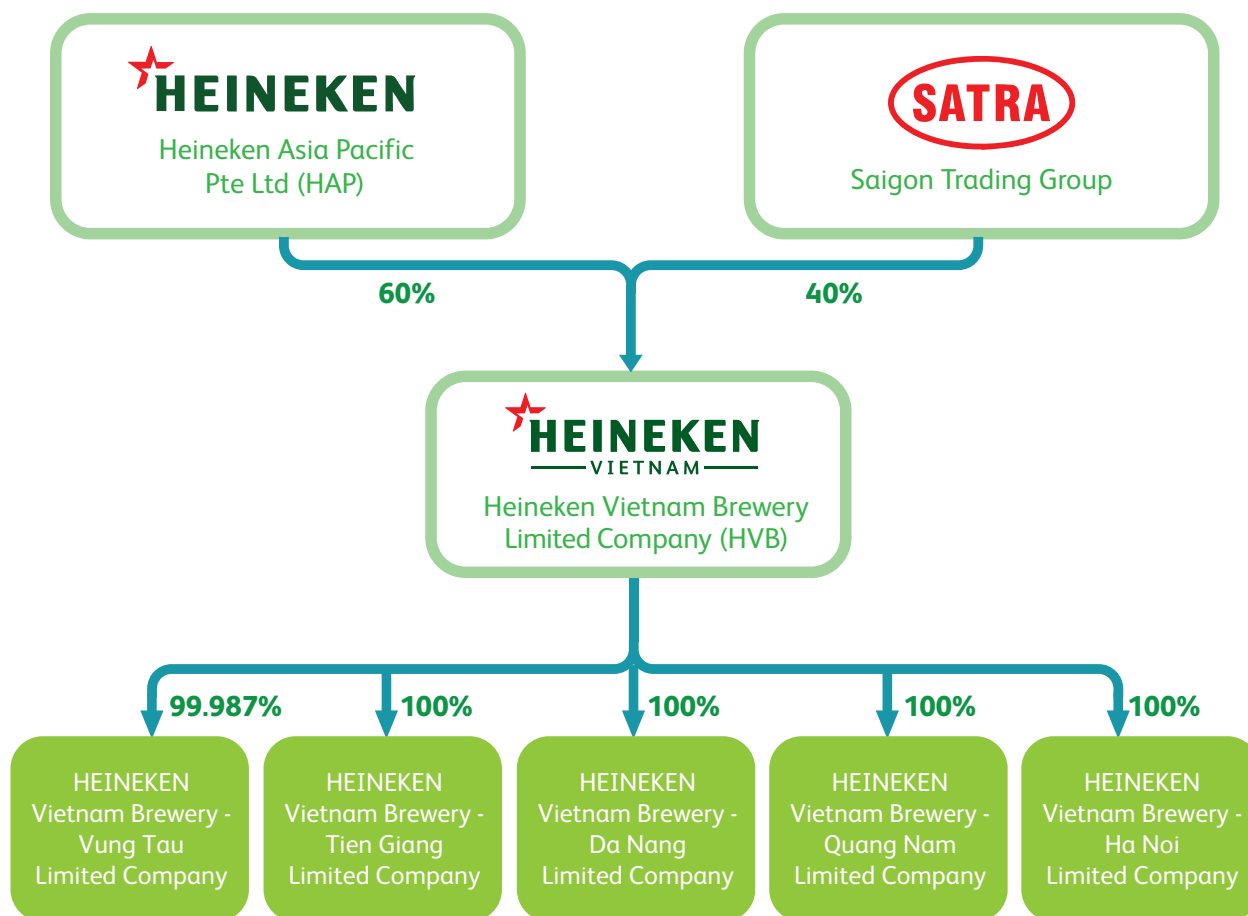
HEINEKEN Vietnam Brewery - Vung Tau Limited Company

HEINEKEN Vietnam Brewery - Hanoi Limited Company

HEINEKEN Vietnam Beer and Beverages Limited Company



Company Structure



Awards

1. The Most Sustainable Company in Vietnam (Manufacturing Sector) - 2nd year running



The CSI 100 is part of the Programme on Benchmarking and Ranking Sustainable Companies in Vietnam, initiated by the Vietnam Business Council for Sustainable Development ("VBCSD") under the guidance of the Vietnam Chamber of Commerce and Industry ("VCCI"). This is the third year VBCSD has organized this program, and HEINEKEN Vietnam advanced from 3rd place in 2016 to 1st place in 2017 and kept the 1st place position in 2018, edging out competition from over 500 companies.



The Most Sustainable Company in Vietnam (Manufacturing Sector) - 2nd year running

2. “Best Place to work in Asia” by HR Asia Magazine, one of Asia’s leading publications for HR professionals



Scope of Report



This is HEINEKEN Vietnam's fifth sustainability report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It encompasses the performance of our consolidated Operating Companies and six breweries in Vietnam from 1 January 2018 to 31 December 2018.

The environmental performance is evaluated on the performance of our breweries, where significant impact is expected.

Reporting Standards & Methodology



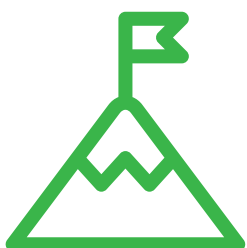
The data presented in this report has been compiled with the aid of HEINEKEN Vietnam data collection systems, which are listed below. All the data in this publication has been reported in accordance with our global procedures, in good faith and to the best of our knowledge. Standard calculations in our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

HEINEKEN Vietnam data collection systems consists of:

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

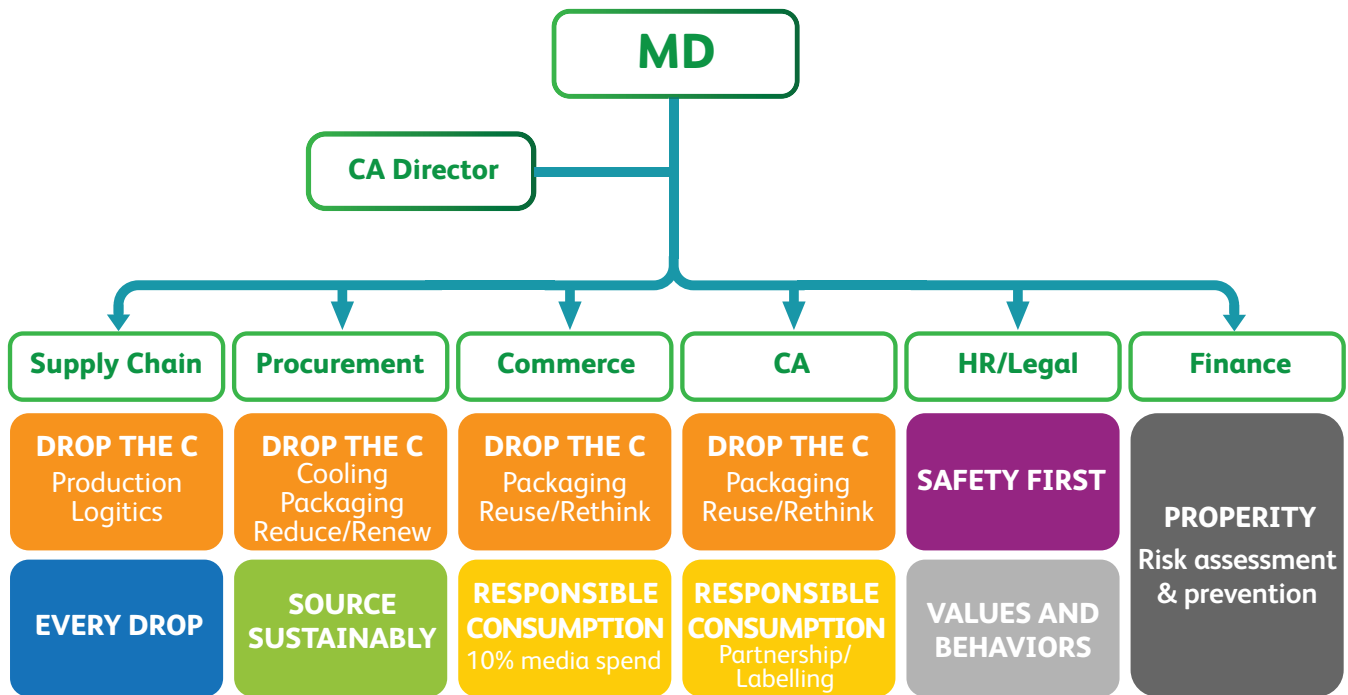
Our sustainability performance is also included in the "Sustainability Review" section of HEINEKEN N.V. Annual Report 2018 which has been reviewed and confirmed externally.

Sustainability Leadership






Our Managing Director sets the tone and together with the Management Team, our leadership drives the sustainability agenda through all levels of our organization and encourages a culture of collaboration and innovation for sustainability at HEINEKEN. Our Corporate Affairs team coordinates HEINEKEN Vietnam's sustainability process and works closely with the heads of functions to measure, monitor and report their sustainability stories.

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



Stakeholder Engagement

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

Stakeholder	Goals	How we engage
 Employees	<ul style="list-style-type: none"> Enhance and increase employee loyalty Employee satisfaction Promote sustainability awareness 	<ul style="list-style-type: none"> Annual Climate Survey 92% Employee engagement index (highest engagement score within HEINEKEN globally - with brewery)
 Customers (distributors, outlet owners) and Consumers	<ul style="list-style-type: none"> Strengthen and expand distribution network Ensure success and succession of distributors and sub-distributors Promote sustainability awareness Maintain and increase brand loyalty Increase customer satisfaction Promote responsible consumption 	<ul style="list-style-type: none"> Annual Distributor Conference Regular market visits Campaign based outlet activation Media, PR, digital platforms and events,
 Media	<ul style="list-style-type: none"> Promote brand Exchange views and information 	<ul style="list-style-type: none"> Biannual media meetings Press conference as needed Biannual reputation survey

Stakeholder	Goals	How we engage
 <p>Industry Associations (e.g. international centre for alcohol policies, Vietnam Beer Alcohol Beverage Association)</p>	<ul style="list-style-type: none"> ▪ Support for laws and regulations 	<p>Ad-hoc:</p> <ul style="list-style-type: none"> ▪ Industry workshops ▪ Study trips ▪ Sponsorships
 <p>Government</p>	<ul style="list-style-type: none"> ▪ Participate in discussions and support alcohol law ▪ Share practices in alcohol advertising ▪ Support in promoting sustainability awareness and practices among Vietnamese businesses 	<p>Ad-hoc:</p> <ul style="list-style-type: none"> ▪ Conferences ▪ Meetings and workshops
 <p>Suppliers</p>	<ul style="list-style-type: none"> ▪ Ensure business performance and compliance 	<ul style="list-style-type: none"> ▪ Expert meetings as needed ▪ Biannual reputation survey
 <p>NGOs and international organisations</p>	<ul style="list-style-type: none"> ▪ Partnership for impact ▪ Information update and exchange on best practices/expertise on sustainable development 	<ul style="list-style-type: none"> ▪ Annual Tet charity/mid-autumn festival ▪ Regular water programmes ▪ Bi-annual reputation survey ▪ Expert meetings/forums as needed
 <p>Investors</p>	<ul style="list-style-type: none"> ▪ Maintain and increase relationship with shareholders ▪ Exchange views and perspectives 	<ul style="list-style-type: none"> ▪ Monthly/quarterly reports ▪ Year-end review
 <p>Employee representatives (e.g. Trade Unions)</p>	<ul style="list-style-type: none"> ▪ Ensure business operations comply with law & regulation ▪ Updates on laws & regulations 	<ul style="list-style-type: none"> ▪ Frequent conferences as needed, ▪ Frequent meetings and workshops as needed

Materiality Assessment

2015

2016

2017, 2018

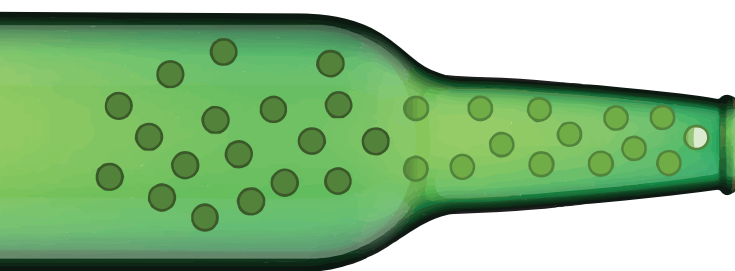
01
Identification

32 potential material sustainability matters for HEINEKEN Vietnam were identified through desktop analysis and interviews with Senior Management.

03
Review

In 2016, we reviewed our materiality matrix based in the results of a reputation survey conducted with 90 external stakeholders (e.g. local government, customers, media, suppliers, NGOs) on what topics they viewed as most material for HEINEKEN Vietnam's focus. A new material sustainability matter was identified for reporting.

In 2017 and 2018, we reviewed our materiality matrix and determined all 12 material sustainability matters and 2 additional sustainability matters remained relevant to HEINEKEN Vietnam in line with our 6 focus areas.



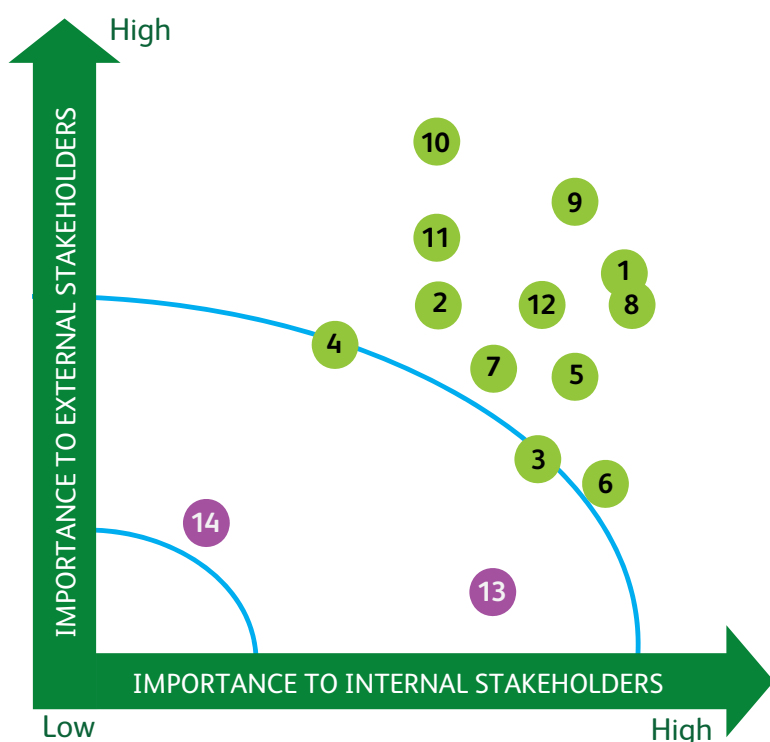
02
Prioritization

In 2015, a formal materiality assessment workshop was conducted internally by qualified consultants to prioritize critical sustainability matters. A total of 11 sustainability matters were assessed as being material to HEINEKEN Vietnam. Further, 2 additional sustainability matters were selected for reporting.

Our Material Matter in the Vietnamese Context

The unique customs, culture and trends in Vietnam shape the way we conduct our business, just as they influence the material sustainability matters that HEINEKEN Vietnam have to address. These material sustainability matters are mapped to HEINEKEN's 6 Focus Areas.

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

S/N	Sustainability matter	Definition
1	 Regulatory Compliance	Compliance to the local alcohol regulations and other core operational regulations (e.g. environment, labour, health and safety)
2	 Water Management	Efficient use of water
3	 Energy and Carbon Footprint	Efficient use of energy to reduce carbon emissions
4	 Waste Management	Minimizing waste generation and reusing/recycling waste for beneficial use
5	 Responsible Alcohol Consumption	Actively promote the enjoyment of beer in moderation and collaborate with partners to address alcohol abuse
6	 Staff Alcohol Responsibility	Encourage employees to lead by example on responsible alcohol consumption
7	 Responsible Marketing	Advertise brand and drinking in an accountable and positive manner, including responsible product labelling
8	 Counterfeiting	Protection of brand value against production of fake replicas
9	 Product Safety, Quality and Hygiene	Pursuing high standards in product safety and product quality
10	 Economic Impact	Generating sustainable economic value in our communities we operate through our business
11	 Community Investment & Development	Contributions to the communities in which we operate
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
13	 Occupational Health and Safety	Cultivate a strong culture and management of health and safety to all employees
14	 Sourcing Sustainably	Encourage local and sustainable sourcing of raw materials, and manage suppliers for responsible and sustainable business conduct

Our alignment with the United Nations' Sustainable Development Goals and Vietnam's Nation Action Plan Index

HEINEKEN Vietnam supporting the United Nations Sustainable Development Goals	HEINEKEN Vietnam supporting Vietnam's National Action Plan Targets	HEINEKEN Vietnam's Focus Areas
2 ZERO HUNGER 	2.4 By 2030, ensure sustainable food/foodstuff production and apply resilient agricultural production modalities, increasing productivity and output that help maintain eco-systems, and strengthen the capacity for adaptation to climate change and other disasters and progressively improve land and soil quality.	 
3 GOOD HEALTH AND WELL-BEING 	3.4 Increase efforts in preventing and treating the abuse of addictive substances, including narcotic drug abuse and harmful use of alcohol.	
	3.5 By 2030, continue to control and annually reduce traffic accidents based on three criteria: the number of accidents, the number of deaths and the number of injuries.	 
	3.8 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, soil pollution and contamination.	 
6 CLEAN WATER AND SANITATION 	6.3 By 2030, improve water quality and successfully control sources of pollution; end the use of hazardous chemicals in agricultural, industrial and aquatic production that pollutes water sources and degrades biodiversity; treat 100% of hazardous waste water; halve untreated urban waste water; increase the safe reuse of water.	
	6.4 By 2030, substantially increase water use efficiency across all fields/sectors and ensure a sustainable supply of clean water in order to address water scarcity, and substantially reduce the number of people suffering from water scarcity. Ensure that water exploitation does not exceed the exploitation thresholds for rivers and exploitable reserves of water layers.	
7 AFFORDABLE AND CLEAN ENERGY 	7.3 By 2030, double the national rate of improvement in energy use efficiency. Reduce the rate of power utilization by 10% compared to the baseline scenario.	

	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.1	Sustain per capita GDP growth rate of 4-4.5%/year and annual GDP growth rate of 5-6% on average	
		8.4	By 2030, increase the efficiency of resource use in production and consumption, minimize the impacts of economic growth on environmental degradation, in accordance with the 10-year framework of programmes on sustainable production and consumption of Vietnam	 
		8.5	By 2030, achieve full and productive employment and decent work for all men and women, including for young people and persons with disabilities, and ensure equal pay for work of equal value	 
		8.6	By 2030, substantially reduce the proportion of young people not in employment, education or training; make proactive efforts in effectively implementing ILO's Global Jobs Pact	
		8.8	Protect labour rights and promote safe and secure working environments for all workers, particularly female migrant workers and workers in the informal sector	 
	Ensure sustainable consumption and production patterns	12.1	Implement a 10-year framework of programmes on sustainable production and consumption in accordance with international commitments	
		12.2	By 2030, achieve the sustainable management and efficient use of natural resources; reasonably exploit and economically, sustainably utilize mineral resources.	  
		12.4	By 2020, adopt and implement a lifecycle management approach to chemicals and wastes in accordance with international commitments that Vietnam has signed, in order to reduce soil, water, air pollution and their adverse impacts on human health and the environment.	 
		12.5	By 2030, substantially reduce waste generation and increase the economic value of waste resources through prevention, reduction, recycling, reuse and recovery of energies from waste treatment.	
		12.6	Encourage the business community to adopt sustainable practices, including the use of cleaner production technologies, effective use of natural resources and environmental protection; implement social accountabilities with regards to the poor and the vulnerable; and integrate sustainability information into periodical reports.	   
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	17.4	Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources, to support the achievement of sustainable development goals in Vietnam.	
		17.5	Encourage and promote public partnerships and public-private partnerships, building on the experiences and resource strategies of past partnerships.	

GRI Standards Content Index



CSRCB
Implementation Partner
Heineken Vietnam Brewery
in Vietnam

Sept 2018
Sept 2019

Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Organizational Profile		
102-1	Name of the organization	About HEINEKEN Vietnam (page 44)
102-2	Activities, brands, products, and services	About HEINEKEN Vietnam (page 44)
102-3	Location of headquarters	About HEINEKEN Vietnam (page 44)
102-4	Location of operations	About HEINEKEN Vietnam (page 44)
102-5	Ownership and legal form	About HEINEKEN Vietnam (page 45)
102-6	Markets served	About HEINEKEN Vietnam (page 44)
102-7	Scale of the organization	About HEINEKEN Vietnam (page 44) People (page 39)
102-8	Information on employee and other workers	People (page 39)
102-9	Supply chain	Sustainability culture amongst SMEs and suppliers for better businesses (page 15)
102-10	Significant changes to the organization and its supply chain	Completed integration of HEINEKEN Vietnam Brewery Limited Company and HEINEKEN Hanoi Brewery Limited Company in 2018
102-11	Precautionary principle and approach	HEINEKEN Vietnam does not specifically refer to the precautionary approach when managing risks, however, we adopt a risk-based approach in our operations.
102-12	External initiatives	Included under each session
102-13	Membership of associations	Stakeholder Engagement (page 48-49)
Strategy		
102-14	Statement from senior decision-maker	Managing Director Foreword (page 4)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Empowering people for a better Vietnam (page 28-29)
102-17	Mechanisms for advice and concerns about ethics	Empowering people for a better Vietnam (page 28-29)
Governance		
102-18	Governance structure	Sustainability leadership (page 47-48)
102-22	Composition of the highest governance body and its committees	Sustainability leadership (page 47-48)
102-23	Chair of the highest governance body	Sustainability leadership (page 47-48)
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement (page 48-49)
102-41	Collective bargaining agreements	All OpCos have at least 1 collective agreement. 3,264 employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement (page 48-49)
102-43	Approach to stakeholder engagement	Stakeholder Engagement (page 48-49)
102-44	Key topics and concerns raised	Mapping of sustainability issues (page 50)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Omitted since this report only covers the sustainability performance of HEINEKEN Vietnam
102-46	Defining report content and topic boundaries	Scope of report (page 47)
102-47	List of material topics	Mapping of sustainability issues (page 50)
102-48	Restatements of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	Scope of report (page 47)
102-51	Date of most recent report (if any)	HEINEKEN Vietnam Sustainability Report 2017
102-52	Reporting cycle	Scope of report (page 47)
102-53	Contact point for questions regarding the report	Reference Information (page 55)
102-54	Claims of reporting in accordance with the GRI Standards	Scope of report (page 47)
102-55	GRI content index	GRI Content Index (page 54-55)
102-56	External assurance	Reporting standard and methodology (page 47)

Disclosure		Reference(s) or Reasons for Omission
Topic-specific Disclosure		
Management Approach		
103-1	Explanation of the material topic and its Boundary	Included under each section
103-2	Activities, brands, products, and services	Included under each section
104-3	Evaluation of the management approach	Included under each section
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	HEINEKEN Vietnam's Created Value #1 (page 12)
GRI 203: Indirect Economic Impacts		
203-2	Significant indirect economic impacts	HEINEKEN Vietnam's Created Value #1 (page 12)
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	HEINEKEN Vietnam's Created Value #1 (page 12)
GRI 302: Energy		
302-1	Energy consumption within the organization	HEINEKEN Vietnam's Created Value #4 & #5 (page 21-27)
302-3	External initiatives	HEINEKEN Vietnam's Created Value #4 & #5 (page 21-27)
GRI 303: Water		
303-3	Water reused and recycled	HEINEKEN Vietnam's Created Value #4 (page 21-22)
GRI 306: Effluents and Waste		
306-1	Water discharge by quality and destination	HEINEKEN Vietnam's Created Value #4 (page 21-22)
306-2	Mechanisms for advice and concerns about ethics	HEINEKEN Vietnam's Created Value #4 (page 21-22)
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulation	Sustaining Planet (page 20)
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	HEINEKEN Vietnam's Created Value #3 (page 15)
GRI 403: Occupational Health and Safety		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Performance in figures (page 40)
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability awareness for our community towards a better society (page 18-19)
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	HEINEKEN Vietnam's Created Value #3 (page 15)
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	HEINEKEN Vietnam's Created Value #7 (page 34-35)
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	HEINEKEN Vietnam's Created Value #6 (page 30)

Reference Information

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

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People



0

serious accidents

35 billion dong
for training

Responsible Consumption Advocacy Programs
reached

30.5 million views

1 million safety hours
in Vung Tau Brewery

2 water stations
sponsored

3,600

Tet gifts presented

0.91%
GDP contributed

166,000
jobs supported

99%

packaging material
sourced locally

-10%
CO₂ emission

98.7%

by-products, waste reused or recycled

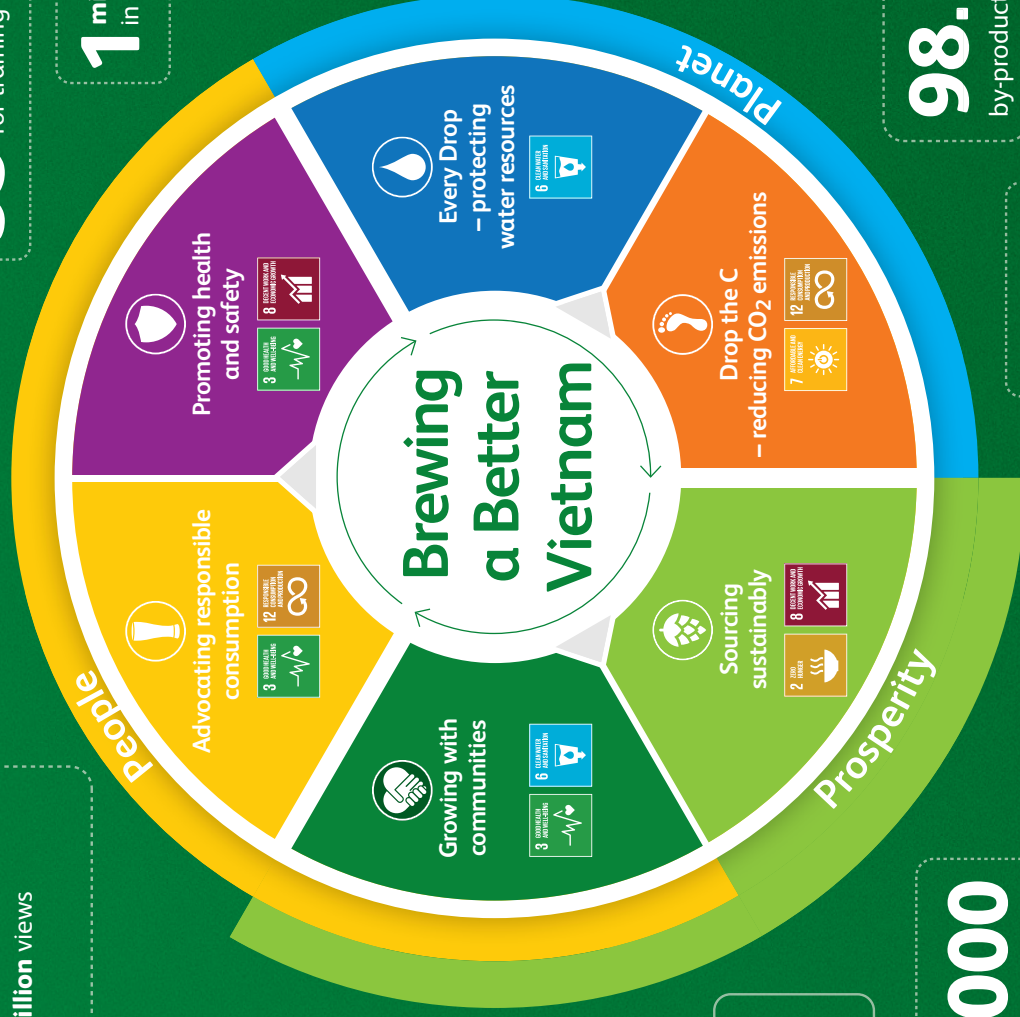
100% renewable energy
at
4/6 breweries

#1

water efficiency in Asia Pacific

100%

wastewater treated



Planet

Prosperity