

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 3255  
**COMPANY NAME** : Heineken Malaysia Berhad  
**FINANCIAL YEAR** : December 31, 2024

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is collectively responsible for defining the Company and its subsidiaries (collectively, the Group) strategic direction, overseeing the conduct of businesses and evaluating management effectiveness. It considers the interests of all stakeholders in its decision-making to ensure the Group's objectives of creating long-term sustainable value for the benefit of our stakeholders are met.</p> <p>The Board is also responsible to establish the corporate values, promote good governance practices, reinforce ethical and professional behavior and ensure its obligations to shareholders and other stakeholders are fulfilled.</p> <p>The Board is guided by its Charter which delineates the purpose, composition, key roles and primary responsibilities as well as the internal procedural matters for the Board. The principal responsibilities of the Board are in line with those outlined in the Malaysian Code on Corporate Governance (MCCG). The Board Charter serves as a reference for Board members, assisting them in discharging their fiduciary duties as Directors. It is available on the Company's website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p> <p>To ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board has established a governance framework. Within this framework, specific powers are delegated to the appropriate Board Committees as well as the Managing Director and his team.</p> <p>The Board is supported by the Audit &amp; Risk Management Committee (ARMC) and the Nomination &amp; Remuneration Committee (NRC), with each entrusted with specific responsibilities and authorities to review relevant matters prior to tabling to the Board for approval. The Chairpersons of these respective Board Committees report to the Board on discussions held and recommendations made.</p>

	<p>In 2024, the Board had five (5) meetings during which it reviewed the Group's strategies and financial performance versus plans, market trends and business outlook, sustainability matters, progress of strategic priorities and key initiatives undertaken by respective functions. The Board also deliberated on key business and operational issues and challenges, organisational resources and capital investment, industry issues, and changes in regulatory requirements. Additionally, the Board considered reports and recommendations from respective Board Committees on matters including financial reporting, internal and external audits, risk management and internal control, dividend distribution, related party transactions, short-term incentive payouts and salary increment for Group's employees. Furthermore, discussions were held regarding Board effectiveness evaluation, re-nomination of retiring Directors and appointment of new Managing Director.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board leads the Board and oversees its conduct and functioning, ensuring adherence to relevant corporate governance practices. Additionally, the Chairman:</p> <ul style="list-style-type: none"> <li>▪ Collaborates with the Managing Director and the Company Secretary to set the Board Meeting agenda and ensures that complete and accurate information is provided to the Directors in a timely manner to facilitate informed decision-making.</li> <li>▪ Leads Board Meeting's discussions, ensures sufficient time is allocated for deliberations of key issues; seeks views from the Directors on matters requiring Board decisions, encourages active participation, and ensures the efficient and effective conduct of the Board Meetings.</li> <li>▪ Promotes constructive and respectful relations between Board members as well as between Board members and the Management; and</li> <li>▪ Chairs the Company's Annual General Meeting (AGM) and addresses questions raised by the shareholders.</li> </ul> <p>Further details on the roles and responsibilities of the Chairman are outlined in the Board Charter.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As provided in the Board Charter, the positions of Chairman and Managing Director are held by separate individuals.</p> <p>The Chairman of the Company, Dato' Sri Idris Jala is an Independent Non-Executive Director. He is responsible for the orderly conduct and effective functioning of the Board.</p> <p>The Managing Director, Mr Martijn Rene van Keulen, is appointed by the Board. He is primarily responsible for the daily management of the Group's business and operations, ensuring organisational effectiveness and implementing strategies and policies approved by the Board. The Managing Director is supported by the Management Team, which is assisted by several functional committees that are tasked to oversee key operating areas.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	During the annual Board effectiveness evaluation for financial year 2024 (FY2024), the Board reviewed the above practice recommended by the MCCG and decided to maintain the current composition of the NRC, with Dato' Sri Idris Jala continuing as the NRC Chairman.
	<p>Dato' Sri Idris Jala, respected by Directors and Management for his extensive knowledge, experience and dynamism, has been professional and objective in carrying out his duties as an Independent Non-Executive Director and Chairman of the Board and the NRC.</p> <p>He is mindful of his distinct responsibilities on the Board and the NRC. At the Board and NRC meetings, he has demonstrated strong leadership by fostering open and constructive discussions, promoting thorough deliberations, and seeking input from both Directors and Management. Before making recommendation to the Board, all issues are thoroughly deliberated at the committee level, involving participation from both Independent and Non-Independent Directors. He abstains from participating in deliberation or decision-making on matters where a conflict of interest may arise. All recommendations made by the NRC to the Board have been unanimously agreed upon, reducing the risk of self-review.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	The Board intends to maintain the current practice.
<b>Timeframe</b> :	Others
	The Company will review the need for application of this Practice on an annual basis.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary is a qualified Chartered Secretary. She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators and she holds a Practising Certificate for Secretaries under Section 241 of the Companies Act, 2016.</p> <p>The Company Secretary advises the Board on regulatory requirements and corporate governance matters to ensure that the Board discharges their duties and responsibilities effectively.</p> <p>Apart from ensuring compliance with the statutory requirements for the Group, the Company Secretary:</p> <ul style="list-style-type: none"><li>(i) Assists the Chairman of the Board and the Board Committees in ensuring the effective functioning of the Board and the Board Committees.</li><li>(ii) Keeps the Board informed of changes to regulatory requirements and advises on compliance with regulatory obligations as well as the application of best practices of corporate governance.</li><li>(iii) Ensures Directors receive adequate information and time to prepare for Board meetings, manages the logistics of the Company's AGM, Board and Board Committee meetings and ensures accurate recording and minutes-taking of meeting proceedings, deliberations and decisions.</li><li>(iv) Facilitates the annual Board effectiveness evaluation and assists the implementation of improvements identified through the process.</li><li>(v) Ensures that Directors meet their training requirements.</li><li>(vi) Organises induction programme for new Directors to facilitate their understanding of the Group's business and operations.</li><li>(vii) Acts as a central point of communication and engagement on corporate governance issues with relevant regulatory authorities.</li></ul> <p>The Company Secretary constantly stays updated with regulatory changes and corporate governance developments by attending relevant conferences and training programmes.</p> <p>The Board also has full access to the advice and services of the Company Secretary in carrying out their duties.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		



## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To assist Directors and Management in planning for the financial year, meetings of the Board and the Board Committees are scheduled in advance before the start of each new financial year.</p> <p>In 2024, the Board had five (5) meetings and the ARMC met quarterly whilst the NRC met once only. Prior to each meeting, a structured agenda, along with management reports and proposals, is provided to the Directors at least five (5) days in advance (or no fewer than three (3) days under any circumstances). To enhance meeting efficiency, the agenda is organised according to the priority of the matters or proposals to be discussed, with clear indications to guide the Directors whether the items are for approval, discussion or notation. Additionally, time allocations for each agenda item are specified to ensure the meetings are conducted efficiently.</p> <p>The proceedings of all meetings, including discussed issues, decisions, conclusions, dissenting views and whether any Director abstained from voting or deliberating on a specific matter at the meetings, along with required actions to be taken by responsible parties, are recorded in the minutes by the Company Secretary. Between Board meetings, time-sensitive or administrative matters requiring the Board's decisions or approvals will be addressed via circular resolutions, supported by relevant information and explanations. This procedure is also applicable to the Board Committees.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by its Charter which delineates the purpose, composition, key roles and primary responsibilities as well as the internal procedural matters for the Board. The principal responsibilities of the Board are in line with those outlined in the MCGG. The Board Charter also outlines the key matters reserved for the Board deliberation and decision. It serves as a reference for Board members, assisting them in discharging their fiduciary duties as Directors</p> <p>The Board Charter is available on the Company's website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Establishing a culture of integrity and ethics within the organisation is important for preserving the Group's reputation and enhancing stakeholders' confidence. The Board remains committed to upholding exemplary business conduct by implementing adequate policies and procedures. Directors, officers, employees and business partners of the Group are required to observe and maintain high standards of integrity and ethical behaviour in their duties or business dealings, and to comply with relevant regulatory requirements and policies adopted by the Group, including those relating to anti-bribery and anti-corruption.</p> <p>The Group has adopted the following codes that outline its commitment to conducting business with integrity and fairness, adherence to laws, promoting sustainability and ensuring responsibility as well as the key principles for ethical and business conduct expected from stakeholders in their dealing with the Group.</p> <p><b><i>HEINEKEN Code of Business Conduct (HeiCode)</i></b>  The HeiCode outlines the core principles and expectations that apply to all individuals within the Group. It addresses various topics, including discrimination, harassment, fraud and corruption. It specifies the standards of conduct and behavior expected in daily work, both within and outside the Group. The HeiCode covers all aspects of the Group's business operations, organised into four (4) broad categories:</p> <ul style="list-style-type: none"> <li>▪ Caring for People and Planet</li> <li>▪ Maintaining Business Integrity</li> <li>▪ Protecting our Assets</li> <li>▪ Engaging Responsibly</li> </ul> <p>The HeiCode and the underlying policies, communication and training materials are documented and accessible through a Business Conduct Portal for employees. Annually, all employees must complete the following e-learning modules as part of the Company's efforts to enhance awareness and assess their understanding of the respective codes and underlying principles:</p>

	<ul style="list-style-type: none"> <li>▪ Code of Business Conduct</li> <li>▪ Anti-Bribery and Corruption</li> <li>▪ Responsible Marketing Code</li> <li>▪ Security Awareness</li> <li>▪ Fraud Awareness</li> <li>▪ Data Privacy</li> <li>▪ Competition law</li> <li>▪ Life Saving Commitments</li> <li>▪ Responsible Consumption</li> </ul> <p>Board members and employees, including senior management, are required to annually disclose any potential conflicts of interest between their personal interests and those of the Company or its subsidiaries. This policy ensures decisions within the Group are based on objective business judgement and are not influenced by personal interests or gains.</p> <p><b><i>HEINEKEN Responsible Marketing Code</i></b></p> <p>The Group has adopted the HEINEKEN Responsible Marketing Code, which governs all commercial communications to ensure adherence to the highest standards of responsible marketing. The Code focuses on promoting moderate drinking, respect and truthfulness in commercial activations. It also includes guidelines for low and no-alcohol business, digital media and self-regulation initiatives. The Group’s licence to operate depends on its efforts in marketing its brands responsibly and driving sensible consumption. All marketing materials undergo thorough review against the Code prior to publication.</p> <p>The Code is updated periodically to reflect developments in the fast-changing world, with the latest update in April 2024.</p> <p><b><i>HEINEKEN Supplier Code and Distributor Code of Conduct</i></b></p> <p>All business partners are expected to comply with all applicable laws and regulations where they operate and affirm their commitment to responsible business conduct at all times. They are required to meet the Group’s expectations for conducting business responsibly, respecting human rights, ensuring health and safety, and protecting the environment as outlined in the HEINEKEN Supplier Code and the Distributor Code of Conduct.</p> <p>The Group has implemented proactive measures to ensure its business partners uphold our values and dedication to responsible business conduct. The Group has established a due-diligence tool designed to identify, assess, and address risks associated with third parties engaged by the Group, including suppliers and distributors. Among the risks evaluated by this tool are bribery and corruption.</p> <p>The HeiCode is available on the Company’s website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a>.</p>
<b>Explanation for departure</b> :	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted the HEINEKEN Speak Up Policy which provides employees and stakeholders with a standard procedure to confidentially report concerns related to suspected misconduct or unethical practices within the Group, without fear of retaliation. Reports may be submitted to designated trusted representatives appointed by the Company or through an external Speak Up Service, which is available 24/7.</p> <p>The Speak Up Service is managed by an independent third party. All Speak Up reports are assessed by a Global Speak Up Review Team, comprising representatives from Global Business Conduct, Global Process &amp; Control Improvement, Global Audit and Global People. This team determines the admissibility of concerns and identifies whether they should be handled by the Global Integrity Committee or by respective company involved.</p> <p>The policy has been communicated to employees and business partners, emphasizing that reports are treated confidentially and that retaliation is not tolerated.</p> <p>The Speak Up Policy is available on the Company's website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>The Board ensures the Company’s sustainability strategy aligns with the Group’s strategic direction to support its long-term goals. It provides oversight on management of material sustainability risks and opportunities, ensuring environmental, social and governance (ESG) factors, including climate-related factors, are integrated into the Group’s strategy and risk management.</p> <p>The Group has adopted the HEINEKEN sustainability strategy “Brew a Better World 2030” (BaBW) which outlines measurable and ambitious goals across three pillars: environmental sustainability, social sustainability, and responsible consumption. The objectives are to achieve net-zero environmental impact, fostering an inclusive, fair and equitable world, and promoting moderation in consumption.</p> <table border="1"> <thead> <tr> <th>Environmental Sustainability</th> <th>Social Sustainability</th> <th>Responsible Consumption</th> </tr> </thead> <tbody> <tr> <td>Reach Net Zero Carbon</td> <td>Diversity, Equity and Inclusion</td> <td>Always a Choice</td> </tr> <tr> <td>Maximise Circularity</td> <td>Fair &amp; Safe Workplace</td> <td>Address Harmful Use</td> </tr> <tr> <td>Towards Healthy Watersheds &amp; Nature</td> <td>Community Impact</td> <td>Make Moderation Cool</td> </tr> </tbody> </table> <p>The BaBW ambitions and targets align with the benchmarks established by the United Nations Global Compact, aiming to contribute to the United Nations Sustainable Development Goals to protect the planet, ensure prosperity and end poverty. Initiatives within each priority area are driven by relevant functions and departments across the organisation.</p> <p>Since 2022, the Group has implemented an ESG Framework, aligning the BaBW ambitions with the Group’s overall sustainability strategy and emphasizing key components of its sustainability agenda. The Group has also adopted a Sustainability Policy to reinforce its commitment to integrating sustainability practices throughout its operations and value chain, particularly in the areas of ESG. The Sustainability Policy is available on the Company’s website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p>	Environmental Sustainability	Social Sustainability	Responsible Consumption	Reach Net Zero Carbon	Diversity, Equity and Inclusion	Always a Choice	Maximise Circularity	Fair & Safe Workplace	Address Harmful Use	Towards Healthy Watersheds & Nature	Community Impact	Make Moderation Cool
Environmental Sustainability	Social Sustainability	Responsible Consumption												
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Towards Healthy Watersheds & Nature	Community Impact	Make Moderation Cool												

	<p>The Board is supported by a management Sustainability Committee responsible for strategically managing the material sustainability matters, including the formulation and implementation of the Group’s sustainability priorities and initiatives. The Sustainability Committee is chaired by the Managing Director, who has been entrusted by the Board to oversee the Group’s sustainability matters. He is supported by a secretariat led by the Corporate Affairs &amp; Legal Director (CAL Director). The committee comprises members of the Management Team who monitor the progress of sustainability performance within their respective pillars. The CAL Director reports to the Managing Director and the Board on a quarterly basis on the progress of the sustainability priorities and initiatives undertaken by the Group.</p> <p>Additional details regarding the Company’s sustainability strategy are reported in the ESG Review of the Company’s Annual Report 2024.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		



### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the importance of stakeholder engagement in its sustainability efforts. Through effective communication and engagement, the Group aims to delivering the BaBW commitments through cross-functional collaboration and partnership with external stakeholders.</p> <p>The BaBW strategy and priorities and the comprehensive description of stakeholder group, engagement activities and the targets as well as the achievement versus targets are reported in the ESG Review of the Company's Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group has been proactive in its sustainability efforts for over a decade. The Group remains dedicated to integrating sustainability into the core of its operations by considering sustainability in all business activities, from sourcing, production to marketing, sales, consumption and waste management, including reuse and recycling.</p> <p>in view of the growing interest from stakeholders and regulators regarding sustainability, the Group continues to engage with its stakeholders and explore further improvements in conducting business in a more sustainable manner that benefits all parties involved.</p> <p>The Board receives regular updates on the Group’s sustainability priorities and initiatives. It acknowledges the importance of staying informed about external trends and plans and will continue to devote more space for learning and sharing sustainability practices.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The annual Board effectiveness evaluation conducted for FY2024 included an assessment of the Board’s oversights of the Group’s sustainability and net zero plan, as well as deliberations on climate-related risks and opportunities, and issues critical to the Group’s performance.</p> <p>The performance evaluation for senior management takes into account the Group’s progress and performance of its sustainability priorities in addressing material sustainability risks and opportunities.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board is supported by a management Sustainability Committee responsible for strategically managing the material sustainability matters, including the formulation and implementation of the Group's sustainability priorities and initiatives.</p> <p>The Sustainability Committee is chaired by the Managing Director, who has been entrusted by the Board to oversee the Group's sustainability matters. He is supported by a secretariat led by the CAL Director. The committee comprises members of the Management Team who monitor the progress of sustainability performance within their respective pillars. The CAL Director reports to the Managing Director and the Board on a quarterly basis on the progress of the sustainability priorities and initiatives undertaken by the Group.</p>

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.1**

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director’s performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC evaluates the Board’s composition and performance annually, taking into consideration the diversity of skills and competencies, knowledge and business experience, gender and ethnicity; along with the tenure, performance, and contributions of the Directors.</p> <p>The NRC also evaluates and provides recommendation to the Board on the re-election of retiring Directors, contingent upon a satisfactory evaluation of the retiring Director’s performance and contributions to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is composed of seven (7) Directors. It is chaired by an Independent Non-Executive Chairman and includes a Managing Director along with five (5) Non-Executive Directors. Among these Non-Executive Directors, three (3), including the Chairman, are Independent Directors, constituting 43% of the Board. The remaining three (3) Non-Executive Directors are Non-Independent Directors.</p> <p>The Board finds the current composition effective, with three (3) Independent Directors and four (4) nominee Directors from the major shareholder.</p> <p>The Board recognises the recommendation under the MCCG for large companies to have a majority of Independent Non-Executive Directors on the Board. Considering the current shareholding structure, where 51% of the Company's equity interest is held indirectly by Heineken NV through its wholly-owned subsidiary, GAPL Pte Ltd, the Board believes that to fully leverage the experience of the HEINEKEN Group and ensure a focus on long-term value creation, it is in the best interest of the Company and the stakeholders that the Board includes a fair and adequate representation of the major shareholders.</p> <p>The Non-Independent nominee Directors play an important role in supporting the Board in discharging its oversight function. They have extensive knowledge of the industry and experience from working in the HEINEKEN Group across Asia Pacific which enable them to provide in-depth insights and learnings from regional and global point of view towards the Board's discussion, particularly on the Group's strategic direction and business strategy. Their views are generally aligned to safeguard the interests of the Company's shareholders collectively without compromising the independence and objective judgement in Board deliberation. The Board is often able to leverage on their tacit knowledge, accumulated experience and intuition in making key business decisions.</p> <p>The Independent Directors safeguard minority shareholders' and other stakeholders' interests by providing independent advice and promoting accountability in Board decisions.</p>

	<p>Furthermore, the Independent Directors do not have any relationships directly or indirectly with other Board Members or the major shareholder or to persons connected to them. They are able to provide check and balance to the Board with their unbiased and independent views as they participate actively and hold robust discussions and deliberations during Board meetings whilst nominee Directors will abstain from deliberation and decisions on matters which the major shareholder has interests. This has to a certain extent met the intended outcome despite not meeting the required numbers in its expected form.</p>			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
<b>Measure</b>	:	Considering the above, the Board would like to maintain its current composition.		
<b>Timeframe</b>	:	<table border="1"> <tr> <td data-bbox="528 741 948 831">Others</td> <td data-bbox="948 741 1404 831">The Board has not ascertained any time frame to adopt this practice.</td> </tr> </table>	Others	The Board has not ascertained any time frame to adopt this practice.
Others	The Board has not ascertained any time frame to adopt this practice.			

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by the recommended approach under the MCGG. Shareholders' approval is sought to retain Independent Directors whose cumulative tenure exceeds the 9-year limit, failing which, they will be re-designated as Non-Independent Directors.</p> <p>The Board will consider the skillset and contributions of the Director whose cumulative tenure is expected to reach the 9-year tenure, as well as his/her ability to act independently in the best interest of the Company, to ensure the Board functions effectively.</p> <p>As of 31 December 2024, none of the Independent Directors of the Company has served beyond 9 years.</p> <p>However, the tenure of Dato' Sri Idris Jala, our Independent Non-Executive Chairman, is expected to the 9-year tenure on 1 January 2026. The Board had via the NRC, evaluated the contribution and independence of Dato' Sri Idris Jala and recommended him to continue to serve as an Independent Non-Executive Director of the Company based on the justifications disclosed in the Notice of 61<sup>st</sup> AGM.</p> <p>In accordance with the recommended practice under the MCGG, shareholders' approval will be sought through a two-tier voting process at the 61<sup>st</sup> AGM of the Company to allow Dato' Sri Idris Jala to continue to serve as an Independent Non-Executive Director of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There is a formal and transparent process for the selection, nomination and appointment of suitable candidates to the Board. The NRC reviews the existing composition of the Board, identifies gaps, and determines the selection criteria for new appointments to address these gaps and enhance the Board's composition. When reviewing and recommending a new Director appointment to the Board, the NRC assesses the suitability of identified candidates based on their profile, professional knowledge and experience, considering the criteria outlined in the Directors' Fit &amp; Proper Policy.</p> <p>To uphold objectivity and independent judgement in accordance with the best practices of the MCCG, the Board will ensure that no individual is appointed or continues to serve as a Director if the individual is or becomes an active politician. Furthermore, the Board adheres to a cooling-off period of three (3) years before appointing any former audit partners and their affiliates as Independent Directors.</p> <p>Directors are expected to consult the Chairman before committing to other Board's appointment and to notify the Board promptly upon accepting any new directorships in other companies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As outlined under Practice 5.5, there is a formal and transparent procedure for the selection, nomination and appointment of qualified candidates to the Board. The NRC is entrusted by the Board with sourcing and assessing potential candidates, leveraging the Directors' network of professional and business contacts as well as external sources based on the Company's needs. The NRC conducts reference checks on shortlisted candidates, followed by engagement sessions to determine their suitability before making a final recommendation to the Board for approval.</p> <p>In identifying, assessing and shortlisting suitable qualified candidates for Board's appointment, the Board ensures that all assessments are conducted through a transparent and rigorous process, regardless of the source of recommendation. Additionally, the Board's decisions are made objectively in the best interest of the Company, taking into consideration the candidates' credentials and the wealth of experience they bring to the Board.</p> <p>The Board will consider utilising independent sources to identify suitably qualified candidates when necessary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The information on Directors standing for re-election as well as the justification from the Board to support the re-election of Directors are disclosed in the Explanatory Notes in the AGM Notice.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Dato' Sri Idris Jala, the current Chairman of the NRC is an Independent Director.</p> <p>The Chairman of the NRC is responsible for:</p> <ul style="list-style-type: none"> <li>▪ Conducting NRC meetings and reporting to the Board on matters deliberated and recommended by the NRC.</li> <li>▪ Leading succession planning and the appointment process for Board members, including the future Chairman and Managing Director.</li> <li>▪ Conducting the annual Board effectiveness evaluation, ensuring that the performance of Directors is independently assessed.</li> </ul> <p>These details are outlined in the Terms of Reference of the NRC which is available on the Company's website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board currently consists of 43% women directors, exceeding the 30% requirement for Large Companies.</p> <p>At senior management level, the female representation was at 38% as of 31 December 2024.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied																									
<b>Explanation on application of the practice</b>	:	<p>The Group has adopted the HeiCode and the HEINEKEN Human Rights Policy, which outline the principles of non-discrimination without distinction based on factors such as race, gender, nationality and age. Promoting a culture of diversity and inclusion, along with gender equality across the organisation, will continue to be a priority for the Group.</p> <p>The Board, supported by the Management Team, remains committed to driving this agenda across the organisation. Efforts are continuously made to ensure an optimal composition and balance of gender, ethnicity and age diversity at both the Board and senior management levels to facilitate their effective functioning. Diversity is a key consideration in the selection and appointment process, balanced against the overall profile and criteria for appointments.</p> <p>The diversity of the Board and the Management Team as of 31 December 2024 is depicted as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">Board</th> </tr> <tr> <th>Gender</th> <th>Ethnicity</th> <th>Age</th> </tr> </thead> <tbody> <tr> <td rowspan="3">57% Men 43% Women*</td> <td>14% Bumiputera</td> <td>28.5% aged 40 - 49</td> </tr> <tr> <td>57% Chinese</td> <td>43% aged 50 - 59</td> </tr> <tr> <td>29% Others</td> <td>28.5% aged 60 and above</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Management Team</th> </tr> <tr> <th>Gender</th> <th>Ethnicity</th> <th>Age</th> </tr> </thead> <tbody> <tr> <td rowspan="3">62% Men 38% Women*</td> <td>25% Chinese</td> <td rowspan="2">75% aged 40 - 49</td> </tr> <tr> <td>12% Indian</td> </tr> <tr> <td>63% Others</td> <td>25% aged 50 - 59</td> </tr> </tbody> </table> <p>*Exceeded the Government's target of 30% for public listed companies.</p>	Board			Gender	Ethnicity	Age	57% Men 43% Women*	14% Bumiputera	28.5% aged 40 - 49	57% Chinese	43% aged 50 - 59	29% Others	28.5% aged 60 and above	Management Team			Gender	Ethnicity	Age	62% Men 38% Women*	25% Chinese	75% aged 40 - 49	12% Indian	63% Others	25% aged 50 - 59
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<b>Measure</b>	:																										
<b>Timeframe</b>	:																										

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board, through the NRC, evaluates its collective performance annually by reviewing the effectiveness of the Board’s structure and activities as well as those of the Board Committees.</p> <p>The Board had engaged the Institute of Corporate Directors of Malaysia, an independent expert, in conducting the Board Effectiveness Evaluation for FY2022. For FY2024, this evaluation was conducted internally with the support of the Company Secretary. This process involved the Board members completing online questionnaires that encompassed various parameters to evaluate the Board’s performance against best practices.</p> <p>The NRC reviewed the outcome of the evaluation and reported to the Board on areas of improvement needed to enhance Board effectiveness at the Board Meeting held in February 2025. The outcome of the evaluation for FY2024 is reported in the Corporate Governance Overview Statement in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The remuneration matters of the Group fall under the purview of the NRC. The NRC is guided by the following principles as stipulated in the Company's Remuneration Policy:</p> <ul style="list-style-type: none"><li>▪ Remuneration should reflect performance, complexity and responsibility with a view to attracting, motivating and retaining high performance individuals whilst enhancing the Company's value for its shareholders.</li><li>▪ Remuneration practices are benchmarked against external market data using remuneration surveys to ensure fair compensation for staff.</li><li>▪ The process of remuneration management shall be transparent, conducted in good faith and adhere to appropriate levels of confidentiality.</li></ul> <p>The Remuneration Policy is available on the Company's website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p> <p>The remuneration of the Management Team including the Managing Director, is determined based on the HEINEKEN Global Senior Management Reward Policy. The remuneration package consists of both fixed and performance-linked elements, along with a long-term incentive plan. Salaries for the Managing Director do not include a commission or a percentage of the Group's turnover. The Managing Director is not entitled to annual fee nor any meeting allowances for attending Board and Board Committees Meetings. The performance of the Managing Director is evaluated annually, taking into account both corporate and individual performance metrics.</p>

	<p>The remuneration for the Non-Executive Directors is determined based on a standard fixed fee with the Chairman of the Board and the Board Committees receiving additional allowance due to their additional responsibilities and commitments. Non-Executive Directors who are members of Board Committees also receive an additional fee. A meeting allowance is provided for attending meetings of the Board and Board Committees.</p> <p>The NRC is tasked with reviewing the remuneration package for Non-Executive Directors to ensure it appropriately reflects their experience, level of responsibilities and contributions, and is competitive with market practices. Any proposed changes to the remuneration package will be submitted to the Board for approval.</p> <p>The Board collectively determines the remuneration of the Non-Executive Directors based on the recommendation of the NRC. Each Non-Executive Directors shall abstain from deliberating and voting on their own remuneration. The fees for Directors, along with any benefits payable to Non-Executive Directors, shall be subject to shareholders' approval at AGM.</p> <p>Below is an overview of the remuneration package for the Non-Executive Directors approved by the shareholders:</p> <table border="1" data-bbox="549 1016 1383 1346"> <thead> <tr> <th colspan="2">Remuneration for Non-Executive Directors</th> <th>RM</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Annual fee</td> <td>Non-Executive Director</td> <td>75,000</td> </tr> <tr> <td>ARMC member</td> <td>5,000</td> </tr> <tr> <td>NRC member</td> <td>4,000</td> </tr> <tr> <td rowspan="3">Annual allowance</td> <td>Board Chairman</td> <td>242,000</td> </tr> <tr> <td>ARMC Chairman</td> <td>8,000</td> </tr> <tr> <td>NRC Chairman</td> <td>6,000</td> </tr> <tr> <td>Meeting attendance allowance</td> <td>All Non-Executive Directors</td> <td>1,200 per meeting</td> </tr> </tbody> </table>	Remuneration for Non-Executive Directors		RM	Annual fee	Non-Executive Director	75,000	ARMC member	5,000	NRC member	4,000	Annual allowance	Board Chairman	242,000	ARMC Chairman	8,000	NRC Chairman	6,000	Meeting attendance allowance	All Non-Executive Directors	1,200 per meeting
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	NRC Chairman	6,000																			
Meeting attendance allowance	All Non-Executive Directors	1,200 per meeting																			
<p><b>Explanation for departure</b> :</p>																					
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																					
<p><b>Measure</b> :</p>																					
<p><b>Timeframe</b> :</p>																					

**Intended Outcome**

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

**Practice 7.2**

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company’s website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has a combined Nomination &amp; Remuneration Committee (NRC) comprised of five (5) Non-Executive Directors, with a majority being Independent Directors. The NRC is responsible for reviewing and recommending the remuneration package for Non-Executive Directors to the Board, ensuring alignment with the Group’s business strategy and long-term objectives to attract and retain Directors.</p> <p>The NRC’s roles and functions are outlined in its Terms of Reference which is available on the Company’s website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The remuneration package of the Non-Executive Directors is disclosed under Practice 7.1 with the details of the remuneration paid to individual directors for FY2024 outlined on the following page. The Managing Director's remuneration are also disclosed on the same page.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Idris Jala	Independent Director	323	8.4	0	0	17.4	0	348.8	323	8.4	0	0	17.4	0	348.8
2	Choo Tay Sian, Kenneth	Non-Executive Non-Independent Director	84	12	0	0	0	0	96	84	12	0	0	0	0	96
3	Seng Yi-Ying	Non-Executive Non-Independent Director	75	3.6	0	0	0	0	78.6	75	3.6	0	0	0	0	78.6
4	Lau Nai Pek	Independent Director	87	13.2	0	0	0	0	100.2	87	13.2	0	0	0	0	100.2
5	Carmen Chua	Independent Director	84	10.8	0	0	0	0	94.8	84	10.8	0	0	0	0	94.8
6	Erin Sakinah Atan	Non-Executive Non-Independent Director	79	7.2	0	0	0	0	86.2	79	7.2	0	0	0	0	86.2
7	Martijn Rene van Keulen (Appointed on 1 July 2024)	Executive Director	0	315	617	0	497	89	1,518	0	315	617	0	497	89	1,518
8	Roland Bala (Resigned on 1 July 2024)	Executive Director	0	544	1,166	661	251	925	3,547	0	544	1,166	661	251	925	3,547

## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

## Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>Given the confidentiality and sensitivity of the information, as well as the competitive talent market in the beer industry, the Board is of the view that disclosing the remuneration of key senior management members by name would not be in the best interest of the Company and the senior management team.</p> <p>The remuneration of the top five (5) senior management, excluding the Managing Director, is disclosed as follows in the bands of RM50,000 but not on a named basis:</p> <table border="1" data-bbox="571 1104 1345 1368"> <thead> <tr> <th>Range of Remuneration (RM)</th> <th>Top 5</th> </tr> </thead> <tbody> <tr> <td>1,200,000 - 1,250,000</td> <td>1</td> </tr> <tr> <td>1,350,000 - 1,400,000</td> <td>1</td> </tr> <tr> <td>1,750,000 – 1,800,000</td> <td>1</td> </tr> <tr> <td>1,850,000 – 1,900,000</td> <td>1</td> </tr> <tr> <td>2,050,000 – 2,100,000</td> <td>1</td> </tr> </tbody> </table> <p>Such information is deemed adequate to enable stakeholders to assess the reasonableness of the remuneration paid to the senior management of the Company.</p>	Range of Remuneration (RM)	Top 5	1,200,000 - 1,250,000	1	1,350,000 - 1,400,000	1	1,750,000 – 1,800,000	1	1,850,000 – 1,900,000	1	2,050,000 – 2,100,000	1
Range of Remuneration (RM)	Top 5													
1,200,000 - 1,250,000	1													
1,350,000 - 1,400,000	1													
1,750,000 – 1,800,000	1													
1,850,000 – 1,900,000	1													
2,050,000 – 2,100,000	1													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
<b>Measure</b>	:	The Company has a comprehensive internal process that consistently benchmarks remuneration practices against external market data using remuneration surveys. This ensures that the remuneration of Directors and senior management members is fair. The Board will monitor market developments and review the appropriateness of such disclosure in the future.												
<b>Timeframe</b>	:	Others												
		-												

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Mr Lau Nai Pek, a Senior Independent Director, is the Chairman of the ARMC. He does not hold the position of Chairman of the Board.</p> <p>The duties and responsibilities of the ARMC Chairman are detailed in the ARMC's Terms of Reference available on the Company's website at <a href="https://www.heinekenmalaysia.com/corporate-governance/">https://www.heinekenmalaysia.com/corporate-governance/</a></p>	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>None of the current Board members of the Company has previously served as a key audit partner.</p> <p>The Board will enforce a cooling-off period of at least three (3) years if any potential candidate who has previously been a key audit partner is considered for appointment as a member of the ARMC. This requirement is also specified in the ARMC's Terms of Reference.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC evaluates the independence and objectivity of the external auditors in performing statutory audit for the Group, as well as prior to the engagement of non-audit services of the external auditors. The external auditors, Messrs Deloitte PLT, have confirmed that they comply with the independence requirements set forth in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (By-Laws) and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code). They have also affirmed that they have fulfilled their ethical responsibilities according to the By-Laws and IESBA Code.</p> <p>The ARMC also reviews the nature of non-audit services and the associated fees to ensure they do not compromise the auditors' independence and objectivity. Additionally, the ARMC has in place pre-approved policies and procedures governing the provision of permissible and non-permissible non-audit services to the Group to further ensure that these services do not impair the audit firm's independence. For FY2024, the external auditors were primarily engaged to perform statutory audit on the Group's financial statements and review reporting deliverables to Deloitte Netherlands as well as the Company's Statement on Risk Management and Internal Control. The ARMC also reviews the Annual Transparency Report issued by Messrs Deloitte PLT.</p> <p>The Board, through the ARMC, maintains a professional relationship with the external auditors. The ARMC has a clear authority to communicate directly with external auditors. The ARMC meets the external auditors at least twice a year to review their audit plan, audit findings and the Group's financial statements. Additionally, the ARMC conducts private meetings with the external auditors twice annually without the presence of the Managing Director and Management staff to discuss any areas of concerns or confidential matters, as well as audit findings and other observations from the audit process.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>The ARMC comprises three (3) Non-Executive Directors, with a majority being Independent Directors including the Chairman. All members are financially literate, possess relevant expertise and experience, understand the Group's business and are able to objectively review, analyse, challenge and provide recommendations on matters within the ARMC's jurisdiction, including the financial reporting process. Two of the members including the ARMC Chairman are Chartered Accountants.</p> <p>All members of the ARMC engaged in continuous professional development to enhance their capability in discharging their duties and responsibilities. The training attended by the ARMC members during 2024 is listed below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: black; color: white;"> <th style="width: 30%;">Members</th> <th>Training attended</th> </tr> </thead> <tbody> <tr> <td>Lau Nai Pek (Chairman)</td> <td> <ul style="list-style-type: none"> <li>▪ Governance and risk Management Practices for the Financial Markets in the 21<sup>st</sup> Century</li> <li>▪ Khazanah Megatrends Forum 2024</li> </ul> </td> </tr> <tr> <td>Choo Tay Sian, Kenneth</td> <td> <ul style="list-style-type: none"> <li>▪ HEINEKEN Code of Business Conduct 2024</li> <li>▪ Mandatory Accreditation Programme Part II: Building high-impact boards for sustainable growth</li> <li>▪ Master Team Coaching and Master Coach Level 2 – Professional Coach Certification</li> </ul> </td> </tr> <tr> <td>Chua Carmen</td> <td> <ul style="list-style-type: none"> <li>▪ Mandatory Accreditation Programme Part II: Building high-impact boards for sustainable growth</li> <li>▪ Strata Governance Challenges: Part towards harmonious strata living.</li> <li>▪ East Meets West : A dual perspective on real estate sales excellence</li> </ul> </td> </tr> </tbody> </table>	Members	Training attended	Lau Nai Pek (Chairman)	<ul style="list-style-type: none"> <li>▪ Governance and risk Management Practices for the Financial Markets in the 21<sup>st</sup> Century</li> <li>▪ Khazanah Megatrends Forum 2024</li> </ul>	Choo Tay Sian, Kenneth	<ul style="list-style-type: none"> <li>▪ HEINEKEN Code of Business Conduct 2024</li> <li>▪ Mandatory Accreditation Programme Part II: Building high-impact boards for sustainable growth</li> <li>▪ Master Team Coaching and Master Coach Level 2 – Professional Coach Certification</li> </ul>	Chua Carmen	<ul style="list-style-type: none"> <li>▪ Mandatory Accreditation Programme Part II: Building high-impact boards for sustainable growth</li> <li>▪ Strata Governance Challenges: Part towards harmonious strata living.</li> <li>▪ East Meets West : A dual perspective on real estate sales excellence</li> </ul>
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<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group adopted the HEINEKEN Risk Management and Internal Control Systems which enable Management to identify, assess, prioritise and manage risks on a continuous and systematic basis. The Board, through the ARMC continually reviews the adequacy, integrity and effectiveness of the risk management and internal control systems to ensure that the same are soundly conceived, in place, effectively administered and regularly monitored.</p> <p>As an integral part of the risk management and internal control systems, an assessment is also performed under the HEINEKEN Risk and Control Matrix compliance programme on the internal controls surrounding the Group financial reporting process on an annual basis, focusing on transparency, accountability and safeguarding of the Group's assets. Outcome of the assessment is reported to the ARMC during their quarterly meetings.</p> <p>The Internal Audit function, which is performed in-house, assists the ARMC and the Management in the effective discharge of their responsibilities in respect of risk management, internal control and governance. It is guided by its Charter and its principal responsibility is to provide independent and objective reviews on the Group's internal control system so as to ensure that controls which are instituted are appropriate and can effectively address acceptable risk exposures. The Internal Audit function also ensures that recommendations to improve controls are followed through by Management.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

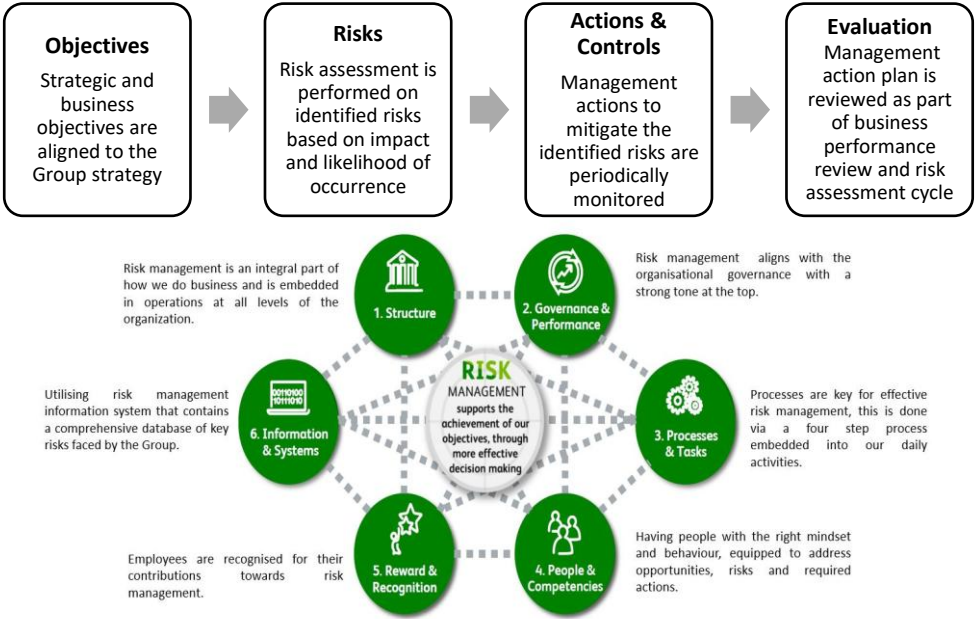
**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

**Practice 10.2**

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<p><b>Application</b> :</p>	<p>Applied</p>
<p><b>Explanation on application of the practice</b> :</p>	<p>Risk management is a key component of the Group’s business operations, supported by good governance practices. The Group has adopted the HEINEKEN Risk Management Framework which is integrated within the HEINEKEN Business Framework to address strategic risks. It comprises a structured four-step process, supported by six (6) key pillars:</p>  <p>The risk profile of the Group is determined during the risk assessment sessions with the Management Team. This process is facilitated by the Process &amp; Control Improvement (P&amp;CI) Team and is an integral part of the Risk and Control Workgroup (RCW). During each assessment session, members of the Management Team are engaged to identify and review key risk areas within their respective function. They are responsible for ensuring that appropriate and effective mitigation plans are in place to manage the identified risks. The risks landscape, along with the mitigation plans, is assessed and categorised according to the level of impact and likelihood, using the Risk Management Matrix adopted by the Group</p>

The identified risks will be mapped on a heat map and ranked according to their level of risk and impact and then presented to the Management Team at the quarterly RCW meeting. In determining the appropriate responses to address the risks, the following risk mitigation strategy will be applied:



The Group applies the “Three-lines of Defence” model for managing risk activities. Detailed information on this approach is outlined in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2024.

The RCW, which is made up of members of the Management Team and is chaired by the Managing Director, oversees the areas of risk management and internal control of the Group. It meets on a quarterly basis to review the risk management activities and internal control issues raised. Matters deliberated in the RCW meetings are reported to the ARMC. The RCW is supported by the P&CI Team who is tasked to oversee compliance with the Group’s Risk Management and Internal Control Systems and drive continuous process improvements.

The P&CI Team, which comprises of a P&CI Manager and a P&CI Executive, is a function within the Finance Department whilst the Internal Audit Department maintains a functional reporting relationship with the ARMC and reports administratively to the Managing Director.

As an integral part of the Framework, internal control activities are carried out with the aim of providing reasonable assurance as to the accuracy of financial information, non-financial disclosures, the Company’s compliance with applicable laws and internal policies, and the effectiveness of internal processes.

The internal controls are defined in the HEINEKEN Rules (HeiRules), encompassing all mandatory standards and procedures including financial and non-financial reporting, IT and Tax. On an annual basis, a Control Self-Assessment (CSA) is performed by each function to evaluate the implementation and execution of the mandatory standards and procedures stipulated under the HeiRules. The Group has also adopted the HEINEKEN’s Risk and Control Matrix (RACM) compliance programme that focuses on internal controls over financial reporting. The RACM assessment is conducted on key controls surrounding the Group’s financial reporting process based on materiality level. It focuses on transparency, accountability and the safeguarding of assets.

The P&CI Team coordinates both CSA and RACM assessments annually. The assessments are performed by competent assessors and the outcome are tested by qualified reviewers. The P&CI Team discusses non-compliance areas and control deficiencies with relevant process owners and documents them in a monitoring tool whilst ensuring remediation action plans are in place. Completed actions are retested to ensure adequate remediation. Any deficiencies identified will be assessed and reported to the RCW and the ARMC during their quarterly meetings.

	The Board is of the view that, the overall risk management and internal control systems in place for FY2024, are operating adequately and effectively for the purpose of safeguarding the Group's assets, as well as shareholders' investments and the interests of customers, employees and other stakeholders.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Risk management is under the purview of the ARMC which comprises a majority of Independent Directors, with two out of the three committee members being Independent Directors.</p> <p>The principal responsibilities of the ARMC concerning risk management are outlined in its Terms of Reference.</p>

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit function is performed in-house. It assists the ARMC and the Management in the effective discharge of their responsibilities in respect of risk management, internal control and governance. It is guided by its Charter and its principal responsibility is to provide independent and objective reviews on the Group's internal control system so as to ensure that controls which are instituted are appropriate and can effectively address acceptable risk exposures. The Internal Audit function also ensures that recommendations to improve controls are followed through by Management.</p> <p>The Internal Audit function, which is led by the Head of Internal Audit, has a clear line of reporting to the ARMC and its performance is reviewed by the ARMC on an annual basis. The ARMC also reviews the internal audit plan including the adequacy of the audit scope, approach, methodology, resources and authority of the Internal Audit function in carrying out its audit activities. It is independent of the operational and management activities they audit.</p> <p>The Internal Audit function carried out its activities based on the Internal Audit Plan approved by the ARMC. The Internal Audit Plan is developed based on the risk profiles identified in accordance with the Group's Risk Management Framework and in consultation with the Management Team. The ARMC reviews the extent of the audit scope and coverage of the Group's activities; and the adequacy, competency and the internal audit resources to support the completion of the plan. At the quarterly ARMC meetings, the Head of Internal Audit reports to the ARMC on the progress of internal audit activities and the resource requirements. The report to the ARMC also covers significant risk and control issues, including fraud risks, governance issues and other matters that require the ARMC's attention.</p> <p>During FY2024, the Internal Audit function completed 17 audit assignments which included 5 investigative audits on matters reported via the Speak Up channel and requested by Management. The audits were performed using a risk-based approach followed by root-cause analysis and were consistent with the Group's established framework in designing, implementing and monitoring of its internal control systems. The audit covered various operational areas within the Group, which included:</p>

	<ul style="list-style-type: none"> <li>▪ Regional sales offices and distributors’ safety standards</li> <li>▪ Procurement process</li> <li>▪ Packaging material management process</li> <li>▪ Management of spare parts in supply chain</li> <li>▪ Employee claims processing</li> <li>▪ Controls over consumer redemption of vouchers</li> <li>▪ Compliance with the HEINEKEN Brand Promoters Policy</li> <li>▪ Recurrent related party transactions</li> </ul> <p>Findings from the audits were highlighted to Management who are responsible for ensuring that the agreed action plans to address the reported weaknesses are implemented within the required timeline. On a regular basis, the Internal Audit function reviewed the status of implementation of the recommended actions and preventive measures. The audit findings, audit opinion or conclusion and the status of implementation of the action plan were reported to the RCW and presented to the ARMC for review at their respective quarterly meetings.</p> <p>The Internal Audit function also collaborates with the Process &amp; Control Improvement Team to review the Group’s risk management process. Additionally, it provided support to the Safety Team by conducting a pre-audit review of the safety controls outside of production and assisted the Industrial Relations function during domestic inquiries.</p> <p>The ARMC had evaluated the performance of the Internal Audit function for FY2024 and was satisfied with the overall performance of the function as it had been effective in performing its duties. The Internal Audit function also provided value added recommendations to the organisation, strengthening its internal controls, improving efficiency of processes whilst enabling cost savings, and was able to function independently.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit function is performed in-house and it is headed by Eugene Ding Diew Ping who reports functionally to the ARMC and administratively to the Managing Director. The Internal Audit function does not have any direct operational responsibility or authority over any of the activities it audits, nor has it engaged in any activity that might impair the internal auditor's judgement. All the internal audit staff had confirmed via an annual declaration that they were free from any relationships or conflict of interests which could impair their objectivity and independence.</p> <p>The Head of Internal Audit, Eugene Ding Diew Ping, holds a Bachelor's Degree of Business (Accounting) from the University of Technology Sydney, Australia. He is also a Chartered Accountant of the Malaysian Institute of Accountants and a Chartered Member of the Institute of Internal Auditors Malaysia (IIAM). He has over 20 years of internal audit experience. Currently, he is supported by an Internal Audit Assistant Manager and an Internal Audit Executive. During FY2024, relevant trainings were provided to the internal audit team to enhance their competencies.</p> <p>The Internal Audit function is guided by an Internal Audit Charter approved by the ARMC. The charter sets out the purpose, scope, responsibility and authority of the function.</p> <p>In carrying out the audit activities, the Internal Audit function has adopted the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the International Internal Audit Standards Board. The internal audit staff adhere to the Code of Ethics adopted by the IIA which sets out, among others, the principles relevant to the profession and practice of internal auditing and the rules of conduct expected of internal auditors.</p> <p>Based on the evaluation carried out by the ARMC on the performance of the Internal Audit function for FY2024, the Internal Audit function was found to be effective and able to function independently in discharging its responsibilities in that it provided value added recommendations that helped strengthen the internal controls within the Group.</p>



<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises the importance of timely and equitable dissemination of material information to shareholders, investors and the public. It consistently maintains an active and proactive communication approach with its shareholders and other stakeholders to foster mutual understanding of each party's objectives and expectations.</p> <p>The Company is guided by the disclosure requirements of the Main Market Listing Requirements along with the Corporate Disclosure Guide issued by Bursa Securities, HEINEKEN Media Policy and HEINEKEN Financial Disclosure Guidelines. These guidelines specify the authorised spokespersons responsible for communicating specific information to both internal and external stakeholders. They also provide specific guidance on the disclosure of material information, maintaining confidentiality and dissemination of information.</p> <p>The Company's Annual Report serves as a communication tool with the Group's stakeholders, providing a comprehensive review of the Group's financial and non-financial performance. The Company ensures that its annual report is published on a timely basis and made available electronically to shareholders immediately upon publication.</p> <p>The Company leverages various communication platforms to engage with shareholders and stakeholders. These include announcements via Bursa LINK, publication on the Company's website, bi-annually results briefings with analysts, fund managers and media, engagements through the Investor Relations function and the Company's social media. In 2024, the Company conducted several engagement activities with its stakeholders. Details of the engagement activities are reported in the Stakeholder Engagement section within the ESG Review in the Company's Annual Report 2024.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Driven by a commitment to transparency, the Company’s Annual Report 2024 has been prepared based on the integrated reporting approach. This approach demonstrates how the Company’s strategy, actions, performance, governance and prospects contribute to the creation of stakeholder value. The Annual Report 2024 has been developed in accordance with the relevant rules, regulations, guidelines and best practices, including:</p> <ul style="list-style-type: none"> <li>▪ Companies Act 2016</li> <li>▪ Bursa Malaysia’s Corporate Governance Guide 4th Edition</li> <li>▪ Bursa Malaysia's Main Market Listing Requirements (“MMLR”)</li> <li>▪ Malaysian Code on Corporate Governance 2021</li> <li>▪ Malaysian Financial Reporting Standards</li> <li>▪ International Financial Reporting Standards and other regulatory requirements, as applicable</li> </ul> <p>Regarding sustainability, our ESG Review has been prepared with reference to the MMLR on sustainability reporting, Bursa Malaysia’s Sustainability Reporting Guide 3<sup>rd</sup> Edition and the indicators of the FTSE4Good Bursa Malaysia Index. The ESG disclosures are in line with the Global Reporting Initiative (GRI) standards, with reference to the United Nations Sustainable Development Goals.</p> <p>Additionally, we are referencing our climate-related disclosure with the International Financial Reporting Standards S2 in preparation for transition to the new standards required under the National Sustainability Reporting Framework.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Annual Report 2023, along with the Notice of the 60<sup>th</sup> AGM, was issued on 17 April 2024, more than 28 days prior to the AGM held on 16 May 2024. Notification on the publication of the Annual Report and the AGM notice on the Company's website was disseminated to shareholders on the same day.</p> <p>The AGM notice includes</p> <ul style="list-style-type: none"><li>(i) Explanatory notes to shareholders regarding their entitlement to attend the AGM and their right to appoint proxies, as well as detailed explanations for each motion to be tabled at the AGM to enable shareholders to make informed decisions in exercising their voting rights; and</li><li>(ii) Administrative details regarding the AGM to allow shareholders to plan and make necessary arrangements to participate in the AGM; and instructions for sending pre-meeting questions related to the AGM agenda items to Tricor Investor &amp; Issuing House Services (TIH) online website.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In 2024, the Company's AGM was conducted entirely on a virtual basis using the remote participation and voting (RPV) facilities. The AGM was attended by all Board members, the Finance Director, Company Secretary, the External Auditors and shareholders of the Company.</p> <p>The attendance of all Directors allows shareholders to engage with them directly, providing an opportunity to raise questions and concerns.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2024, the Company conducted its AGM entirely virtually using the RPV facilities, available on the TIIH online website, enabling remote shareholders to participate and vote in absentia.</p> <p>In collaboration with the Share Registrar, the Company ensured that the online platform had appropriate measures to protect data privacy, manage cyber security risk, and prevent cyber threats before and during the meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman chaired the 60<sup>th</sup> AGM held on 16 May 2024 and briefed the meeting on the meeting agenda and reminded shareholders of their rights to vote and submit questions to the Board during the session. He also explained the Board's recommendations and the rationale behind each motion tabled at the meeting.</p> <p>During the AGM, the Managing Director presented a comprehensive review of the Group's business and financial performance, alongside an overview of the Group's activities, key challenges, market outlook and strategies and priorities for the ensuing year.</p> <p>Shareholders were provided with the opportunity to submit real-time questions, comments or suggestions for improvement and cast their votes via the RPV facilities. The Chairman, representing the Board, along with the Managing Director and the Finance Director, addressed questions submitted in advance by shareholders, including those from the Minority Shareholder Watch Group as well as the real-time questions posed during the meeting.</p> <p>All resolutions outlined in the AGM notice were voted by poll, and an independent scrutineer was appointed to validate the votes for each resolution. The poll results were announced before the conclusion of the AGM and were subsequently published on the Company's website and via Bursa LINK on the same day.</p>
<b>Explanation for departure</b>	: :
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: :
<b>Timeframe</b>	: :



## Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

## Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Alongside the AGM notice, an Administrative Guide detailing the meeting specifics and information on shareholders' rights and entitlement to participate was sent to shareholders.</p> <p>The proceedings of the Company's 60<sup>th</sup> AGM were live broadcasted through the RPV facilities available on the TIIH online website. Eligible shareholders and proxies were able to join the live streamed AGM via web portal or mobile application via the TIIH online website.</p> <p>Shareholders were provided with the opportunity to submit questions in the query box via the RPV facilities before and during the AGM. Questions from shareholders, including those from the Minority Shareholder Watch Group, were presented to all meeting participants and were read out during the Questions &amp; Answers session. The Chairman, along with the Managing Director and the Finance Director addressed all relevant questions submitted.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the 60 <sup>th</sup> AGM held on 16 May 2024 detailing the attendance of Directors and the meeting proceedings were published on the Company's website at <a href="https://www.heinekenmalaysia.com/annual-general-meetings.html">https://www.heinekenmalaysia.com/annual-general-meetings.html</a> within 30 business days after the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

Not applicable
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