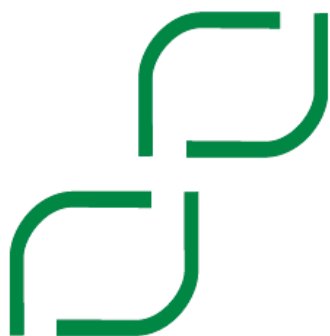


Socially Responsible Investing Policy

of



STICHTING HEINEKEN PENSIOENFONDS

(Approved by the Board on December 15, 2020)

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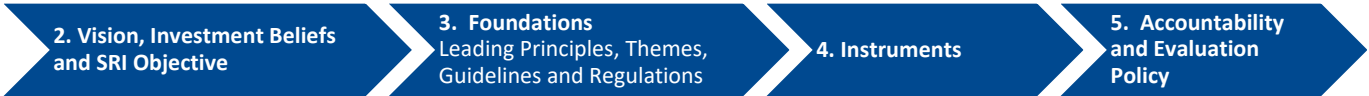
1. Introduction

Socially Responsible Investment (SRI) is an investment methodology that explicitly takes into account environmental considerations, social aspects, and sound corporate governance. Besides SRI, the abbreviation ESG is also widely occurs, as an acronym for Environmental, Social and Governance. Both abbreviations are being used interchangeably as synonyms in this policy document as well.

*Stichting Heineken Pensioenfond*s (hereinafter: HPF, Fund or Pension Fund) considers the development of its SRI policy as an evolutionary process. HPF seeks to have a comprehensive, relevant and viable SRI policy in place at all times, which adapts and grows with experience and progression in insights and expertise. This evolutionary growth is part and parcel of the policy. It is therefore a living policy document which is fine-tuned on a regular basis.

Social insights and market parties are also developing, and more and better investment products (from asset managers) and analysis tools (from data providers) are becoming available that can be used to fine-tune the policy from time to time. In other words, HPF acknowledges that SRI is also in constant development externally, and seeks to match these developments internally.

This policy document addresses the following subjects:



2. Vision, Investment Beliefs and SRI Objective

SRI Vision as part of HPF's holistic Vision

HPF believes that as a long-term investor and collectively with other institutional investors, it can influence the sustainability agenda of companies and governments, even if that influence is only limited, not always measurable, and generally only perceptible over the longer term. HPF acknowledges that such influence also carries a social responsibility and wishes to fulfil that responsibility by integrating socially responsible investment in its investment policy. By doing this, HPF aims to contribute to long-term value creation for society.

An essential principle in this respect is that social partners and HPF participants consider it important for HPF to invest in a socially responsible manner. HPF seeks to pursue a socially responsible investment policy which aligns with Heineken NV's sustainability ambitions and which stakeholders can identify with. HPF seeks to be transparent in regard of the policy it pursues and the effects it has insofar measurable and identifiable.

The main element of HPF's holistic Vision is the ambition to maintain the purchasing power of pensions as much as possible while remaining within the boundaries of its risk appetite, its financial resources and legal frameworks. HPF seeks to invest the monies in its charge in a socially responsible and prudent manner in line with the risk/return profile of the investments that underlies this ambition.

SRI Investment Belief

In this respect, it is HPF's Investment Belief that socially responsible investment can go hand in hand with the investment objective to match the risk/return profile of the investments with the ambition to maintain the purchasing power of pensions.

SRI Objective

The SRI objective of the Heineken Pension Fund is to make its socially responsible investments in a controlled and transparent way. The SRI Investment Belief that socially responsible investment can go hand in hand with the investment objective to match the risk/return profile of the investments with the ambition to maintain the purchasing power of pensions, will be monitored and adjusted in the event this ambition is jeopardised (i.e. 'controlled'). Internal and external reports will be drawn up periodically on the pursued policy, its implementation and results, so that stakeholders are kept informed (i.e. 'transparent').

3. Foundations

This section deals with the SRI policy's foundations.

- 3.1 Leading Principles
- 3.2 Themes and Instruments
- 3.3 Guidelines: Covenant on International Socially Responsible Investments for Pension Funds (IMVB), OECD Guidelines and UN Guiding Principles
- 3.4 Legislation and Regulations

3.1 Leading Principles

HPF has formulated five Leading Principles to provide a foundation for the implementation of its socially responsible investment policy. The aforementioned SRI Objective has been included as the first and foremost Leading Principle on this list.

- 1.** **The SRI objective of the Heineken Pension Fund is to make its socially responsible investments in a controlled and transparent way.**
The SRI Investment Belief that socially responsible investment can go hand in hand with the investment objective to match the risk/return profile of the investments with the ambition to maintain the purchasing power of pensions, will be monitored and adjusted in the event this ambition is jeopardised (i.e. 'controlled'). Internal and external reports will be drawn up periodically on the pursued policy, its implementation and results, so that stakeholders are kept informed (i.e. 'transparent').
- 2.** **The socially responsible investment policy pursued by the Heineken Pension Fund is both relevant and viable, and will be developed by means of a phased assimilation as set out in the IMVB Covenant.**
Given its size, the Heineken Pension Fund will seek collaboration with asset managers and other pension funds to enhance the effectiveness of its SRI policy for a more sustainable society.
- 3.** **Inspired by the sustainability themes of Heineken NV and the Sustainable Development Goals (SDGs) of the United Nations, the Heineken Pension Fund focuses on the following three themes:**
 - Climate, in particular the reduction of CO₂ emissions
 - Water, especially the reduction in H₂O consumption
 - Human Rights, predominantly working conditions and child labour*Other themes are addressed on the basis of specific measurements and objectives as available at our data providers or asset managers.*
- 4.** **The Heineken Pension Fund considers socially responsible investment as an integral part of the investment process and deploys the appropriate instruments therein.**
The Heineken Pension Fund seeks to deploy all of the following four instruments to a varying degree of intensity:
 - ESG Integration
 - Active Investorship
 - Exclusion
 - Impact Investing*Active Investorship includes Engagement, Voting, Class Actions and Claims.*






5.

The Heineken Pension Fund gives preference to Engagement over Exclusion.

The exclusion list will in any event include legal exclusions and companies that have failed to show improvement after repeated Engagement.

3.2 Themes and Instruments

Within the ESG framework all three factors (E, S and G) are important to HPF. HPF stresses the following three Themes inspired by the sustainability themes of Heineken NV and the Sustainable Development Goals (SDGs) of the United Nations. HPF addresses these three Themes by way of the following four instruments as shown below.

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ESG Integration

When making investment decisions, HPF takes into account environmental, social and governance factors. These ESG factors play a role in the HPF investment process for selecting, monitoring and assessing external asset managers, and for defining investment cases. HPF has also developed a Target Report in which the monitoring of the various key performance indicators for the themes

Climate, Water and Human Rights is part of the ESG Integration instrument. ESG Integration is discussed in more detail in Section 4.1.

Active Investorship

HPF is an engaged investor and actively exercises its rights as an investor (shareholder) to promote long-term value creation in the companies in which investments are made. To this end, HPF deploys the following instruments: Engagement, exercising voting rights (Voting) and taking legal action (Class Actions and Claims). In this way HPF influences the strategies of the companies in which it invests. The various instruments are discussed in more detail in Section 4.2.

Exclusion

HPF gives preference to Engagement over Exclusion (see Leading Principle 5). As a consequence the list of exclusions will be limited. HPF excludes investments in countries and companies, the business operations or products and services of which contravene international treaties. The exclusion policy is explained in more detail Section 4.3.

Impact Investing

HPF deploys impact investing to make a positive contribution to important social and sustainability issues while achieving financial return at an acceptable risk at the same time. HPF has opted to look into Impact Investing on the theme of Water. Although this theme is also addressed in the Target Report on ESG Integration, the limited availability of relevant water-related data for the whole of HPF's equity portfolio does not make the deployment of Impact Investing superfluous.

If necessary, the scope of Impact Investing for HPF can be extended at a later stage when more experience has been gained on this theme. The policy on Impact Investing is described in more detail in Section 4.4.

3.3 IMVB Covenant, OECD Guidelines and UN Guiding Principles

With regard to the SRI policy, HPF complies with the standards specified in legislation and regulations and in the IMVB Covenant signed by HPF.

IMVB-convenant	
The IMVB Covenant originated from a collaboration between Dutch pension funds, NGO's, the Dutch government and trade unions, to promote socially responsible investments. Through the Covenant pension funds have agreed to gain a deeper understanding of their investments and to act accordingly, in line with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).	
OECD Guidelines	UNGPs
HPF endorses the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In its implementation HPF relies on the OECD Considerations on Responsible Business Conduct for Institutional Investors. The OECD Guidelines have been devised to aid multinational companies to implement their business operations in a sustainable way. This involves issues such as human rights, labor standards, environmental impact, bribery and corruption, consumers' interest, and responsible taxation. These OECD Guidelines thus capture important principles for HPF for its SRI policy formation.	
As a consequence, HPF expects from its external asset managers, ESG service providers and companies it invests in, that they act in accordance with these Guidelines, Guiding Principles and Considerations, and that they are transparent about this. Whenever entering new contracts with such parties, HPF will see to it that clauses to warrant adherence to these Guidelines, Guiding Principles and Considerations will be included.	

The IMVB Covenant

Late December 2018 HPF signed the Covenant for International Socially Responsible Investing (IMVB; Wide Track). In 2020 HPF brought its SRI policy in line with prevailing ESG standards (the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights) as instigated by the IMVB Covenant. HPF considers the IMVB Covenant as the integration of various initiatives that provide a framework to identify, prioritise and mitigate ESG risks within companies. The ESG Due Diligence process is embedded in HPF's current SRI policy. Utilizing the IMVB Instruments that have been developed, draft texts for policy and outsourcing, and for monitoring and reporting are incorporated in the SRI policy. This completes the first phase of the IMVB Covenant.

In 2021 HPF will focus on the implementation of the policy in new contracts with external service providers, and on the elaboration and deployment of the monitoring and transparency requirements for outsourcing. HPF will draw up its report in accordance with the OECD Guidelines and UN Guiding Principles in 2022 at latest.

ESG Due Diligence

HPF endorses the ESG Due Diligence steps from the OECD Considerations on Responsible Business Conduct for Institutional Investors. The OECD Consideration stipulate that for the purposes of the SRI Policy HPF

OECD Guidelines, due diligence is to be regarded as the process companies follow to identify, prioritise, prevent and/or mitigate the realized and potential negative investment impacts on stakeholders in the investment chain, and be held accountable for it.

3.4 Legislation and Regulations

In terms of socially responsible investment, HPF has to comply with diverse laws and regulations. The three most recently introduced are IORP II (Occupational Retirement Provisions directive), SRD II (Shareholder Rights Directive) and SFDR (Sustainable Finance Disclosure Regulation):

- IORP II stipulates that pension funds are required to inform their Members about the SRI policy and to map out the (potential) social risks.
- The SRD II directive stipulates that pension funds must draw up Voting and Engagement policy and are accountable for its implementation.
- SFDR prescribes to financial institutions among which pension funds various disclosure requirements on their socially responsible investment policy and its implementation.

More (EU) legislation is in the make that may be relevant to HPF over the next few years, such as the EU taxonomy, low-carbon benchmarks and a European standard for green bonds. HPF is following these developments closely and will adjust the SRI policy if necessary.

4. Instruments

4.1 ESG Integration

ESG Integration

When making investment decisions, HPF takes into account environmental, social and governance factors. These ESG factors play a role in the HPF investment process for selecting, monitoring and assessing external asset managers, and for defining investment cases.

ESG Integration followed by external asset managers

ESG criteria are explicitly incorporated in the selection and monitoring of external asset managers. Part of the selection process is assessing whether the asset manager can comply with the IMVB Covenant, including the sections on ESG Due Diligence. HPF gives preference to managers who have signed the United Nations Principles for Responsible Investment (UNPRI). In respect of Real Estate, HPF encourages the asset managers to implement a sustainability policy and prefers managers who have achieved a 'Green Star' rating in the annual Global Real Estate Sustainability Benchmark (GRESB). With regard to government bonds, HPF uses a maximum weighted RobecoSam Country Sustainability Index of 20 for inclusion in the portfolio. The maximum weighted average RobecoSam score is included in the Target Report.

HPF expects of its asset managers that they take ESG Integration into account in their investment decisions. This implies that within their scope of mandate to select certain companies or countries and apply overweighting or underweighting on the basis of certain ESG scores (e.g. CO₂

Target Report

Part of the ESG Integration instrument is the Target Report as developed by HPF in which key performance indicators are measured and assessed for the themes Climate, Water and Human Rights, for those parts of the portfolio for which these indicators are available. For the time being, this mainly concerns the developed markets equity portfolio. Monitoring these indicators over time allows us to assess whether this sub-portfolio has improved in terms of these themes, and how much improvement has been achieved. In the future, when we have gained more experience with these measurements and their sensitivities, we can consider setting goals on these measurements in order to realise an à priori imposed sustainability improvement of the investment portfolio.

- For the theme Climate the key performance indicator is the CO₂ emission of the companies HPF invested in, insofar these can be attributed to the share of the HPF investments in these companies. Hence the CO₂ emission (TCE – Total Carbon Emission) of each company is weighted by the share HPF has invested in that company, and summed over all companies in the (sub-)portfolio. The total CO₂ emission obtained from the HPF (sub-)portfolio is also divided by the value of this (sub-)portfolio to reach a standardised CO₂ emission per invested Euro (TCEN – TCE Standardised). In due course, these indices may be adjusted to include HPF's credit portfolio in the calculation; this may occur as soon as it is sensible to do so, the key performance indicators can be calculated sensibly, and it does not result in a double counting of the CO₂ emission indicator in our report.

- The same calculation method is used for the water consumption indicator for the theme Water. Yet, few water consumption figures are available currently, and therefore the indicator can only be calculated for a smaller part of the abovementioned equity portfolio. However, developments in this area are fast-moving and the expectation is that the equity portfolio component for which this indicator can be calculated will increase quickly in future.
- In a similar fashion, company scores on Human Rights are processed to arrive at a total score of the HPF sub-portfolio for which these scores are available.
- An overall ESG score is determined in a similar manner for that part of our portfolio for which these scores are available. This is done in order to give themes other than those mentioned above a place (on a highly aggregated level) in the Target Report on ESG Integration. The overall ESG score used for this is the indicator as defined by our selected data provider.

Reduction goals

At this stage, HPF has not defined any reduction goals for the themes being measured yet. Nor are there currently any exclusions based on the Target Report indicators. In the event of exclusions in the future, due to CO₂ reduction goals for instance, HPF will continue to use the benchmarks of the wider investment universe, and give the asset managers extra tracking error, in order to monitor whether this policy implication still goes hand in hand with investment objective to match the risk/return profile of the investments with the ambition to maintain the purchasing power of pensions (in conformity with Guiding Principle 1).

In the short term (2021-2022), HPF will therefore focus on calculating and reporting the indicators in the Target Report. At the beginning of 2021 a baseline measurement will be carried out and subsequently monitored every six months. After a period of monitoring, HPF aims to establish improvement goals for the relevant ESG themes in 2022-2023.

4.2 Active Investorship

HPF is an engaged investor and actively exercises its rights as an investor (shareholder) to promote long-term value creation in the companies in which investments are made. To this end, HPF deploys the following instruments: Engagement, exercising voting rights (Voting) and taking legal action (Class Actions/Claims). Active Investorship is applicable to shares and corporate bonds.

Engagement

Engagement involves entering into discussion with companies about their Corporate Social Responsibility. HPF opens discussion with companies in which realized and potential negative impacts are identified.

Engagement based on negative impact entails four goals:

- The negative impact must be brought to a halt
- The company must ensure repair and/or redress for victims
- The company must take adequate measures to prevent incidents occurring in the future
- The company must be open about the measures it has taken

Engagement is based on an annual ESG Due Diligence procedure (screening) of companies in HPF's equity portfolio that structurally and seriously violate the OECD Guidelines. Our portfolio is monitored for companies that violate environmental standards, human rights, labour standards and anticorruption regulations.

To do this, HPF uses the specialised controversies research service of an HPF selected independent data provider to obtain controverse data. This screening is carried out four times a year.

The controverse data provide insight into the various degrees of actual violations of the OECD Guidelines in our equity portfolio, so that these violations can be prioritised according to seriousness, scale and irreversibility. Potential negative impact is also one of the components of ESG risk rating obtained from the data provider's set of data based on probabilistic estimations.

Where applicable, when assessing an identified actual and potential negative impact HPF will involve external stakeholders such as participant, employer or NGO's and experts.

If companies listed in the equity portfolio cause a (potentially) negative impact, then HPF exerts its influence to prevent, mitigate or reverse such impact, or make redress possible. HPF does this through Engagement and/or Voting at shareholders' meetings.

Discussions with companies that are selected for engagement at any moment in time take place jointly with other investors who have also chosen to engage with these companies, through the platform set up by the selected service provider. The discussion itself is conducted by the selected service provider on behalf of all these investors, thus intensifying the impact of the engagement as compared to the situation where HPF had taken the engagement initiative on its own.

If companies in which HPF invests have a direct link with companies that have either caused or contributed to a negative impact, then HPF expects such companies to use their influence to reverse that impact and/or make redress possible for aggrieved parties.

An Engagement process is deemed successful when all time-bound goals have been achieved. If companies fail to respond satisfactorily to the engagement efforts within the predefined timeframe, HPF may decide to apply pressure by exercising its voting right (e.g. voting against an appointment or against remuneration proposals for relevant directors or shareholder resolutions). If the engagement process repeatedly fails to achieve the desired result, then HPF may resort to divestment and put the company on the exclusion list.

Besides the OECD Guidelines, HPF also subscribes to the UN Global Compact Principles and expects companies in which it invests to also respect these principles. Companies that seriously and structurally violate these principles are not fitting the basic principles followed by HPF.

HPF monitors the progress and impact of its SRI policy by reviewing the periodic reports provided by the external data provider and asset managers, and entering into discussion with them. Portfolio adjustments are made if necessary. The implementation and results of Engagement are published each year in the Annual Report. Engagement reports are also published periodically on the HPF website.

Voting

HPF believes that voting at shareholders' meetings contributes to the company's risk/return profile and regards exercising the right to vote as its social responsibility. Actively exercising the right to vote helps create long-term shareholder value and fits the SRI policy.

With regard to a fund investment, HPF has only limited possibilities to pursue its own voting policy and therefore adheres to the voting policy of the asset manager. Also with regard to investments in discretionary mandates does HPF seek collaboration with asset manager(s) since HPF believes that a joint vote has greater impact. HPF has an agreement with the asset managers that voting will take place according to the directives of the International Corporate Governance Network (ICGN). The asset manager reports on this subject to HPF. The asset manager's voting policy and vote casting reports are published on the HPF website.

Class Actions and Claims

HPF files Class Actions against companies that have committed offences and caused financial damage to shareholders as a consequence. By filing Class Actions an attempt is made to improve a company's corporate governance and obtain indemnification for the financial damage suffered by the pension fund. Since Class Actions are lengthy and time-consuming processes, HPF only participates in Class Actions in which all investors are eligible for compensation. In this respect HPF works with parties that act on behalf of HPF (and other investors).

The results of Class Actions are published each year in the Annual Report.

4.3 Exclusion

As set out in the Leading Principles, HPF gives preference to Engagement over Exclusion. HPF excludes investments in countries and companies that fail to comply with basic sustainability requirements. Five criteria are defined:

1. Legal exclusion of companies that produce, sell, or distribute controversial weapons such as cluster munition or crucial components thereof.
2. Legal exclusion of government bonds of countries that fall under the arms embargo of the United Nations or do not comply with EU sanctions legislation.
3. Exclusion based on structural and serious violation of OECD Guidelines.
4. Exclusion of companies that still fail to improve after a period of intensive Engagement.
5. Exclusion of companies that fail to meet the reduction goals set out in the Target Report.

A zero-tolerance policy applies in respect of legal exclusions (1-2). This means that not one investment is allowed in companies or countries involved in such actions. In regard of the remaining exclusions (3-5), a zero-tolerance policy is in place for discretionary mandates, but a limited tolerance is in place for investment funds, i.c. a maximum of 0.5% of the invested value in the fund, given that HPF has less influence on the investment fund. In the event the 0.5% limit is exceeded, HPF will enter into discussion with the fund manager. Should this not lead to the desired result, then HPF will remove the investment fund from the portfolio.

HPF implements the exclusion policy on the basis of lists that are available to the general public and on the basis of data and analyses obtained through the ESG data provider. A fund manager's exclusion policy is taken into consideration when selecting investment funds.

HPF considers a violation of the OECD guidelines to be structural if the violation has not been adequately addressed after a period of Engagement of at least three years. The seriousness of the violation and the measures the company has taken to remedy it are taken into account when making an assessment.

The exclusion policy is applicable on shares, government bonds and corporate bonds. The list of exclusions is published annually on the HPF website.

4.4 Impact Investing

Within its SRI policy it is HPF's intention to make a positive contribution to important social and sustainability issues. To that end HPF has chosen to investigate the possibilities to apply Impact Investing on the theme Water.

HPF adheres to the following principles for Impact Investing:

- In addition to the standard financial objectives, the investment also has clear and explicit social objectives;
- The investment is not at the expense of the anticipated long-term risk/return profile, but a marginally lower yield or slightly higher risk is acceptable in the short term.
- The investment's impact must be quantifiable;
- The impact must be reported on periodically;
- The reports must give assurance to a certain extent (e.g. by means of an auditor's report).

Impact Investing take place by an investment fund in shares or in bonds. Accountability is given annually regarding the realised social impact of these investments.

5. Accountability and Evaluation Policy

5.1 Accountability

HPF will render an account of its SRI policy to its stakeholders in accordance with at least the requirements ensuing from legislation and regulations. HPF records the actions and results for both the investment portfolio (ESG Integration) and Active Investorship:

1. Investment Portfolio: HPF considers it important that the effect of changes brought about by the SRI policy are transparent and quantifiable. The indicators and the ESG score of companies and countries are used for this. HPF will periodically score the portfolio on ESG criteria (or have it scored on its behalf) in order to monitor the developments in the HPF (sub-)portfolio in terms of ESG. Quantification makes it possible to monitor the required ongoing policy improvements and insights into the effectiveness of the policy.
2. Active Investorship: HPF will periodically specify the influence it has exerted in order to bring about improvements in the field of SRI.

Reporting and transparency

HPF will give an annual account of its SRI policy to its participants and other stakeholders on the HPF website.

This relates to the following documents:

- Publication of the SRI policy
- Engagement of the HPF-selected data provider
- Voting policy of the asset manager
- Exclusion list of countries and companies (including the reason for exclusion)

The following reports are published at least once a year:

- SRI report in the Annual Report
- Target Report
- Engagement report (including Voting and Active Stewardship reports)
- Top positions in the investment portfolio

The participants are also informed periodically about recent SRI developments in the newsletter which is distributed by email or website.

5.2 Evaluation policy

The SRI policy is evaluated by the Investment Committee at least once every three years. This evaluation is discussed by the Board and should the evaluation give rise thereto, the policy and the implementation of the policy in the portfolio will be adjusted.

The most recent evaluation of the SRI policy took place in 2020 and was carried out by the Board.