Heineken N.V.
Remuneration Report 2022

HEINEKEN

Remuneration Report 2022

Annual statement from the Remuneration Committee Chair

Dear Shareholder,

I am pleased to present to you the HEINEKEN remuneration report for the year 2022, which includes our current remuneration policies for the Executive Board and the Supervisory Board and describes how the policies have been put into practice during 2022.

HEINEKEN's remuneration policy continues to reflect our long-standing remuneration principles of supporting the business strategy, paying for performance, and paying competitively and fairly. The remuneration policy and underlying principles support our long-term sustainable business growth in the widely diverse markets in which we operate. In addition, the perspective and input of internal and external stakeholders as well as public opinion have been taken into consideration in establishing and implementing the remuneration policy.

Looking to 2022

Linking pay to ESG performance
In 2022, we modified our Executive Board remuneration policy to introduce ESG-related performance measures in the long-term incentive plan, linking the Executive Board's long-term remuneration with HEINEKEN's Sustainability & Responsibility strategy. The revised policy was submitted to the April 2022 AGM and was adopted with 97.5% of the votes.

Three "Brew a Better World" commitments were selected to be included as long-term incentives ESG performance measures with equal weights: carbon emissions reduction, water efficiency and percentage of women at senior manager level.

Increased level of transparency
The 2021 remuneration report was submitted for an advisory vote to the April 2022 AGM and was approved with 79.5% of the votes. From the shareholder engagement in 2022, we noted the request for an increased level of transparency around performance conditions for the short-term and long-term incentive plans.

We have acted on this feedback and in this 2022 remuneration report we have added *ex-post* disclosure of the performance targets and intervals as well as the actual achievements for each of the performance measures in our Short-term and Long-term incentives. Additionally, we have added *ex-ante* disclosure of the performance targets and intervals for the ESG-related performance measures in our 2022-2024 Long-term incentive plan. We believe this decision reflects HEINEKEN's belief in transparent business practices and our commitment to an ongoing, constructive dialogue with our stakeholders.

Executive Board Remuneration outcomes
In the beginning of the year, the Supervisory Board reviewed the Executive Board's actual base salary and short-term and long-term variable remuneration versus the labour market peer group median. Based on that assessment, the Supervisory Board concluded that the Executive Board members would not receive a salary increase in 2022.

As the year progressed, we continued building on our strengths and delivered strong performance against our growth, profitability, and strategic targets in a challenging business environment. Within this context, the Supervisory Board concluded that the formulaic performance outcomes for the 2022 short-term incentives of 168%, as well as the performance vesting of the 2020-2022 long-term incentive award of 186%, are fair and reflective of the Executive Board's true performance and leadership navigating this volatile environment while building a brighter future for HEINEKEN.

Supervisory Board Remuneration
The Supervisory Board remuneration policy remained unchanged in 2022.

Looking to 2023

We are not proposing any policy changes for the year ahead.

We thank shareholders for their continued support, and I look forward to presenting this remuneration report at the 2023 AGM.

Maarten Das
Chairman of the Remuneration Committee

Remuneration Report 2022

This Remuneration Report includes five sections:

Part I
Describes the prevailing Executive Board remuneration policy, as adopted by the AGM in 2022, and as it has been implemented in 2022.

Part II
Describes the prevailing Supervisory Board remuneration policy, as adopted by the AGM in 2020, and as it has been implemented in 2022.

Part III
Provides details of the Executive Board actual remuneration for performance ending in, or at year-end, 2022.

Part IV
Provides details of the Supervisory Board actual remuneration ending in, or at year-end 2022.

Part V
Outlines adjustments to the remuneration policy and implementation for 2023.

Part I – Executive Board remuneration policy

Remuneration principles

The Executive Board remuneration policy is designed to meet four key principles:

- **Support the business strategy**
  We align our remuneration policy with business strategies focused on creating long-term sustainable growth and shareholder value, while maintaining a tight focus on short-term financial results.
- **Pay for performance**
  We set clear and measurable targets for our short-term and long-term incentive policies, and we pay higher remuneration when targets are exceeded and lower remuneration when targets are not met.
- **Pay competitively**
  We set target remuneration to be competitive with other relevant multinational corporations of similar size and complexity.
- **Pay fairly**
  We set target remuneration to be internally consistent and fair; we regularly review internal pay relativities between the Executive Board and the wider employee population and aim to achieve consistency and alignment in, amongst others, remuneration changes, salary structures and the design of variable compensation where possible.

Summary overview of remuneration elements

The Executive Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Remuneration element	Description	Strategic role
Base salary	– Involves fixed cash compensation – Aims for the median of the labour market peer group	– Facilitates attraction and is the basis for competitive pay – Rewards performance of day-to-day activities
Short-term incentive	– Is based on achievements of annual measures, of which 75% relate to financial and operational measures for Heineken N.V. and 25% to individual leadership measures – Aims, at target level, for the median of the labour market peer group – Is partly paid in cash, and partly in investment shares with a holding period of five calendar years: – the part paid in shares is between 25% and 50% of the full before-tax Short-term incentive amount, depending on the individual's choice whether, and to which extent, to exceed the mandatory 25% share investment – the part in cash is paid net of taxes (i.e. after deduction of withholding tax due on the full before-tax Short-term incentive amount) – Investment shares are matched on a 1:1 basis after the holding period	– Drives and rewards sound business decisions for the long-term health of HEINEKEN – Aligns Executive Board and shareholder interests
Long-term incentive	– Is based on achievements of three-year targets for Heineken N.V., of which 75% relate to financial measures and 25% relate to ESG measures – Aims, at target level, for the median of the labour market peer group – Is awarded through the vesting of shares, net of taxes (i.e. after deduction of withholding tax due on the full before-tax Long-term incentive amount) – Vested shares are blocked for another two years, to arrive at a five-year holding restriction after the date of the conditional performance grant	– Drives and rewards sound business decisions for the long-term health of HEINEKEN – Aligns Executive Board and shareholder interests – Supports Executive Board retention
Pensions	– Defined Contribution Pension Plan and/or Capital Creation Plan	– Provides for employee welfare and retirement needs
Benefits	– Provides a range of benefits, including, but not limited to, company car, fuel and health insurance – Aims to be in line with local market practice	– Provides market competitive benefits to aid retention

Remuneration Report 2022

Labour market peer group

A global labour market peer group was adopted by the AGM in 2011, and subsequently adjusted in 2012 and 2017. The median target remuneration of this peer group is a reference point for the target remuneration of the CEO and CFO. Each year, the Remuneration Committee validates the peer group to ensure relevance, and recommends adjustments to the Supervisory Board if needed. For 2022 (and 2021), the peer group consisted of the following companies:

Anheuser-Busch InBev (BE)	Diageo (UK)	Nestlé (CH)
Carlsberg (DK)	Henkel (DE)	Pepsico (US)
Coca-Cola (US)	Kimberly-Clark (US)	Pernod Ricard (FR)
Colgate-Palmolive (US)	Mondelēz International (US)	Unilever (NL)
Danone (FR)	L'Oréal (FR)	

Base salary

Every year, peer group and base salary levels are reviewed, and the Remuneration Committee may propose adjustments to the Supervisory Board. HEINEKEN aims to compensate at median on target remuneration of the peer group. However, when changes in base salary are considered, broader factors are taken into account, including but not limited to the individual and business performance and the internal pay relativities.

Short-term incentive

The Short-term incentive (STI) is designed to drive and reward the achievements of HEINEKEN's annual performance targets. Through its payout in both cash and investment shares it also drives and rewards sound business decisions for HEINEKEN's long-term health while aligning Executive Board and shareholder interests at the same time. The target STI opportunities for 2022 are 140% of base salary for the CEO and 100% of base salary for the CFO. These percentage opportunities are well aligned with the labour market peer group medians.

The STI opportunities are for a weighted 75% based on financial and operational measures for Heineken N.V., and for a weighted 25% on individual leadership measures. At the beginning of each year, the Supervisory Board establishes the performance measures, their relative weights and corresponding targets based on HEINEKEN's business priorities for that year. The Supervisory Board ensures that a balanced mix of financial, operational and individual performance measures is selected, which incentivises executives to achieve our annual business strategy and the growth of shareholder value.

The financial and operational measures and their relative weights are reported in the Remuneration Report upfront (*ex-ante*); the numerical performance targets are only disclosed after the close of the financial year (*ex-post*) as they are considered to be commercially sensitive. In the first weeks of the following year, the Supervisory Board reviews the Company and individual performance against the pre-set targets, and approves the STI payout levels based on the performance achieved. The performance on the financial measures will be reported on actual measure achievement results (cf. Part III).

The STI payout for 2022 is subject to four performance measures: Organic Net Revenue Growth (weight: 35%), Organic Operating Profit beia Growth (weight: 15%), Free Operating Cash Flow (weight: 25%) and Individual Leadership measures (weight: 25%). The Individual leadership measures are a mix of quantitative and qualitative measures focused on the implementation of HEINEKEN's strategy. The STI payout for 2023 will be subject to four performance measures: Organic Net Revenue Growth (weight: 35%), Organic Operating Profit beia Growth (weight: 15%), Free Operating Cash Flow (weight: 25%) and Individual Leadership measures (weight: 25%). The individual leadership objectives will be tied to achievement of our EverGreen strategy. The detailed individual leadership objectives will be included in the annual report as of 2023.

For each performance measure, a threshold, target and maximum performance level is set with the following STI payout, as a percentage of target payout:

Threshold performance
50% of target payout

Target performance
100% of target payout

Maximum performance
200% of target payout.

For each measure, payout in between these performance levels is on a straight-line basis; below threshold performance the payout is zero, whereas beyond maximum performance it is capped at 200% of payout at target.

In line with policy, 25% of the STI payout is paid out in shares, referred to as investment shares. At their discretion, the Executive Board members have the opportunity to indicate before the end of the performance year whether they wish to receive up to another 25% of their STI payout in additional investment shares. All investment shares thus received are then blocked and cannot be sold under any circumstance, including resignation, for five calendar years to link the value of the investment shares to long-term Company performance. Withholding tax on the investment shares and on the cash part of the STI payout is settled with the cash part at the time of payout. After the blocking period is completed after five calendar years, the Company will match the investment shares 1:1 in the first weeks of the following year, i.e. one matching share is granted for each investment share. As from then, there are no holding requirements on these investment shares anymore, and there are no holding requirements on the resulting matching shares that remain after withholding tax on these shares.

According to plan rules, matching entitlements will be forfeited in case of dismissal by the Company for an urgent reason within the meaning of the law ('dringende reden'), or in case of dismissal for cause ('gegronde reden'), whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member. With this 'deferral-and-matching' proposition a significant share ownership by the Executive Board is ensured, creating an increased alignment with the interests of shareholders. The Supervisory Board has the power to revise the amount of the STI payout to an appropriate amount if the STI payout that would have been payable in accordance with the agreed payment schedule would be unacceptable according to standards of reasonableness and fairness. The Supervisory Board is entitled to claw back all or part of the STI payout (in cash, investment shares or matching shares) insofar as it has been made on the basis of incorrect information about achieving the performance conditions.

Remuneration Report 2022

Long-term incentive

The Long-term incentive (LTI) is designed to drive and reward sound business decisions for HEINEKEN's long-term health, and to align the Executive Board with shareholder interests by linking rewards to HEINEKEN's share price performance. The target LTI opportunities for 2022 are 150% of base salary for the CEO and 125% of base salary for the CFO.

Each year, a target number of performance shares is conditionally granted based on the aforementioned target LTI opportunity percentage of that year, the base salary of that year, and the closing share price of 31 December of the preceding year.

HEINEKEN's strong and long-standing ambition regarding Sustainability & Responsibility is clearly reflected in our EverGreen strategy and related Brew a Better World ("BaBW") commitments. At the 2022 AGM, the Supervisory Board proposed to introduce a set of ESG-related performance measures to the Long-term incentive plan, directly linking the Executive Board's long-term remuneration with HEINEKEN's Sustainability & Responsibility strategy. Three BaBW commitments were selected to be included as performance measures: carbon emissions reduction, water efficiency, and percentage of women at senior manager level. The proposal to include these measures in place of the Operating Profit performance measure in the Long-term incentive plan was adopted with 97.49% of the votes.

The vesting of the performance shares is contingent on HEINEKEN's performance over a period of three years on a list of performance measures below.

Organic Net Revenue Growth (25%)
To drive top line growth

Earnings Per Share (EPS) beia Growth (25%)
To drive overall long-term Company performance

Free Operating Cash Flow (25%)
To drive focus on cash

ESG measures (25%):
To drive the sustainability & responsibility agenda (see below table)

The three financial performance measures and the combined ESG -related measures have equal weight to minimise the risk that participants over-emphasise one performance measure to the detriment of others. At the beginning of each performance period, the Supervisory Board establishes the corresponding numerical targets for these performance measures based on HEINEKEN's business priorities. The numerical targets for the three financial performance measures are not disclosed upfront as they are considered to be commercially sensitive. The targets for the ESG-related performance measures for the 2022-2024 Long-term incentive are as follows:

ESG Measures		Weight	Threshold	Target[1]	Maximum
Carbon emissions reduction in production	% vs 2018 baseline	8.33 %	-28.0 %	-33.0 %	-38.0 %
Water efficiency improvement	% vs 2018 baseline	8.33 %	-9.0 %	-12.0 %	-15.0 %
Women at senior manager level	% in 2024	8.33 %	27.0 %	28.5 %	30.0 %

1 Target to have been achieved at the end of the 2022-2024 performance period.

In the first weeks following the end of the performance period, the Supervisory Board reviews the Company's performance against the pre-determined targets, and approves the LTI vesting based on the performance achieved. The performance on both the financial and ESG-related measures will be reported on actual measure achievement results (cf. Part III).

For each performance measure, a threshold, target and maximum performance level is set with the following performance share vesting schedule:

Threshold performance
50% of performance shares vests

Target performance
100% of performance shares vests

Maximum performance
200% of performance shares vests.

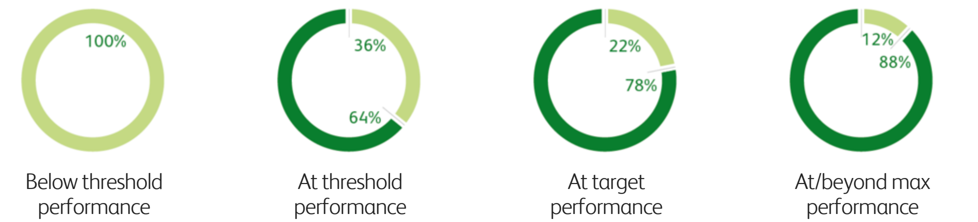
For each measure, vesting in between these performance levels is on a straight-line basis; below threshold performance the vesting is zero, whereas beyond maximum performance it is capped at 200% of vesting at target.

The Supervisory Board has the power to revise the amount of performance shares that will vest to an appropriate number if the number of performance shares that would have vested under the agreed vesting schedule would be unacceptable according to standards of reasonableness and fairness. The Supervisory Board is entitled to claw back all or part of the shares transferred to the Executive Board members upon vesting (or the value thereof) insofar as vesting occurred on the basis of incorrect information about achieving the performance conditions. The vested performance shares that remain after withholding tax are subject to an additional holding restriction of two years, to arrive at a five-year holding restriction after the date of the conditional performance grant.

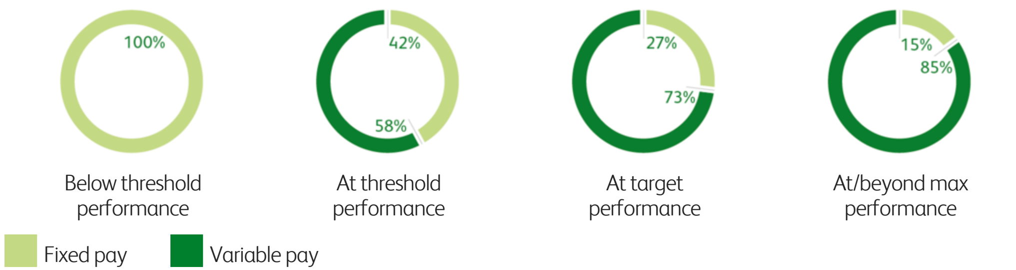
Pay mix

The mix between fixed pay and variable pay for various levels of performance is illustrated below. In these charts, fixed pay refers to base salary only, excluding pensions and other emoluments, and variable pay consists of the aforementioned Short-term and Long-term incentive opportunities, including the 'deferral-and-matching' proposition. Share price movements during performance and holding periods are hereby not included since these are unknown in the context of target remuneration.

CEO target pay mix 2022-2023



CFO target pay mix 2022-2023



Remuneration Report 2022

Pensions

The members of the Executive Board participate in a defined-contribution Capital Creation Plan. As of 2015, following pension reforms in the Netherlands, new members of the Executive Board receive the same contribution as new executives under Dutch employment contract below the Executive Board, which is currently 18% of base salary. This applies to our current CEO and CFO. Both Executive Board members have chosen to receive their full pension contributions as taxable income, as opposed to applying tax deferral to the maximum amount possible.

Benefits

The members of the Executive Board are eligible to receive benefits in line with HEINEKEN's most senior employees. The benefits include, but are not limited to, company car, fuel and health insurance. Other benefits could be offered in circumstances where this allows executives to successfully fulfil the responsibilities of their role. For example in case of a relocation the appropriate relocation support is provided. The levels of the benefits will be competitive in the relevant local market and could be changed year on year.

Loans

HEINEKEN does not provide loans to the members of the Executive Board.

Term of appointment

New members of the Executive Board are appointed by the AGM for the duration of 4 years, subject to reappointment by the AGM.

Notice period

The service agreement may either be terminated by the member of the Executive Board or by the Company. The notice period will not be more than 12 months for both the Company and the individual.

Compensation rights on termination of employment/service agreement

If the Company gives notice of termination of the employment agreement of a member of the Executive Board for a reason which is not an urgent reason ('dringende reden') within the meaning of the law, or decides not to extend the service agreement upon its expiry, or if the AGM does not re-appoint them as member of the Executive Board for a subsequent term, the Company shall pay an amount equal to one year of base salary.

The treatment of incentive awards will depend on the circumstances of departure. A proposal will be made by the Remuneration Committee to be pursued by the Supervisory Board. In case of dismissal by the Company for an urgent reason within the meaning of the law ('dringende reden'), or in case of dismissal for cause ('gegronde reden') whereby the cause for dismissal concerns unsatisfactory functioning of the Executive Board member, the unvested incentive awards will be forfeited.

Derogation clause

The Supervisory Board, upon recommendation of the Remuneration Committee, may temporarily deviate from any sections of the Policy based on its discretion in the circumstances described below:

- Upon change of the Executive Board member in accordance with the new hire policy,
- In any other circumstance where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

New hire policy

Our recruitment policy is to offer a compensation package that allows HEINEKEN to attract, retain and motivate the individual with the right skills for the required role. When determining remuneration for an Executive Board member, the Supervisory Board will, at the recommendation of the Remuneration Committee, consider the role's requirements, business needs, the individual's skills and experience and the relevant external talent market.

Where an individual is recruited externally for an Executive Board member position, the remuneration package in their prior role will be taken into account. The Supervisory Board will seek to align the new member's remuneration package with the Executive Board Remuneration Policy. The Company may offer compensation to buy out awards or other lost compensation which the candidate held prior to joining HEINEKEN, but which lapsed upon leaving their previous employer. The rationale of any such award will be disclosed in the Remuneration Report.

Where an individual is appointed to the Executive Board through internal promotion or following a corporate transaction (e.g. an acquisition), the Board retains the ability to honour any legally binding legacy arrangements agreed prior to the appointment.

Remuneration Governance

The Remuneration Committee makes the proposal to the Supervisory Board for the Remuneration Policy to be pursued, and makes a proposal for the remuneration of the individual members of the Executive Board for adoption by the Supervisory Board. In accordance with Dutch Law, the remuneration policy will be submitted for approval to the AGM at least every four years, or in case of material amendments to the policy. The Executive Board members shall not participate in the decision making regarding their own remuneration to avoid conflict of interest.

Remuneration Report 2022

Part II – Supervisory Board remuneration policy

Remuneration principles

The Supervisory Board remuneration policy is designed to attract and retain high-class and diverse profiles with relevant skills and experience that are required to perform the Supervisory Board's duties and it ensures appropriate corporate governance by meeting the following key principles:

- **Support the business strategy**
  We align our remuneration policy with business strategies focused on creating long-term sustainable growth and shareholder value.
- **Pay for purpose**
  We align our remuneration policy to promote the independence and objectivity of our Supervisory Board members, which is a key element to best serve the long-term interest of the company.
- **Pay competitively**
  We set remuneration levels to be competitive with other relevant multinational corporations of similar size and complexity.

While establishing and implementing the policy, the perspective and input of internal and external stakeholders and the external environment in which HEINEKEN operates, are taken into consideration. HEINEKEN is also committed to an ongoing dialogue with shareholders and seeks the views of significant shareholders before any material changes to remuneration arrangements are put forward for approval.

Summary overview of remuneration elements

The Supervisory Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Element	Purpose	Description
Base Board Fees	– Supervisory Board members receive a fixed cash compensation for their services. – In line with the Dutch Corporate Governance code, no variable pay and / or equity awards are offered. – In order to provide a fee level that is competitive with other companies comparable to HEINEKEN, reviews are conducted on a regular basis.	– The Remuneration Committee is responsible to review the compensation levels on a regular basis and to bring forward proposals (if any) to the Supervisory Board. Proposals are submitted to the Annual General Meeting for approval. – This review is done through a benchmark assessment against a pan-European peer group consisting of companies that are of comparable size to HEINEKEN.
Committee Fees	– Supervisory Board members are compensated for additional responsibilities such as Committee membership. – In order to provide a fee level that is competitive with other companies comparable to HEINEKEN, reviews are conducted on a regular basis.	– Members are eligible to receive additional fees in respect of serving as a Chairman or Member of a Committee. – Fee levels between Committees can differ if this is deemed appropriate depending on the time commitment and responsibilities associated with the Committee membership. – Fees are additive; if a Board member serves in multiple Committees, the compensation will consist of the Board membership fee and the sum of the corresponding Committee fees.
Allowances and Benefits	– Supervisory Board members are reimbursed and compensated for additional efforts that enable them to exercise their role.	– Members receive reimbursement of travel expenses and are compensated for intercontinental travel required to exercise their role. – Small benefits such as retirement gifts may also be provided.

Remuneration Report 2022

Part III – The Executive Board actual remuneration for performance ending in, or at year-end, 2022

The following table provides an overview of the Executive Board actual remuneration that became unconditional in, or at year-end, 2022. For disclosures in line with IFRS reporting requirements, which are 'accrual-based' over earning/performance periods and partly depend on estimations/assumptions, see note 13.3 'Related parties' on page 116. The Supervisory Board conducted a scenario analysis with respect to possible outcomes of the variable remuneration disclosed in this section.

			2020-2022 Long-term incentive		Matching entitlements			Extraordinary Share Grants			
	(1) Base salary in €	(2) 2022 Short-term incentive in €	(3) No. of performance shares vesting[1]	(4) Value of performance shares vesting in €	(5) No. of matching entitlements vesting	(6) Value of matching entitlements vesting in €	(7) Pension cost in €	(8) No. of extraordinary shares vesting[2]	(9) Value of extraordinary shares vesting in €	(10) Other emoluments in €	(11) Total in €
Van den Brink	1,250,000	2,940,000	24,225	2,128,893	—	—	300,947	—	—	28,685	6,648,525
Van den Broek	850,000	1,428,000	—	—	—	—	156,920	13,155	1,156,061	—	3,590,981

1 The number of performance shares vesting for Mr. van den Brink includes 1,637 shares vesting based on shares that were granted to him as President for Asia Pacific, and 22,588 shares vesting based on shares that were granted to him as CEO and Member of Executive Board under the Executive Board LTI policy.
2 See details on Mr. Van den Broek's extraordinary share grant under point ad(8).

ad (1) – Base salary

These base salaries have been paid to the members of the Executive Board for 2022..

ad (2) – 2022 Short-term incentive

The 2022 Short-term incentive (STI) relates to the performance year 2022, and becomes payable in 2023. The STI for 2022 was subject to four performance measures: Organic Net Revenue Growth (weight: 35%), Organic Operating Profit beia Growth (weight: 15%), Free Operating Cash Flow (weight: 25%) and Individual leadership measures (weight: 25%). The following table shows the performance targets and intervals, as well as the actuals achievements as determined by the Supervisory Board for each of these measures:

Performance Measures	Weight	Threshold	Target	Maximum	Achievement	Payout
Organic Net Revenue Growth (%)	35 %	10.0%	15.0%	20.0%	21.2%	200 %
Operating Profit beia Growth (%)	15 %	10.0%	20.0%	30.0%	24.0%	140 %
Free Operating Cash Flow (€ m)	25 %	2,000	2,150	2,500	2,409	174 %
Individual leadership measures	25 %	–	–	–	–	134 %
Total	100 %					168 %

The specific objectives underlying the Individual leadership measures will be disclosed in the annual report as of 2023.

The resulting STI payout for 2022 is 168% of payout at target level for both members of the Executive Board. In line with policy, 25% of the STI payout is paid out in investment shares against the closing share price of 15 February 2022, the publication date of these financial statements. In addition, the Executive Board members have had the opportunity to indicate before the end of the 2022 performance year whether they wished to receive up to another 25% of their STI payout in additional investment shares; for 2022 the Executive Board members elected to receive an additional 25% investment shares beyond the mandatory 25% share investment. The investment shares are restricted for sale for five calendar years, after which they are matched 1:1 by matching shares. Revision and clawback provisions apply to this Short-term incentive, including the related matching share entitlement. The table below provides an overview of the investment shares at year-end that were awarded as part of STI payouts in the past, and that have remained blocked and await 1:1 matching by the Company, provided the conditions thereto are met. Only when the holding period of the investment shares has been completed, will the matching share entitlements be converted into shares and transferred to the recipient.

	STI payout for	% of STI payout invested in shares	Award date	No. of investment shares awarded	Value of investment shares as of the award date in €	End of blocking period	Value of investment shares as of 31.12.2022[1] in €
Van den Brink	2022	50 %	15.02.2023	t.b.d.	c.a. 1,470,000	31.12.2027	n.a.
	2021	50 %	16.02.2022	16,327	1,583,719	31.12.2026	1,434,817
	2020	n.a.	n.a.	—	—	n.a.	n.a.
Van den Broek	2022	50 %	15.02.2023	t.b.d.	c.a. 714,000	31.12.2027	n.a.
	2021	50 %	16.02.2022	4,626	448,722	31.12.2026	406,533

1 The share price as of 31 December 2022 is €87.88.

Remuneration Report 2022

ad (3) – 2020-2022 Long-term incentive: number of performance shares vesting

The 2020-2022 Long-term incentive (LTI) relates to the performance period 2020-2022 and vests shortly after 15 February 20223 the publication date of these financial statements. The vesting of the LTI award for performance period 2020-2022 is subject to Heineken N.V. performance on four financial measures with equal weight. The following table shows the performance targets and intervals, as well as the actuals achievements as determined by the Supervisory Board for each of these measures:

Performance Measures	Weight	Threshold	Target	Maximum	Achievement	Vesting
Organic Net Revenue Growth (%)	25 %	2.0 %	4.0 %	6.0 %	7.2 %	200 %
Organic Operating Profit beia Growth (%)	25 %	2.5 %	4.5 %	6.5 %	10.7 %	200 %
EPS beia Growth (%)	25 %	2.0 %	3.5 %	5.5 %	20.2 %	200 %
Free Operating Cash Flow (€ m)	25 %	5,000	6,000	7,000	6,436	144 %
Total	100 %					186 %

As a result, the vesting of the LTI grant for performance period 2020-2022 will be equal to 186% of the vesting at target level. For the CEO, this performance implies that 22,588 shares will vest shortly after 15 February 2023, as a result of the 12,144 conditional performance shares granted to him in 2020 as CEO and Member of the Executive Board in 2020. The resulting share award are defined in before-tax terms (i.e. before deduction of withholding tax due). Revision and clawback provisions apply to this award.

The table below provides an overview of outstanding LTI awards (awards granted but not yet vested, or awards vested but still blocked) as of 31 December 2022.

	Grant date	No. of shares conditionally granted at target level[1]	Value of shares conditionally granted in €	Vesting date[2]	No. of shares vesting on the vesting date[3] (before tax)	No. of shares vesting on the vesting date[4] (after tax)	End of blocking period	Value of unvested or blocked shares as of 31.12.2022[5] in €
Van den Brink	2022	18,967	1,875,078	02.2025	t.b.d.	t.b.d.	17.02.2027	885,567
	2021	20,555	1,875,027	02.2024	t.b.d.	t.b.d.	15.02.2026	959,650
	2020	12,144	1,021,310	15.02.2023	22,588	12,000	14.02.2025	1,054,560
Van den Broek	2022	10,748	1,062,547	02.2025	t.b.d.	t.b.d.	17.02.2027	501,795
	2021	10,030	914,937	02.2024	t.b.d.	t.b.d.	15.02.2026	468,225

1 Determined according to plan rules, using the closing share price of 31 December of the year preceding the grant date.
2 The vesting date is shortly after the publication of the financial statements after completion of the performance period.
3 Vested shares are disclosed in before-tax terms (i.e. before deduction of withholding tax due).
4 Vested shares are disclosed in after-tax terms (i.e. after deduction of withholding tax due).
5 The value for the grants in 2020 is based on the actual number of shares vesting on the vesting date after tax withholding, i.e. after applying the relevant income tax rate, whereas the value for the grants in 2021 and 2022 is based on the number of performance shares conditionally granted at target level (since the number of performance shares vesting is yet unknown) after applying the currently prevailing income tax rate. The share price as of 31 December 2022 is €87.88.

Remuneration Report 2022

ad (4) – 2020-2022 Long-term incentive: value of performance shares vesting

The value of performance shares vesting is based on the share price as of 31 December 2022 of €87.88.

ad (5) – Number of matching entitlements vesting

These entries refer to the number of matching share entitlements that vested after year-end 2022, as a result of the investment in shares of part of the STI payout for performance year 2017, and holding on to these investment shares until year-end 2022. Since neither Mr. Van den Brink nor Mr. Van den Broek were part of Executive board in 2017, no matching shares entitlements vested after year-end 2022 .

ad (6) – Value of matching entitlements vesting

The value of matching share entitlements vesting is based on the share price as of 31 December 2022 of €87.88. Since neither Mr. Van den Brink nor Mr. Van den Broek were part of Executive board in 2017, no matching shares entitlements vested after year-end 2022 .

ad (7) – Pension cost

The pension costs involve the employer contributions paid in the Capital Creation Plan as well as the employer contributions to the risk insurances for death and disability.

ad (8) – Extraordinary share awards

The table below provides an overview of Extraordinary Share grants as of 31 December 2022.

As compensation to buy out lost long-term incentive remuneration that Mr. Van den Broek held with his previous employer, an Extraordinary Share Award of 39,466 shares of Heineken N.V. (gross) was granted as of the moment of appointment as member of the Executive Board and of CFO by the Annual General Meeting. This is a time-vested conditional grant, and 13,155 shares vested on 1 June 2022. The remainder of the award is subject to time vesting over a period of two years. In line with the retention requisite of Best Practice provision 3.1.2 of the Dutch Corporate Governance Code, Mr. Van den Broek has an obligation to retain and hold the shares for a period of five years as from the date of award. This holding period continues to apply in respect of vested shares after termination of the Assignment Agreement for whatever reason.

	Award	Grant date	No. of the shares granted[1]	Value of shares conditionally granted as of the grant date in €	Vesting date	No. of shares vesting on the vesting date[2]	End of blocking period	Value of unvested or blocked shares as of 31.12.2022 in €
Van den Broek	Extraordinary share award	01.06.2021	6,578	642,144	01.06.2021	3,321	01.06.2026	291,849
	Extraordinary share award	01.06.2021	13,155	1,284,191	01.06.2022	6,643	01.06.2026	583,787
	Extraordinary share award	01.06.2021	13,155	1,284,191	01.06.2023	t.b.d.	01.06.2026	583,787
	Extraordinary share award	01.06.2021	6,578	642,144	01.03.2024	t.b.d.	01.06.2026	291,849

1 The 'Number of shares granted' refers to the grant in before-tax terms (i.e. before tax withholding).
2 Vested shares are disclosed in after-tax terms (i.e. after deduction of withholding tax due).

Remuneration Report 2022

ad (9) – Extraordinary share grants: value of shares vesting

The value of the share awards is based on the 'Number of shares vesting on the vesting date' against the share price as of 31 December 2022 of €87.88.

ad (10) – Other emoluments

The amounts mainly involve car benefits-in-kind.

ad (11) – Total

The addition of all remuneration elements as described in points (1) to (10).

Actual remuneration paid to former members of the Executive Board

Mr. Van Boxmeer stepped down as CEO and Chairman of the Board of Heineken on 1 June 2020. Mrs. Debroux stepped down as CFO and member of the Executive Board of Heineken on 30 April 2021. In line with contractual obligations, Mr. Van Boxmeer and Mrs. Debroux's existing long-term incentive awards (2020-2022 long-term incentives), are subject to vesting in accordance with the predetermined performance conditions as well as subject to a holding period of two years after vesting. Furthermore, their existing investment shares/share matching entitlements are subject to the regular holding period of 5 years.

The vesting of the LTI grant for performance period 2020-2022 will be equal to 186% of the vesting at target level, this implies that 36,743 shares will vest shortly after 15 February 2023, as a result of the 19,754 conditional performance shares granted to Mr. Van Boxmeer in 2020. For Mrs. Debroux, this implies that 20,821 shares will vest shortly after 15 February 2023, as a result of the 11,194 conditional performance shares granted to Mrs. Debroux in 2020. Furthermore, as a result of the investment in shares of part of the STI payout for performance year 2017, below you will find the number of matching share entitlements that vested after year-end 2022.

	2020-2022 Long-term incentive		Matching entitlements	
	No. of performance shares Vesting[1]	Value of performance shares vesting in €[2]	No. of matching entitlements vesting	Value of matching entitlements vesting in €[2]
van Boxmeer	36,743	3,228,975	8,326	731,689
Debroux	20,821	1,829,749	3,568	313,556

1 The 'number of performance shares vesting' and 'number of matching entitlements vesting' are before-tax (i.e. before tax withholding).
2 The share price as of 31 December 2022 is €87.88.

Pay Ratio

In the Netherlands a revised corporate governance code came into effect as of financial year 2017. This revised code requires Dutch stock-listed companies to consider pay ratios between Executive Board members and other employees within the Company when formulating the remuneration policy for the Executive Board, and to disclose these ratios in the Remuneration Report every year.

As is commonly understood, such ratios are specific to the company's industry, geographical footprint and organisational model. HEINEKEN has a truly wide geographical footprint, with the majority of its business and employees in emerging markets with widely different pay levels and structures compared to the Netherlands and Europe. In addition, HEINEKEN has a large number of breweries and in-house sales forces worldwide, which adds to the variety of pay within the Company. For other companies in other industries this will be different. Finally, pay ratios can also be quite volatile over time, as they may vary with exchange rate movements and can be very dependent on the Company's annual performance since that performance impacts the remuneration of the Executive Board much more than of all other employees.

The 2022 pay ratios for HEINEKEN are 198 for the CEO and 128 for the CFO. These ratios are obtained by dividing the 2022 total remuneration for the CEO and CFO by the 2022 average total remuneration of all other employees worldwide. The common denominator of these ratios is derived from note 6.4 on page 83 by dividing the 2022 total personnel expense (after subtracting the expense for the Executive Board and external contractors), by the reported FTE (minus two), leading to an amount of 45,276 versus 40,828 in 2021. The total remuneration for the CEO and CFO is retrieved from note 13.3 on page 116. The Executive Board's remuneration is obtained from note 13.3 to follow IFRS standards and ensure comparability with personnel expenses.

The Executive Board's average pay ratio increased by ca. 9% compared to 2021 results from an increase in the pay ratio of the CFO over 2021 by ca. 23%. This is due to the reason that CFO was appointed as per June 1, 2021. The remuneration included for 2021 pay ratio calculation is for 7 months in 2021.

Comparative overview of remuneration and company performance

The following table provides a comparative overview since 2018 of annual Executive Board remuneration; average employee remuneration; Executive Board pay ratio; and company performance:

	Total remuneration in thousands of €[1]		Average employee total remuneration in thousands of €[2]	Pay ratio[3]		Organic net revenue growth %[4]
Year	CEO	CFO		CEO	CFO	
2018	8,244	3,805	41.7	198	91	6.1%
2019	7,112	3,726	42.9	166	87	5.6%
2020	1,261	835	41.9	30	20	(11.9)%
2021	8,437	4,228	40.8	207	104	12.2%
2022	8,944	5,794	45.3	198	128	21.2%

1 Total remuneration for the CEO and CFO as per note 13.3 Related Parties (i.e. fixed salary, short-term and long-term incentives, pension contributions and other emoluments).
2 Total personnel expense in thousands of € (after subtracting the expense for the Executive Board and external contractor) divided by the reported FTE (minus two).
3 Total remuneration for the CEO and CFO divided by the average total remuneration of all other employees worldwide.
4 Organic net revenue growth percentage for the financial year (performance measure for short and long term incentives).

Remuneration Report 2022

Part IV – The Supervisory Board actual remuneration for performance ending in, or at year-end, 2022

In alignment with the Supervisory Board remuneration policy the Members of the Supervisory Board receive a fixed remuneration for their services. Members are also compensated for intercontinental travel required to exercise their role.The following table provides an overview of the Supervisory Board actual remuneration for year-end, 2022. In alignment with IFRS reporting requirements, this disclosure can also be found in note 13.3 Related Parties.

In thousands of €	2022 Base Board Fee	2022 Committee Fees	2022 Allowances and Benefits	2022 Total Remuneration	2021 Total Remuneration	2020 Total Remuneration	2019 Total Remuneration	2018 Total Remuneration
J.M. Huët	120	105	—	225	225	225	195	86
J.A. Fernández Carbajal	90	40	36	166	142	154	153	109
M. Das	90	40	—	130	130	130	133	85
M.R. de Carvalho	90	45	—	135	135	135	141	96
P. Mars-Wright	90	30	24	144	126	126	151	103
M. Helmes	90	43	—	133	125	125	131	62
R.L. Ripley	90	30	28	148	125	110	97	—
I.H. Arnold	90	20	—	110	110	115	100	—
N.K. Paranjpe[1]	90	20	—	110	78	—	—	—
F.J. Camacho Beltran[2]	63	14	23	100	—	—	—	—
J.G. Astaburuaga Sanjinés[3]	45	10	—	55	122	116	133	104
V.C.O.B.J. Navarre[4]	—	—	—	—	45	105	110	74
G.J. Wijers[5]	—	—	—	—	—	—	103	163
Y. Dervisoglu[5]	—	—	—	—	—	—	53	70
A.M. Fentener van Vlissingen[6]	—	—	—	—	—	—	—	43
	948	**397**	**111**	**1,456**	**1,363**	**1,341**	**1,500**	**995**

1 Appointed on 22 April 2021.
2. Appointed on 22 April 2022.
3. Stepped down on 22 April 2022.
4 Stepped down on 22 April 2021.
5 Stepped down on 25 April 2019.
6 Stepped down on 19 April 2018.

Part V. Adjustments to the remuneration policy for 2023

During 2022 the Supervisory Board reviewed the Executive Board's remuneration policy and after engaging with shareholders and other stakeholders decided not to submit any changes for approval to the 2023 AGM. The Supervisory Board will continue to look for opportunities to increase transparency in the remuneration report in areas where greater transparency will not pose risks to the organization. Consequently, and as previously mentioned, the detailed individual leadership objectives included in the short-term incentive will be disclosed in the annual report as of 2023.

Supervisory Board Heineken N.V.

Amsterdam, 14 February 2023.