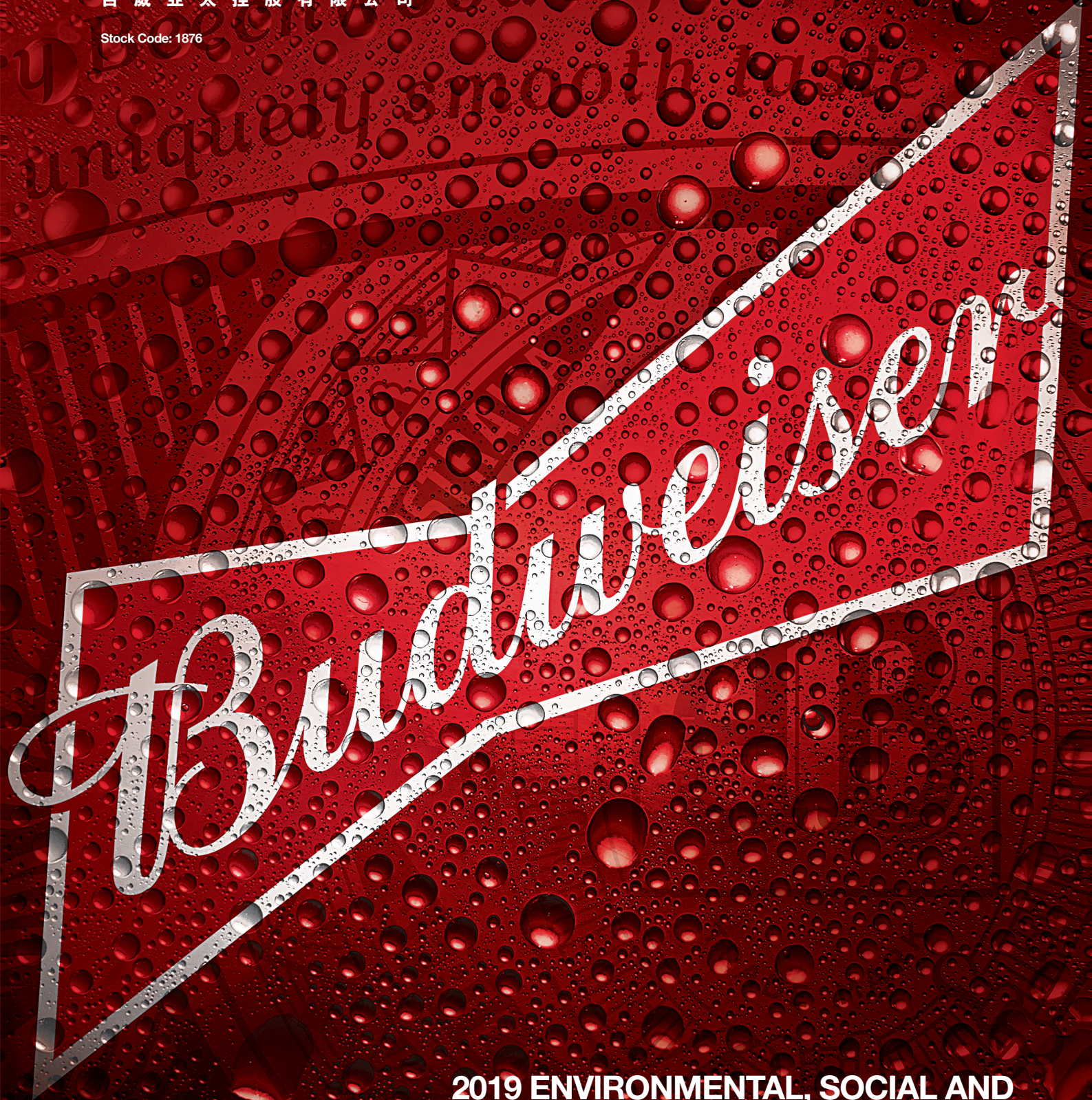




BUDWEISER BREWING COMPANY APAC LIMITED

百威亞太控股有限公司

Stock Code: 1876



**2019 ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE (ESG) REPORT**



King of Beers. America,  
a distinctively clean,  
superior drinkability.



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# About this Report

Budweiser Brewing Company APAC Limited (“We”, the “Company” or “Budweiser APAC”), a company incorporated in the Cayman Islands with limited liability, is delighted to present you the first Environmental, Social and Governance (“ESG”) Report (the “Report”) which provides information about progress towards our ambitious 2025 Sustainability Goals, Smart Drinking Goals and our efforts in different social aspects. This Report should be read along with our 2019 Annual Report, in particular the Corporate Governance Report contained therein.

## Reporting Period

Unless otherwise specified, this Report covers our progress and performance on sustainability during the 2019 financial year, from 1 January 2019 to 31 December 2019 (the “Year”).

## Reporting Boundary

Unless otherwise specified, the reporting scope of this Report is the same as our 2019 Annual Report covering Budweiser APAC and all of its subsidiaries and primarily covers ESG initiatives in China, South Korea, India and Vietnam. The reporting principles of “Materiality”, “Quantitative”, “Balance”, and “Consistency” as set out in the ESG Reporting Guide located in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”) (the “Guide”), underpin the preparation of this Report.

To help determine the ESG reporting areas, the Budweiser APAC board of directors has evaluated the applicability and adopted the materiality assessment parameters of our controlling shareholder, Anheuser-Busch InBev (“AB InBev”), considering factors including the sustainability goals and operational circumstances. The assessment report identified the key ESG issues that are of most importance to our stakeholders and our company. For more information on the materiality assessment of AB InBev, including Boundary Analysis Table, can be found here ([https://www.abinbev.com/content/dam/universaltemplate/ab-inbev/investors/reportsand-filings/annual-and-hy-reports/2019/190227\\_AB\\_InBev\\_Materiality.pdf](https://www.abinbev.com/content/dam/universaltemplate/ab-inbev/investors/reportsand-filings/annual-and-hy-reports/2019/190227_AB_InBev_Materiality.pdf)).

## Reporting Standard

This Report adheres to the disclosure requirements of the Guide. The Guide Index is provided in Appendix II.

## Your Feedback

Additional information on Corporate Governance can be found in our Annual Report. You can download the Report by visiting our website ([www.budweiserapac.com/en/FinancialReports.html](http://www.budweiserapac.com/en/FinancialReports.html)) or HKEX News ([www.hkexnews.hk](http://www.hkexnews.hk)). We are open to and welcome any suggestions, comments and questions about our Report and our sustainability performance.



# Better World

We support the United Nations (“UN”) Sustainable Development Goals (“SDGs”) and the UN 2030 Agenda for Sustainable Development. We are working to contribute directly to many of these goals through our 2025 Sustainability Goals, Smart Drinking Goals, Road Safety initiatives, volunteering programs and disaster relief efforts. We have placed a deliberate focus on contributing progress toward the goals where we can use our scale and partnerships to drive meaningful positive change. The below diagram illustrates how our sustainability and smart drinking goals are aligned to the UN SDGs.



## Our Global Smart Drinking Goals

We support the World Health Organization (“WHO”) target of reducing the harmful use of alcohol by at least 10% in every country by 2025, and the UN SDG target 3.5 to strengthen the prevention of harmful use of alcohol globally. Our Global Smart Drinking Goals are intended to drive real progress to help meet these ambitions.



**City Pilots**



**Social Norms**



**No-and Low-Alcohol Beer**



**Label and Alcohol Health Literacy**

## Our 2025 Sustainability Goals

We are doing our part to tackle shared global environmental and social challenges. Our 2025 Sustainability Goals aim to deliver a measurable, positive impact on the environment and our communities.



**Smart Agriculture**



**Water Stewardship**



**Circular Packaging**



**Climate Action**

# Dream-People-Culture

## Employment

We focus on attracting and retaining the best talent. Our approach is to enhance our peoples' skills and potential through education and training, competitive compensation and a culture of ownership that rewards people for taking responsibility and delivering results. Our Human Resource policies and procedures are designed and implemented in keeping with applicable laws and requirements covering area such as compensation and dismissal. We offered competitive staff remuneration, rewards and employee benefits package to assure staff's effort and contribution on work. The dismissal or voluntary termination of employee's contracts shall be enforced in accordance with the local employment laws. Our ownership culture unites our people, providing the necessary energy, commitment and alignment needed to pursue our Dream of Bringing People Together for a Better World.



**27,976** people  
Number of full-time colleagues

## Embracing Diversity and Inclusion

We believe that one of our greatest strengths is our diverse team of people. Diversity and inclusion in our organization enables the diversity of thought needed to achieve exceptional results. Our focus is on attracting, hiring, engaging, developing and advancing the very best talent and creating a level playing field regardless of gender, ethnicity, sexual orientation or any other characteristics that make our colleagues unique.

In Budweiser APAC, we have a diverse workforce comprising more than 25 nationalities, speaking 40 languages and 40% are women. Driving greater diversity and inclusion is a priority for us and we recognize that this takes commitment, hard work and time. Throughout the year 2019, our People team organized bi-monthly best practices sharing sessions of Diversity and Inclusion initiatives between different business units to ensure equity in advancement opportunities and foster an inclusive work environment in which our people can thrive. More than 50 sessions of training, workshops, and Happy Hours focused on female leadership development and career advancement were organized in different business units. Three sessions of Unconscious Bias Training were delivered to our People team to promote equal employment for people of different genders, races, backgrounds and experiences. We have established Leave and Holiday Policy



regulating the arrangement of various staff holidays and application process, such as statutory holidays, annual leave, maternity leave, work injury leave, marriage leave, funeral leave, sick leave and other leaves. Meanwhile, we followed the national and regional labour law to implement working hour management, according to the staff's job position and actual working hours to pay for corresponding remuneration.

**25+** nationalities represented across our company

**40** languages around Asia Pacific ("APAC")

**40%** of women in salaried workforce



We also updated and rolled out an Anti-Harassment and Discrimination policy (the "Policy") throughout our entire organization. As part of the implementation strategy, we made reporting of violations a mandatory

requirement for all supervisors under the Policy, and established Policy Ambassadors who will function as an early warning mechanism and means for colleagues to report or discuss grievances or concerns.

## Workplace Safety

The safety of our employees is our top priority. We are subject to various occupational health and work safety laws and regulations in the countries in which we operate. In an effort to ensure the safety of our employees, we have operational procedures and safety standards for our production process, including fire safety, warehouse safety, work-related injuries, electricity safety and emergency and evacuation procedures. We provide our employees with occupational safety education and training to enhance their awareness of safety issues.

In 2019, we set up a technical committee to upgrade technical safety measures to meet industry leading practices such as machine guarding and use of dust explosion prevention devices. Requirements have been defined and upgrades are in progress. Through implementing these upgrades, effective safety leadership of top management, line responsibility of middle management and workplace safety management at the operator level, we are on the way to first-rate positive safety culture. To achieve our dream of zero injuries, employees in all areas of our company take personal responsibility for promoting and adhering to safe behaviors at all times.

**22%** decrease in total recorded injuries

We made further progress against our key safety metrics. Total recorded injuries decreased by 22% compared to 2018. This decrease was made possible by a further roll-out of the Environment and Safety Pillar of our global management systems, namely Voyager Plant Optimization (“VPO”) and Distribution Process Optimization (“DPO”) across APAC as well as investments in improving the safety conditions in the facilities and implementation of behavioral safety programs.

Our goal is to minimize risk, build safety leaders throughout the organization and achieve zero injuries. Through dedication and commitment of our team members, many of our operations are well on the way to achieve this goal. Our safety programs for 2019 and beyond will continue to focus on preventing serious injuries and fatalities. Personal targets tied to variable compensation have also been significantly adapted to champion these programs.

## Developing the Best People

Dream-People-Culture is the core of Budweiser APAC, it is what we stand for. Employee’s Learning and Development is one of the keys to our sustainable development. Therefore, we published “Budweiser APAC Training Policy” and “Budweiser APAC Internal Trainer Management Policy” to facilitate the implementation of the company’s learning and development activities on a larger scale and more accessible to employees to create an improved learning atmosphere.



**4,000+**  
employees attended  
classroom training programs

**17,000+**  
employees attended  
online learning

**278**  
certified internal trainers

Budweiser APAC University’s training curriculum has covered all our functions. Now we have 5 colleges on the APAC University platform—Leadership and Culture, Commercial, Supply and Logistics, Method and Functional. Based on the resource of AB InBev Global University, APAC University provides a series of global and local training and development programs. Some of the programs are developed and implemented jointly with global leading business schools (e.g. Harvard, Kellogg, Wharton, CEIBS, INSEAD, etc.).



# Community Engagement

## Fostering a Culture of Smart Drinking



We believe every experience with beer should be a positive one. Harmful use of alcohol is bad not only for our consumers, employees, families, communities, but also for our business. We are investing heavily to measurably shift social norms and behaviors around harmful use of alcohol and achieve four ambitious global drinking goals.

### Social Norms

**We aim to influence social norms and individual behaviors to reduce harmful alcohol use across our markets in dedicated social marketing campaigns and related programs by the end of 2025,** not only by organizing the responsibility and awareness initiatives, but also by shifting to evidence-based behavior change campaigns and programs.

Across our APAC operations, we hold annual Global Beer Responsible Day activities, with thousands of our employees participating and communicating with our customers and consumers to promote responsible drinking.



In China, we are a leader in advocating for everyone in the alcohol industry to promote responsible drinking, in particular by working to educate the public about the dangers of drinking and driving. We are partnering with public health and behavior change experts to focus on impact. In partnership with the China Alcoholic Drinks Association (“CADA”), we have held a Responsible Drinking campaign every year for the last 12 years.



In South Korea and India, we are also committed to promoting responsible drinking throughout the country. We executed a ‘No Drink & Drive’ campaign partnering with Korea Road Traffic Authority (“KoRoad”). In rural and semi-rural communities in India, we focused on spreading awareness on the harmful impact of consuming illicit liquor through our initiatives and conscious marketing efforts in discouraging drink and drive or binge drinking.

### No-Alcohol Beer and Low-Alcohol Beer (“NABLAB”)

**We aim to ensure no-alcohol (by which we mean ABV 0.0%-0.5%) and low-alcohol (by which we mean ABV 0.51%-3.5%) beer products represent at least 20% of our total beer volume by the end of 2025.**

In 2019, we successfully introduced our first NAB, Budweiser 0.0 in India. The launch of Budweiser 0.0 in India was in line with our global commitment to have 20% of our volume attributed to NABLAB. In addition, we currently have NABLAB products in most of our major markets. This Year, Harbin Beer launched its first ever no-alcohol beer, aiming to empower young consumers with choices. This has been our first product-based breakthrough in China after a 12-year promotion of no-drunk-driving ideas that has focused on social norms to change consumer behaviors.



### Label and Alcohol Health Literacy

**We aim to place a guidance label on all of our beer products in all of our markets by the end of 2020 and increase alcohol health literacy by the end of 2025.** We believe in helping consumers understanding why and how alcohol should be consumed and the limit. In China, we launch the Guidance Label project to share health information via packaging label and secondary label change.

We believe there is more work to do and we don't have all the answers. That's why we collaborate with public health experts, governments and other partners to brainstorm and implement ideas on how we can improve and accelerate our progress. At Budweiser APAC, one of our principles is to never be completely satisfied with our results. This is just the beginning of our very exciting journey ahead.

### City Pilot

**We aim to reduce the harmful use of alcohol by at least 10% in our City Pilot Project by the end of 2020 and implement best practices across our markets by the end of 2025.** We are building communities across the APAC where harmful use of alcohol no longer presents a social challenge. For example, local knowledge and leadership are critical to our City Pilot in Jiangshan, China. A regional Steering Committee was formed and we are working together with the Jiangshan city government towards a shared goal of reducing the harmful use of alcohol.

### Road Safety



Road safety casualties have risen to become a safety challenge of global concern. We recognize that as the largest beer company in APAC and a significant operator of roadway fleets, we have a unique opportunity to take a leadership role in improving road safety.

On April 25<sup>th</sup>, 2019, we have jointly sponsored the United Nations "Road Safety and Digital Innovation Learning Conference" which



was successfully convened at the Shanghai Academy of Social Sciences. More than 80 government representatives, academic leaders and relevant stakeholders from countries and regions gathered to rigorously examine road safety-related issues that the regions now encounter and extensively explore digital innovations aiming to promote safer roads and reduce casualties caused by accidents.

This Year, Budweiser APAC as a public service partner, together with representatives of the Shanghai traffic police, initiated the 'National Road Safety Day' and Awareness Week activities. Shanghai's 'Virtual Road Safety Ambassador' Hjiang, our Harbin Visual Idol, will continue to play an active role in these activities and contribute to the construction of smart transportation in Shanghai in the coming months and beyond.



Budweiser APAC has also contributed to road safety in India by taking part in Safer Roads for Gurugram ("SRFG") initiative in 2019. Our contributions were awarded with the prestigious Gold SABRE APAC award under

the "Associations" category for "Creating an association of multi-sectoral partners to accelerate road safety in Gurugram". Our involvement was to on-board key corporate partners and launch a data dashboard and e-learning module on road safety.

## Acting in Our Communities



Our people are passionate about empowering communities, both large and small. We encourage these efforts through regional and local volunteering initiatives that are often also open to our families, friends, partners and consumers.

**103,000**  
hours of volunteering

**10,000+**  
colleagues participated in  
Global Be(er) Responsible  
Day ("GBRD")

**27** Hope Schools were donated

**4** are under construction in China

**7** old Community Child Centers were renovated to Happy Libraries in South Korea

**253,000+**  
cans/bottles of emergency drinking water (produced in 2018) were donated in APAC

We have completed the donation to build 27 Hope Schools in China and another 4 are currently under construction. In 2019, series of activities were launched in these schools to teachers and students, such as Chinese traditional culture courses, environmental protection activities, intelligence robot classrooms, painting competition, etc. 7,684 students and 832 teachers from these Hope Schools have benefited.

In addition, we donated emergency drinking water in China this Year through our disaster relief program. The donations were used in disaster relief operations during flooding in Jiangshan and Ji'an and an earthquake in Yibin.

Community Child Centers are essential to children of underprivileged families in South Korea. In accordance with the launch of

Budweiser APAC's Volunteering Policy, we leveraged Happy Library project to further engage our employee volunteers to offer regular after-school English classes for the underprivileged children at Happy Libraries.

Across our breweries situated in rural and semi-rural India, we have taken immense initiative to create a better world for the communities. To help our communities, we have implemented innovative solutions to tackle age-old problems, such as poverty, lack of jobs, gender equality and etc. To enhance road safety, create a safer environment for women and deter rising crime, we have installed streetlights and CCTV cameras in the most vulnerable stretches.

### Beer Advertisement

As a leading consumer products company, we have a great responsibility to ensure that our communications are factual, keep with contemporary standards of good taste, and are sensitive to cultural differences among markets. We strictly comply with the law, regulations and standards across APAC including but not limited to the Advertising Law of the Central People's Government of the People's Republic of China ("PRC"), National Health Act in South Korea, and relevant prohibition of advertisement stated in the Excise Acts and ASCI Code for Self Regulation in Advertising Content in India. Compliance with the AB InBev Responsible Marketing and Communications Code is therefore mandatory for all of our marketing, sales, promotion and communications efforts and includes both traditional and digital media.



# Working Towards our 2025 Sustainability Goals

At Budweiser APAC, we are determined to build a company to last, and we can only do so with a healthy environment and thriving communities. We are firmly committed to creating a better world for all our stakeholders, while also creating value for our business. Through our 2025

Sustainability Goals, our most ambitious set of public commitments yet, we aim to create measurable positive impact, drive growth and improve lives across our entire value chain – from our farmers and retailers to our consumers and their communities.

## Smart Agriculture



### 2025 Sustainability Goal:

By 2025, 100% of our direct farmers are skilled, connected, and financially empowered.

### Our 2019 APAC Achievements:

As of 2019, 22% of our direct farmers are skilled, 53% are connected and 29% are financially empowered.



In 2019, we continued to support our farmers in our approach to agricultural development, working with over 4,000 farmers in India to support the growth of malting barley. We have developed a framework under the pillars of “skilled, connected and financially empowered” to ensure that farmers have access to good varieties and technical training (skilled), improved insights and information (connected) and the understanding to invest in and grow their business for the long term (financially

empowered). We are making progress towards our goal – as of 2019, 22% of our direct farmers met our criteria for skilled; 53% for connected and 29% for financially empowered.

The 2019 crop year proved to be challenging in many growing regions across the globe, including India, with weather events threatened both quality and yield. Increasing farmers’ resilience and reducing production volatility through improved breeding and crop management practices is – and will continue to be – a focus for our research and agronomy teams. We are working diligently to ensure our frameworks of “skilled, connected and financially empowered” appropriately supports farmers in adopting the practices and tools they need to address the challenges they face in their local environments so they can improve their resilience and long-term sustainability.

## Digitalization in Agriculture

In India, we are currently deploying the KisanHub platform to facilitate agricultural development. It enables our field team to record data digitally, as well as deploy real-time crop management protocol among farmers. We can also record crop growth patterns and send timely messages to farmers about crops, weather patterns and relevant government schemes.

## Expanding the Capabilities of a Successful Tool

To increase supply chain transparency, we also piloted BanQu's blockchain technology within our India barley supply chain. BanQu is working together with KisanHub to expand the platform in India, connecting more farmers across our barley supply chain and ensuring traceability and barley quality.

## Water Stewardship



### 2025 Sustainability Goal:

By 2025, 100% of our communities in high stress areas will have measurably improved water availability and quality.

### Our 2019 APAC Achievements:

100% of our sites in APAC have conducted local outreach activities, determined water solutions specific to their community and identified appropriate solutions.



Water is a key ingredient in all our products, so we value every drop. But more than just a key resource for our business, clean water is a critical resource for the economic, social and environmental well-being of every community around the world. Unfortunately, it is becoming increasingly scarce in many parts

# 10%

**water reduction achieved  
in our breweries since 2017**

of the world. Efforts to increase our water efficiency, which began decades ago, have expanded beyond our walls into watershed protection efforts across the world. We believe water and climate change are closely linked: climate change is making water more variable, reducing availability and degrading quality. As the leading brewer in APAC, we are committed to being part of the solution to some of the growing water challenges in areas where we operate. Each production facility of Budweiser APAC is required to implement technical and organizational measures in order to prevent and manage soil pollution, and manage water resources from surface and subsurface sources. We manage

the effluent discharge in order to avoid chemicals shock or organic overload into the Biological Treatment System. Our ultimate goal is to ensure water availability and quality for both our breweries and our communities, because when our communities thrive our business thrives.

### Creating Measurable Impacts at High-risk Watersheds

So far, 100% of our sites in APAC have conducted local outreach activities, determined water solutions specific to their community and identified appropriate solutions.

In India, we have initiated tangible actions across all our high water risk sites in 2019.

The work we are doing includes building water harvesting structures like check dams, recharge wells and storage ponds as we target a recharge capacity of 500,000 kiloliters before the 2020 monsoon. Our efforts will positively impact watersheds and will enable us to deliver on our commitment of improving water availability in our communities.

In China, we also conducted a clean-up at the watershed of the Erlonghu river. This included clearing away trash, planting trees and continually taking water samples to monitor improvements in water quality.

## Circular Packaging



### 2025 Sustainability Goal:

By 2025, 100% of our products will be in packaging that is returnable or made from majority recycled content.

### Our 2019 APAC Achievements:

56% of our volume is in returnable packaging.  
46% of packaging is made from majority recycled content.

Our beer volumes in 2019 were

**56%**

in returnable packaging  
(e.g. returnable glass bottles)

**26%** recycled content in cans

**47%** recycled content in glass



The waste management policy has been established for minimizing hazardous and non-hazardous wastes across facilities and increasing recyclability rates. We ensure all facilities across APAC follow the local and AB InBev requirements regarding various



hazardous materials in order to prevent environmental risks, non-compliances, incidents or accidents. The facilities must maintain an accurate and updated inventory of all hazardous materials and discarded materials that require special handling and disposal. We ensure all hazardous and non-hazardous wastes were handled by qualified service suppliers and in accordance with pertinent regulations or local environmental standards. We are constantly looking for ways to increase the recycled content in our packaging, support retrieval and reuse of bottles, reduce the weight of our packaging and continue to advocate for returnable solutions. To achieve our circular packaging vision and reduce the production of hazardous and non-hazardous wastes, we focus on four key areas: Rethink, Reduce, Reuse, and Recycle. We intend to overcome the challenges in packaging such as low recycling rates in packaging material by working with trusted partners, our 100+ Accelerator, technological innovations and our brands.

### Rethink

We continue to innovate and rethink the ways we educate our consumers about recycling. We leverage our Corona brand to help them understand the amount of plastic that enters our oceans every year. We continued the Corona 'Save the Beach' Campaign in India, where we were responsible for the collection of 2.6 million kg of waste from the beaches around Arabian Sea.

### Reduce

New technologies are enabling us to drive sustainable packaging initiatives across our brands. We have run pilots to reduce stretch-on-finished-goods in South Korea, Vietnam and China. Different ideas were tested including anti-slip hot melt, decreased rounds of wrap, and applying straps onto top layers of stacks of finished goods.

### Reuse

In 2019, we continued our efforts to protect our returnable volume across our different business units. In South Korea, we also used re-usable and bio-degradable cups for Budweiser's World DJ festival sponsorship and our own Cass X Daegu Chimac Festival.

### Recycle

In China, together with one of our key suppliers Nanshan through the "China Sustainable Development of Aluminum Packaging Summit Forum", we hosted more than 150 influential leaders from the metal packaging industry to focus on solving circular packaging issues in China, which is the largest cansheet-producing country in the world.

In South Korea, 96% of Cass packaging has been replaced with 100% recycled material. For example, whereas virgin paper was used for cartons and trays, we now only use eco-friendly cartons for this brand.

## Climate Action



### 2025 Sustainability Goals:

100% of our purchased electricity will be from renewable sources.

Carbon emissions will be reduced by 25% across our value chain.

### Our 2019 APAC Achievements:

In APAC 4.4% of purchased electricity comes from renewable sources.

In 2019, we estimate a reduction of 5.5% kgCO<sub>2</sub>e per hectoliter (hl) compared to our baseline year 2017 across our value chain.

# 5.5%

carbon emissions reduction achieved across our value chain since 2017

# 14%

total purchased energy reduction achieved in our breweries since 2017



Climate change is a pressing issue that affects our businesses across the globe and the communities where we operate. As part of AB InBev, we are building climate resilience by committing to transition our global operations to 100% renewable electricity and reduce our emissions by 25% across the value chain.

### Renewable Electricity

We started our 100% renewable electricity with several projects across APAC we have one off-site solar farm at SPR in India and we have installed solar panels on nine of our breweries (6 in China, 2 in Vietnam and 1 in India).

In China, we leveraged the 2019 World Environment Day to launch our latest renewable energy project at our brewery in Foshan. The project comprises 17,200 solar panels covering 50,000 square meters. This will help us reach our 2025 target and will also help reduce air pollution in Guangdong province.

In Vietnam, 2019 saw the launch of our Solar Rooftop Project. We completed construction of the project in June 2019 and, since then, the amount of CO<sub>2</sub>e negated is the equivalent to planting 2,765 trees at our Vietnam Singapore Industrial Park Brewery and 2,733 trees at our My Phuoc Brewery.

## Reducing Carbon Emissions Among Value Chain

In 2019, we estimate a reduction of 5.5% kgCO<sub>2</sub>e per hl compared to our baseline year 2017 across our value chain. We are working on different initiatives across our supply chain inside our own breweries but also driving change together with our suppliers and partners. For example we are switching to more environmentally friendly refrigerants and increasing efficiency in 100% of our coolers. Coolers represent around 16% of our carbon footprint.

Logistics accounts for around 5% of our carbon footprint. In July 2019, in partnership with FoQi and FeiChi, we launched a hydrogen-powered truck for B2B beer deliveries in China, becoming the first beer company to use this technology in the country. By end of 2019 in China, we also converted all our coal boilers to natural gas in our breweries as alternative source to get heat.

## 100+ Accelerator

Today's global sustainability challenges provide us with some of the greatest opportunities for development and innovation. Through the 100+ Accelerator we are looking for partners who can deliver breakthrough advancements in water stewardship, farmer productivity, product upcycling, responsible sourcing, green logistics and more. Our challenges has developed with input from AB InBev colleagues and third party experts around the world. Successful applicants receive mentorship, funding and access to new networks. We want to empower driven and committed entrepreneurs who are solving problems in their own communities.

Below are 2 examples of success stories in APAC from our 100+ Accelerator:

In China, Yushuo, aims to reuse retired batteries of vehicles for storing energy which is aligned to our 2025 Climate Action goal. Now, they are ready to scale up and keep bringing new innovations to us. Another start-up from the cohort, KisanHub ran a pilot in India with 1,000 farmers and has now scaled up to 100% of our farmers in India. With the KisanHub platform, our agronomy team has live access to the data of all their farmers, which allows the team to analyze data and manage the quality and quantity of barley as well as understand our farmers needs better. Please read more in the Section of 100+ Accelerator.



# Integrity

## Labor Standards

Budweiser APAC has three core policies that outline our approach to respecting human rights and labor rights across our operations and our value chain, including our employees, vendors, wholesalers as well as our consumers.

### Human Rights Policy

Our Human Rights Policy makes it clear that the Budweiser APAC prohibits all forms of child and forced labor within our operations and supply chain. Budweiser APAC is committed to implementing these policies in the course of existing business and in the assessment and development of new business opportunities. We are also committed to working with business partners that share these values and commit to implementing this policy in their operations.

### Responsible Sourcing Policy

We adopted the Responsible Sourcing Policy to ensure our business partners also prohibit Child Labor and Forced Labor in their practices. We include a clause in our supplier contracts, providing us with leverage if we identify any issues with the supplier and enables us to terminate the contract and end our relationship with a supplier for serious breaches of our Responsible Sourcing Policy.

### Whistleblowing Policy

Budweiser APAC has a whistleblower hotline run by an independent third party which allows for those within and outside of the Company to report any suspected breaches of policies, including any suspected breach of the Human Rights Policy and Responsible Sourcing Policy and it also provides the option to do so anonymously. If an issue is reported, full time compliance officer in each country of Budweiser APAC will investigate the issue. In 2019, there was no non-compliance cases with significant impact related to child and forced labor in Budweiser APAC.

## Product Responsibility

We strive to produce the highest quality products, provide the best consumer experience and maximize shareholder value by building the strongest competitive and financial position. In a fast-changing world, we understand environmental and social pressures are becoming more severe. We continue to explore ways to manage our business more responsibly, so that we can create long-term value for our stakeholders.

## Brewing Process and Quality Control

Quality control is at the core of our business. The quality of our products and the uniqueness of our consumer experience can never be compromised. We maintain a rigorous quality control program to ensure that we produce high quality products on a consistent basis, which comply with all applicable legal requirements. To ensure consistent quality across every batch for each brand, we monitor the quality at each step of the production process, via critical process control points so that in-process products are well monitored and controlled. We have quality control personnel at each of our breweries. We leverage a production line real-time system monitoring and conducting extensive testing, to ensure that every beverage meets our Group-wide standards of quality and each batch of beer must be tasted according to the sensory standard before release to make sure our consumers have the consist beer experience everywhere.

To have the best and freshest beers in the market with greatest consumer compliments, we are raising the quality standard step by step through building the Quality Culture in VPO Program. We encourage and insist

on benchmarking and sharing knowledge between our people and facilities to continuously improve quality and food safety. We monitor and control the whole process of product, from raw material process and selection to brewing, packaging, storage, transportation protection, to final consumers, to ensure batch-to-batch consistency.

## Food Safety policy

Food safety is the efforts to prevent any unintentional contamination of our products. We are fully committed to implementing the requirements of BRC (British Retail Consortium) standard. We undertake a HACCP system-based approach to the management of food safety, pay close attention on critical control point management, end-to-end process monitoring, management of changes, food safety third party DNV-GL (DET NORSKE VERITAS) audit, products third party analysis. We promote food safety culture vigorously to ensure continual improvement of food safety and quality management.

### Customer experience

We believe every experience with beer should be a positive one. We value how our consumers feel about us and our products. We have established customer and consumer complaints policies and procedures. Consumer hotlines are available to consumers in all the countries where our products are sold. Customers and consumer complaints are viewed as valuable assets, because they provide a unique opportunity to express our thanks for their choice with our products, apologize for the negative experience (if any), express reassurance of our commitment to quality and provide satisfactory redress according to established policies, enable the collection of valuable information about the nature of the problem and guide continuous improvement activities to increase the quality of our products.

### Consumer Privacy Protection

In a world of digital transformation, Budweiser APAC aims to not only comply with applicable data privacy laws, but also to ensure that its consumers, customers and employees' data are secured and processed in an ethical manner. We have Data Privacy Policies that sets out our robust data protection for consumer data and privacy requirements; with Information Security Policy and IT Governance to protect consumer data from various

security threats, while our Data Retention Policies giving clear guidance of the retention of consumer data to a limited period. In 2019, there was no non-compliance cases related to Data Protection and Privacy.

### Intellectual Property Right

We respect intellectual property rights. Policies and measures regarding the protection of intellectual property are in place. We keep regular monitor on trademark registration and raise opposition/cancellation against malicious trademarks; conduct market survey to monitor counterfeits and lookalike products; launch anti-counterfeit actions through administrative complaints, criminal procedures and civil litigations to protect intellectual property rights.

## Anti-Bribery and Corruption

Budweiser APAC's Code of Business Conduct sets out the ethical standards to which all employees are expected to adhere. The Anti-Corruption Policy states clearly that the Company's employees are strictly prohibited from, either directly or indirectly, offering, promising, authorizing or giving anything of value to any individual with the aim of improperly obtaining or retaining business or influencing business or governmental decision-making in connection with Budweiser APAC's commercial activities.





We continued our efforts to maintain a leading anti-corruption compliance program. This program is managed by Budweiser APAC compliance team that oversees policy implementation, investigations, operational dashboards and organizational change across all regions. Our compliance officers are readily available to advise our people on specific issues. Colleagues can ask questions or raise concerns in person, via an online website or

anonymously through the compliance hotline. In 2019, there were no non-compliance cases with significant impact related to bribery, extortion, fraud and money laundering.



## Appendix I: Data Table

Metric	Unit	2019
Total water use	billion hl	0.3
Water use by hectoliter of production	hl/hl	2.8
Total GJ of energy	millions	8.3
Total GJ of energy purchased	millions	8.0
Energy usage per hectoliter of production	Mj/hl	92.7
Energy purchased per hectoliter of production	Mj/hl	89.7
% renewable electricity	%	4
Total direct and indirect GHG emissions (Scope 1 and 2)	million metric ton of CO <sub>2</sub> e	0.7
Total direct and indirect GHG emissions (Scope 1,2 and 3)	million metric ton of CO <sub>2</sub> e	7.5
Scope 1 and 2 GHG emissions per hectoliter of production	kg CO <sub>2</sub> e/hl	8.3
Scopes 1,2, and 3 GHG emissions per hectoliter of production	kg CO <sub>2</sub> e/hl	86.2
Total non-hazardous waste produced	tonnes	7,435.4 <sup>1</sup>
Total hazardous waste produced	tonnes	1,878.0
Total packaging materials used for finished products	tonnes	1,963,815
% returnable packaging	%	56
% recycled content in packaging		
Glass	%	47
Cans	%	26
Direct farmers skilled, connected, and financially empowered		
Skilled	%	22
Connected	%	53
Financially empowered	%	29

<sup>1</sup> Including non-hazardous waste taken to landfills and non-hazardous waste incinerated

## Appendix II: HKEX ESG Report Guide Index

Aspects			
A	Environmental	Section	Remarks
A1	<p><b>Emissions</b></p> <p>Policies relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste.</p> <p>Compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	Climate Action; Circular Packaging	<p>The Company has the Environmental Pillar Handbook which outlines:</p> <ul style="list-style-type: none"> <li>– Environmental Air Quality Management and Carbon Management;</li> <li>– Effluent Management;</li> <li>– Soil, Groundwater and Water Resource Management;</li> <li>– Environmental Hazardous &amp; Chemical Management; and</li> <li>– Waste Management.</li> </ul> <p>In 2019, there were no reported incidents of non-compliance in relation to environmental laws or regulations which have a significant impact on Budweiser APAC.</p>
A1.1	The types of emissions and respective emission data.	Climate Action;	
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Data Table	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Data Table	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Data Table	
A1.5	Description of measures to mitigate emissions and results achieved.	Climate Action	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Circular Packaging; Appendix I: Data Table	
A2	<p><b>Use of Resources</b></p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Climate Action; Water Stewardship	<p>The Company has adopted the Soil, Groundwater and Water Resource Management and Use of Natural Resources: Water – Energy Policy set out in the Environmental Pillar Handbook.</p>



Aspects		Section	Remarks
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Data Table	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Data Table	
A2.3	Description of energy use efficiency initiatives and results achieved.	Climate Action	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Stewardship	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I: Data Table	
A3	<b>The Environment and Natural Resources</b> Policies on minimizing the issuer's significant impact on the environment and natural resources.	Working Towards our 2025 Sustainability Goals	The Company follows the Environmental Pillar Handbook with an aim to minimize the significant impact on environment and natural resources.
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Working Towards our 2025 Sustainability Goals	
<b>B Social</b>			
B1	<b>Employment</b> Policies on employment and compliance with relevant laws and regulations that have a significant impact on the issuer regarding the following: <ul style="list-style-type: none"><li>• Compensation and dismissal</li><li>• Recruitment and promotion</li><li>• Working hours and rest periods</li><li>• Equal opportunity and anti-discrimination</li><li>• Diversity</li><li>• Other benefits and welfare</li></ul>	Employment; Embracing Diversity and Inclusion	<p>The Company has established Leave and Holiday Policy, Parental Standard Policy, Conflict of Interest Policy, Anti-Harassment and Anti-Discrimination Policy. We respect and comply with the laws, rules and regulations of the countries in which we operate.</p> <p>In 2019, there were no reported incidents of non-compliance in relation to local employment laws or regulations which have a significant impact on Budweiser APAC.</p>
B2	<b>Health and Safety</b> Policies on providing a safe working environment and protecting employees from occupational hazards and compliance with relevant laws and regulations.	Workplace Safety	<p>In 2019, there were no reported incidents of non-compliance in relation to health and safety laws or regulations which have a significant impact on Budweiser APAC.</p>

	Aspects	Section	Remarks
B3	<p><b>Development and Training</b></p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Developing the Best People; Embracing diversity and inclusion	
B4	<p><b>Labor Standards</b></p> <p>Policies and compliance with relevant laws and regulations on preventing child and forced labor.</p>	Labor Standards	In 2019, there were no reported incidents of non-compliance in relation to laws or regulations preventing child and forced labor which have a significant impact on Budweiser APAC.
B5	<p><b>Supply Chain Management</b></p> <p>Policies on managing environmental and social risks of the supply chain.</p>	Smart Agriculture; Labor Standards	
B6	<p><b>Product Responsibility</b></p> <p>Policies and compliance with relevant laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Fostering a Culture of Smart Drinking; Acting in Our Communities; Product Responsibility	In 2019, there were no reported incidents of non-compliance in relation to laws or regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress which have a significant impact on Budweiser APAC.
B7	<p><b>Anti-corruption</b></p> <p>Policies and compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.</p>	Anti-Bribery and Corruption	In 2019, there were no reported incidents of non-compliance in relation to laws or regulations relating to bribery, extortion, fraud and money laundering which have a significant impact on Budweiser APAC.
B8	<p><b>Community Investment</b></p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	Community Engagement; Smart Agriculture; Water Stewardship; 100+ Accelerator	



BUDWEISER BREWING COMPANY APAC LIMITED

百威亞太控股有限公司

