



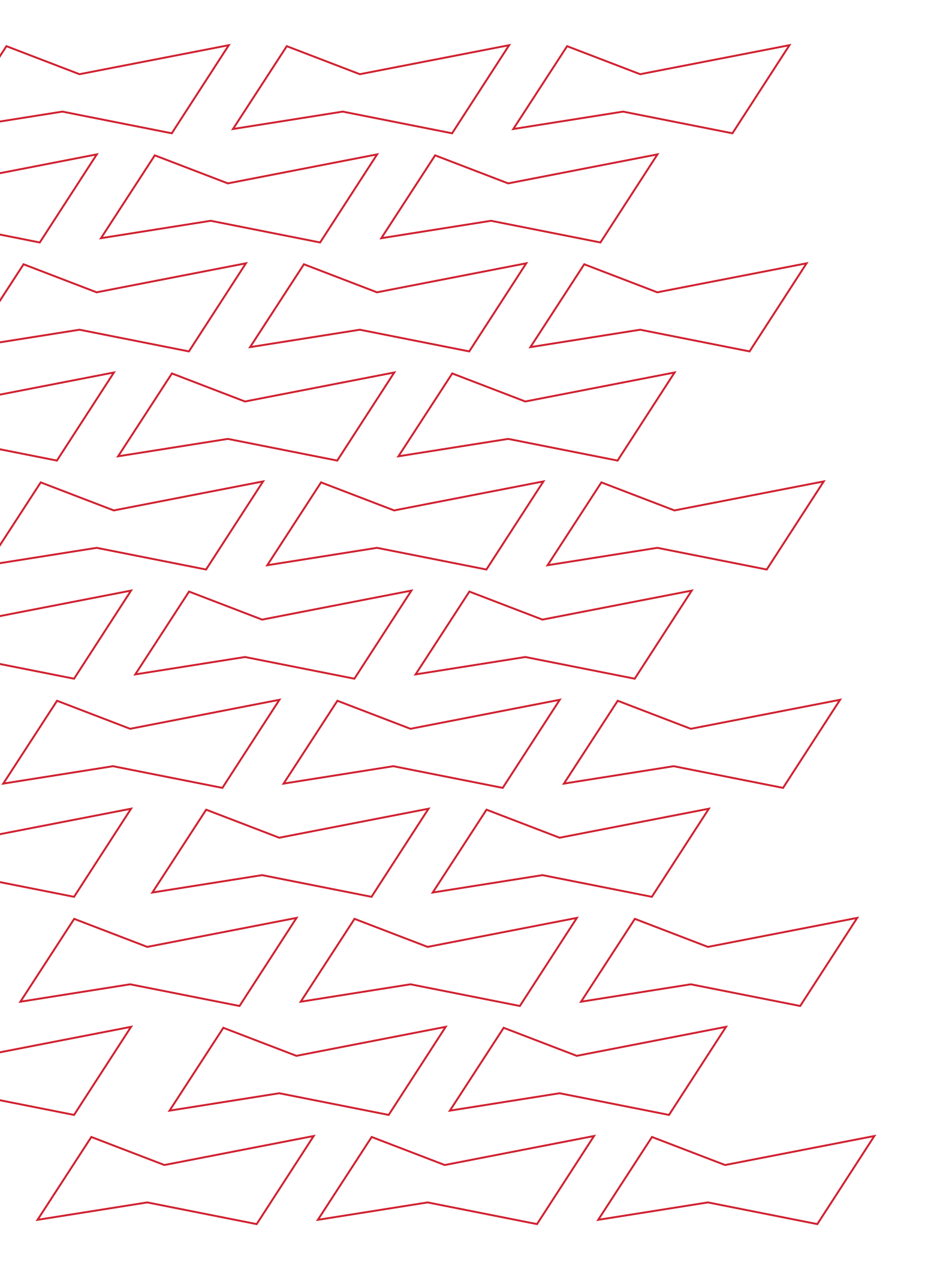
BUDWEISER BREWING COMPANY APAC LIMITED

百威亞太控股有限公司

Stock Code: 1876



2020
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT



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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 second 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 ESG aspects. To understand the full breadth of our ESG efforts, this Report should be read along with our 2020 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 FY20, from 1 January to 31 December 2020.

Reporting Boundary

Unless otherwise specified, the reporting scope of this Report is the same as our 2020 Annual Report, covering Budweiser APAC and all of our subsidiaries and primarily covers ESG initiatives in China, South Korea, India, Vietnam and other Asia Pacific regions. The reporting principles of “Materiality”, “Quantitative”, “Balance”, and “Consistency” are set out by the Stock Exchange financial in the ESG Reporting Guide (the “**Guide**”) located in Appendix 27 to the Listing Rules, underpinning the preparation of this Report.

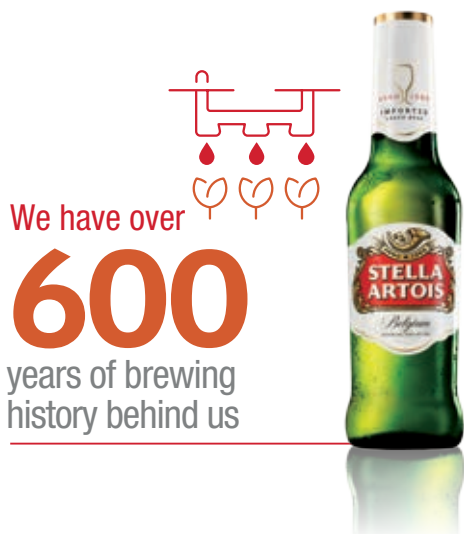
Reporting Framework

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

Your Feedback

Our 2020 Annual Report can be accessed by visiting our website (www.budweiserapac/en/index.html) or HKEXnews (www.hkexnews.hk). We are open to and welcome any suggestions, comments and questions about our Report and our sustainability performance. Enquiries for the Company may be directed to the Company’s investor relations team at IR@budweiserapac.com.

About Budweiser APAC



Pan-Asian Brewing Champion

On 30 September 2019, Budweiser APAC was listed on the Main Board of the Stock Exchange under the stock code 1876 – the year that Budweiser was first brewed. As part of the AB InBev Group, we have over 600 years of brewing history, and we are now turning a new chapter in APAC so we can thrive for the next 100 years and beyond. The combination of our well-loved brands, talented people, operational efficiencies, scale, state-of-the-art facilities and powerful route to market, all position us for long-term growth and competitiveness in the region.

Budweiser APAC at a Glance



35+

Countries/territories



~26,000

Colleagues



50+

Brands



20+

Nationalities in our workforce



52

Breweries



39%

Female colleagues



53

Distribution centers

About Budweiser APAC

Sharing our Passion for Beer

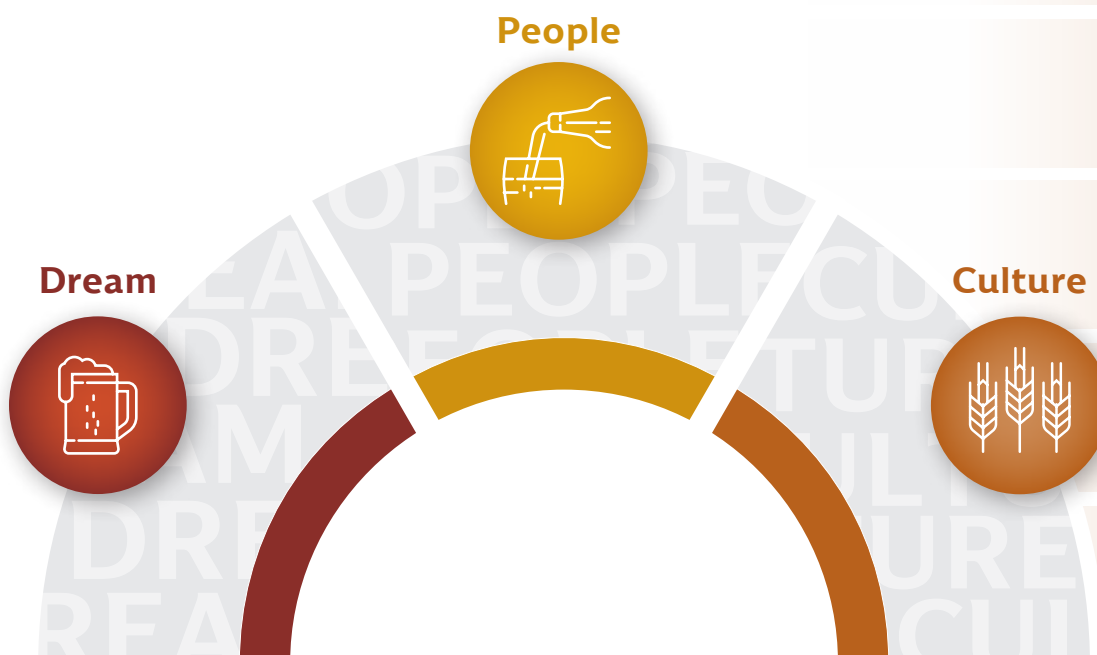
We are the largest beer company in APAC. We produce, import, market and distribute globally renowned brands such as Budweiser, Corona and Stella Artois, alongside multi-country, and local brands such as Hoegaarden from Belgium, Cass in South Korea, Haywards in India and Harbin in China. We also produce, market, distribute and sell other non-beer beverages.

Our operations are primarily located in China, South Korea, India, Vietnam and other APAC regions.

Our Values

Everything we do is driven by our purpose of *bringing people together for a better world*. We are committed to brewing the best beers in the best way for the environment and our communities, because in the brewery business, a healthy environment and thriving communities are key ingredients to a sustainable business. We believe sustainability is central to our business.

Our purpose is supported by 10 Principles, each built on ownership, informality, candor, transparency and meritocracy.



1 WE DREAM BIG. We are building a profitable, growth company.

2 OUR GREATEST STRENGTH IS OUR PEOPLE.
Great people grow at the pace of their talent and are rewarded accordingly. Great people deliver and transform.

3 WE RECRUIT, DEVELOP AND RETAIN PEOPLE WHO CAN BE BETTER THAN OURSELVES.
We are measured by the quality and diversity of our teams.

4 WE ARE A COMPANY OF OWNERS.
Owners take results personally and lead by example.

5 WE ARE NEVER COMPLETELY SATISFIED WITH OUR RESULTS.
We embrace change, take smart risks and learn from our mistakes.

6 THE CONSUMER IS OUR BOSS.
We go where consumers go, because that is where growth is.

7 WE STRIVE TO BE THE BEST AT SERVING AND PARTNERING WITH OUR CUSTOMERS, who are the gateway to our consumers.

8 WE BELIEVE IN COMMON SENSE AND SIMPLICITY.
We operate with excellence and efficiency in all we do, always having our customers and consumers in mind.

9 WE MANAGE OUR COSTS TIGHTLY TO FREE UP RESOURCES THAT WILL SUPPORT PROFITABLE TOP LINE GROWTH.

10 WE NEVER TAKE SHORTCUTS.
Integrity, hard work, quality and responsibility are key to building our company and our reputation.

Co-Chairs' Statement

Dear Stakeholders,

We experienced a year of unprecedented challenges in the wake of the COVID-19 outbreak. This global pandemic not only affected our business operations, but also heavily impacted the communities in which we live and work. We spared no efforts to operate under safe conditions and extended aid to our communities. We set up a crisis management team that monitored the spread of the virus, communicated information across our markets, and made swift and bold decisions that put the health and well-being of our colleagues first. We actively engaged with our key business partners, including local farmers to provide support for their health, safety and business viability. During these turbulent and uncertain times, we are even more focused on long-term commitments, such as our 2025 Sustainability Goals, Smart Drinking campaigns and Diversity and Inclusion programs that will enable us to be a resilient business in the future.

Climate change will have a significant impact on our entire value chain. We made steady progress towards reducing carbon emission by 25% and securing 100% of purchased electricity from renewable sources by 2025. One key highlight comes from our Ziyang brewery in China, where we were able to switch to 100% renewable electricity, being the first in the Chinese beer industry to accomplish and setting the benchmark for future facilities. In Vietnam, we extended the capacity of our on-site solar project at two breweries to cover nearly 30% of the electricity consumption of the site. We also deployed 216 alternative energy vehicles in China, five of which are newly deployed hydrogen fuel cell trucks. We are committed to greening our logistics fleet and reducing carbon emissions in the transportation of our supplies and products.

Water is the most critical resource for our business. No water, no beer. Therefore, we are committed to improving water availability and quality in communities in areas where there is significant water stress. We have continued to work with local partners in India where we have identified concerns over water stress. There, we have created more than 10 million hl of groundwater recharge at high-risk watershed sites. Since 2017 our efforts to drive water efficiency across our operations have also led to a 17% reduction in our water use efficiency ratio: 2.47 hl of water per hl of beer produced.

We continue to follow our strategy of Reduce, Reuse, Recycle and Rethink to make progress towards our goal of having 100% of our products to be in returnable packaging or made from majority recycled content by 2025. In South Korea, Cass became the first in the industry to use 100% recycled material for box packages. In addition, the plastic shrink film for Cass canned beer packaging has been reduced, saving nearly 100 tons of plastic annually. In FY20, 53.3% of our volume was in returnable packaging and 46.3% of our packaging was made from recycled content.

We set an ambitious Smart Agriculture goal for 100% of our direct farmers to be skilled, connected, and financially empowered by 2025. As of the end of FY20, 92% of our direct farmers were skilled, 100% were connected and 83% were financially empowered¹. We are never completely satisfied with our results and strive to push forward more initiatives to positively influence our suppliers. During the COVID-19 pandemic, our agricultural development team in India worked closely with local farmers through digital solutions to maintain the quality of barley. We purchased over 4,000 tons of high-quality malting barley, exceeding our target amid a challenging period.

¹ In the context of our "Smart Agriculture" goal, "skilled" is measured by the number of our direct farmers who have access to good barley varieties and technical training. "Connected", is measured by the number of our direct farmers with whom we are regularly in touch to share insights and information on crop management, pricing, and health and safety of their farms. "Financially empowered" is measured by the number of our direct farmers to whom we assisted in growing their business and accessing to the financial tools they need.

Our 100+ Accelerator program helps us to achieve our sustainability goals by partnering with local startups. We notably partnered with Ecopackers to develop eco-resins from agricultural by-products that are 100% compostable, replacing traditional plastics used in keg caps. We also partnered with Shianco, in designing our Sustainability Meeting Room in our Shanghai office using recycled rice husks, an agricultural by-product. Shianco provides us with a closed-loop solution that supports our circular economy endeavors and helps our suppliers to decrease carbon emission from burning rice husk.

We believe that drinking beer should be a positive experience. Harmful use of alcohol is not only bad for our consumers but also for our business. We support the World Health Organization's target of reducing the harmful use of alcohol by at least 10% in every country by 2025, and the United Nations Sustainable Development Goals ("UN SDGs") ambition to strengthen the prevention of harmful use of alcohol globally. Amid the COVID-19 pandemic, we continued our annual Responsible Drinking campaigns across our key markets (physically or virtually), which generated influential media exposure and social media attention on preventing harmful use of alcohol.

We made significant progress to promote and foster a diverse and inclusive work environment across our different markets. As of the end of 2020, our workforce comprised of over 20 nationalities and 39% women. We launched our Diversity & Inclusion ("D&I") Council chaired by our Chief Executive Officer and Chief People Officer. The D&I Council provides a centralized platform to champion D&I from the highest level of our Company, while providing practical training and knowledge sharing sessions to our local leaders on the ground.

We are committed to achieving the highest standards of corporate governance and safeguarding the best interests of our stakeholders. We operate under strict policies adhering to local and international standards and have a robust compliance framework to prevent, detect and address non-compliance. We have also developed artificial intelligence algorithms to identify potential high-risk transactions. This underpins our rigorous system of controls in addition to strong oversight by our experienced Board members.

Although 2020 was a difficult year, it did not stop us from connecting with our consumers and supporting our communities safely and responsibly. Through creative solutions and unwavering dedication, our teams continued to work with local stakeholders in building a sustainable future together. We look forward to progressing on our journey and making greater impact in years to come. We are committed to creating a better world for the next 100 years and beyond.



Carlos Brito
Co-chair of the Board



Jan Craps
Chief Executive Officer and
Co-chair of the Board

Highlights of the Year

CLIMATE ACTION



A reduction of **10.2%** kgCO₂e per hectoliter compared to our baseline year 2017 across our value chain

Deployed **5** hydrogen-powered trucks in China, the **1st** mover within AB InBev Group global network

Deployed **216** alternative energy vehicles



100% renewable electricity at brewery in Ziyang, China, the 1st in the Chinese brewing industry

SMART AGRICULTURE



Fully supported **1,224** farmers in India during the pandemic

92% of our farmers are skilled,

100% connected and **83%** financially empowered

INNOVATION

100+ ACCELERATOR



2 Pilots in APAC: **ECOPACKERS**: developed **ECO-RESINS** with our suppliers to replace plastic



SHIANCO: used rice husk and other by-products from our beer to make furniture and floor for our **SUSTAINABILITY MEETING ROOM** in Shanghai office and Wenzhou brewery



WATER STEWARDSHIP

Created more than **10 million hl** of cumulative water recharge in high-risk watersheds in India



Reduced our water use efficiency ratio to **2.47 hl/hl** (17% reduction compared against 2017 baseline)



Distributed approximately **1.37 million** cans of emergency drinking water to communities in need



CIRCULAR PACKAGING



53.3% of our volume in returnable packaging

46.3% of our packaging was made of recycled contents (**48.6%** in glass, **19.5%** in cans)



COMMUNITY ENGAGEMENT

Total **64,135+** hours of volunteering in 2020

Total **29** Hope Schools supported financially



DREAM-PEOPLE-CULTURE



20+ nationalities in our workforce

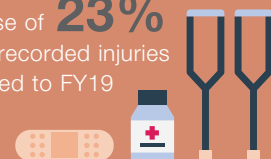


39% of our colleagues are female



234k hours of training provided to our colleagues

Decrease of **23%** in total recorded injuries compared to FY19



COVID-19 Response

During the COVID-19 pandemic, we have undertaken many measures to protect the health and well-being of our staff, maintained the sustainability of our operations, and extended aid to our local communities. At the onset of the outbreak, a dedicated crisis management team monitored local situations, policy changes and other initiatives, and communicated across regions to share best practices. We set up health tracking mechanisms for our colleagues using online platforms and regularly communicated company guidelines and protocols. We purchased and provided protective equipment and sanitizers for colleagues. With the implementation of robust and rigorous measures, no colleague in our China Business Unit, which represents our largest market in APAC, contracted COVID-19 during FY20.

We also strengthened our CSR to support the needs of our local communities. In China, we donated approximately CNY11,000,000 worth of funds and resources to fight against COVID-19, including medical supplies to frontline workers, financial support and clean drinking water to local communities. Our financial support included the purchase of insurance for doctors, nurses and other volunteers serving the frontline, and delivery of food and water to people under quarantine. We also sponsored the purchase of protective equipments, upgrade of community public health facilities and enhancement of public health education.



In South Korea, we made monetary and in-kind donations of protective masks and hand sanitizers to the Daegu branch of the Korean Red Cross. In February, approximately 8,970 bottles of water were donated to the Korea Disaster Relief Association and distributed to people in quarantine.



In India, we leveraged Budweiser x Home and #ONETEAM campaigns to raise funds to support individuals severely impacted by the COVID-19 pandemic, while also providing medical supplies to healthcare workers. From April to August, we partnered with state governments, local administrations and communities, donating approximately 75,000 liters of sanitizers, 25,000 protective masks and 3,750 personal protective equipment kits to frontline healthcare workers in Maharashtra, Delhi, Karnataka, Uttar Pradesh, Telangana and Haryana.



In Vietnam, we launched Beck's Ice "My Home, My Stage" virtual rap contest campaign to amplify positive messages during the COVID-19 pandemic. We donated purified water to people in quarantine.



The challenges presented by COVID-19 have reinforced the fact that sustainability is more important than ever. A resilient business during times of turmoil is a sustainable business. We have worked effectively with our communities during difficult times as we strive to create a better world and a more sustainable future.

Sustainability at Budweiser APAC

- p.11 Sustainability Governance
- p.12 Stakeholder Engagement & Materiality Assessment
- p.16 Contributing to the UN SDGs

Sustainability at Budweiser APAC

Sustainability Governance

We are a company of owners. We operate with high levels of accountability and take a long-term view of how we manage our business. To achieve our purpose of *bringing people together for a better world*, we have defined clear responsibilities supported by oversight systems to integrate sustainability into our business and operations across all divisions. Please refer to the section headed “Directors and Senior Management” of our 2020 Annual Report for further details on the risk management background and experience of our Board members and the subsection headed “*Risk Management and Internal Control*” in the Corporate Governance Report of our 2020 Annual Report for further details on our risk management and internal control processes and policies.

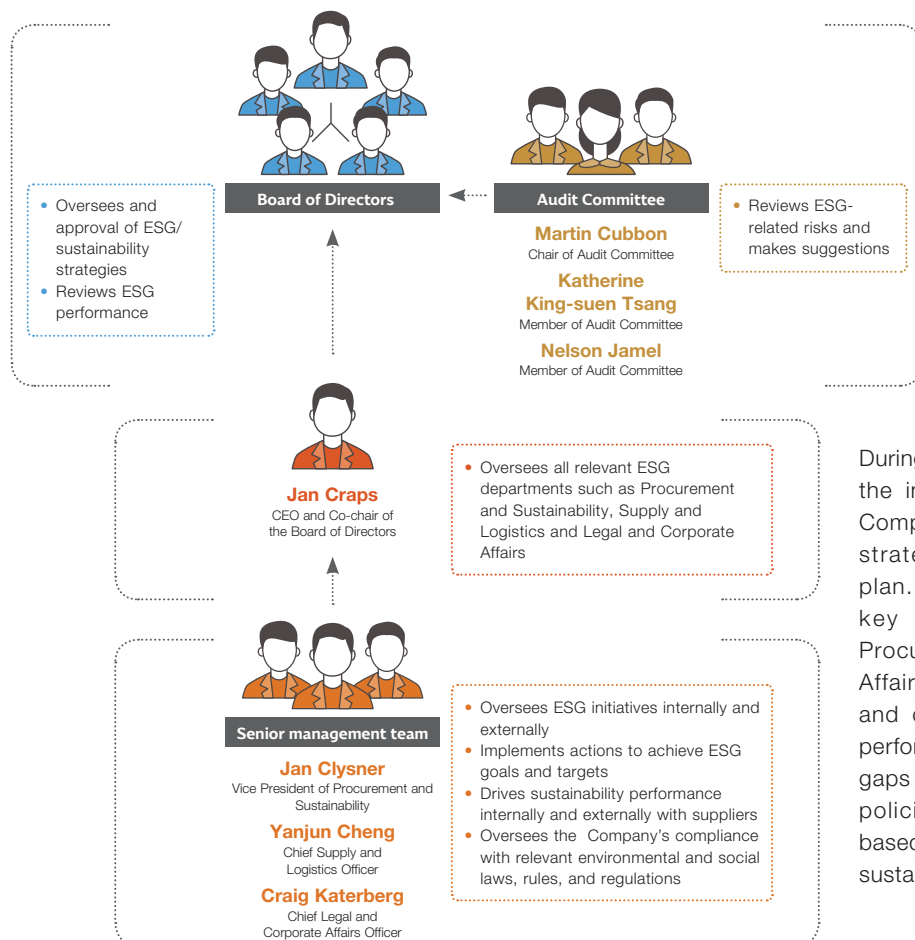
Board Oversight

The Board is responsible for overseeing and approving the Company’s long-term objectives and overall strategy. It oversees the Company’s sustainability activities and performance, ensuring an adequate system of risk management and internal control, and compliance with laws and regulations.

Sustainability is our business and therefore is embedded in the discussion and decision-making process at the Board level. The Board reviews sustainability-related issues and performance each quarter, or as necessary, approves strategies and implements action plans. Some of the major ESG topics discussed within the Board during FY20 included the 2025 Sustainability Goals, climate change and its potential impact on the supply chain in the APAC markets.

Sustainability Management

Our senior management members are responsible for ensuring that our business can achieve sustainability in the long-term.



During FY20, we assessed and reshaped the integration of ESG factors into the Company’s corporate culture, business strategy and executive-compensation plan. A cross-functional team, led by key members of the Sustainability, Procurement and Legal and Corporate Affairs teams, was formed to manage and continuously improve sustainability performance by identifying and bridging gaps in ESG awareness, practices and policies. The team’s compensation is based in part on the Company’s overall sustainability performance.

Stakeholder Engagement & Materiality Assessment

Engaging with Our Stakeholders

Stakeholder feedback provides valuable insights into our priorities and is essential for us to better serve their evolving needs. We engage stakeholders who hold a shared love of beer, including colleagues, customers and consumers, suppliers, business partners, shareholders and communities via numerous channels to better understand their expectations, priorities and opinions.

Our People

Our greatest strength is our people. Our people are curious, bold and resilient. We recruit, develop and retain people who can be better than ourselves.

Principal Goals

- Promote diversity in hiring and support colleagues with a diverse background
- Protect colleagues' occupational health and work safety
- Foster business leaders who will drive growth in the future

Main Forms of Engagement

- Annual performance appraisals
- Staff activities and sustainability activities
- Intranet and official websites
- Volunteer activities

Our Customers

We partner with valued retailers, bar owners, wholesalers, and distributors to bring our beers to our consumers.

Principal Goals

- Provide best-in-class service as well as pursue extraordinary execution of our brands on- and off-trade

Main Forms of Engagement

- Customer services
- Important notices regarding products
- Various social media sites
- Sustainability activities

Our Consumers

Our consumers are the boss. Beer brings people together to celebrate life.

Principal Goals

- Offer the highest-quality products and meaningful brand experiences, always in a responsible way

Main Forms of Engagement

- Important notices regarding products
- Various social media sites
- Sustainability activities

Our Communities

We are closely connected to the communities where we live and work.

Principal Goals

- Strive to contribute positively to important sustainability issues such as smart drinking and road safety in such communities
- Focus on matters where we can be part of the solution and make the greatest positive impact

Main Forms of Engagement

- Initiatives of our Global Smart Drinking Goals
- Activities supporting the communities

Our Shareholders

We value the trust of our shareholders and are constantly working to provide positive results. We are committed to creating value and delivering consistent, profitable growth.

Principal Goals

- Achieve continued growth in corporate value
- Provide swift and appropriate disclosure

Main Forms of Engagement

- Annual and interim reports
- General meetings of shareholders and presentations on financial results
- Investor relations meetings for individual investors
- Official website disclosing information for investors

Our Suppliers

Relationships are essential to our operations — especially with our suppliers. Mutual collaboration is a key element to creating a resilient supply chain that delivers value and contributes toward our 2025 Sustainability Goals.

Principal Goals

- Implement appropriate, transparent and fair procurement practices, in line with the **Responsible Sourcing Policy**
- Review procurement practices are in harmony with the environment and society (including labor and human rights issues)

Main Forms of Engagement

- Supplier assessments
- Supplier meetings
- Partnerships

Our Partners

We recognize no single organization can solve today's global challenges alone – effective partnerships are critical to addressing the most pressing challenges of today and tomorrow, and the private sector must play a proactive role.

Principal Goals

- Partner with different organizations to address the most pressing challenges of today

Main Forms of Engagement

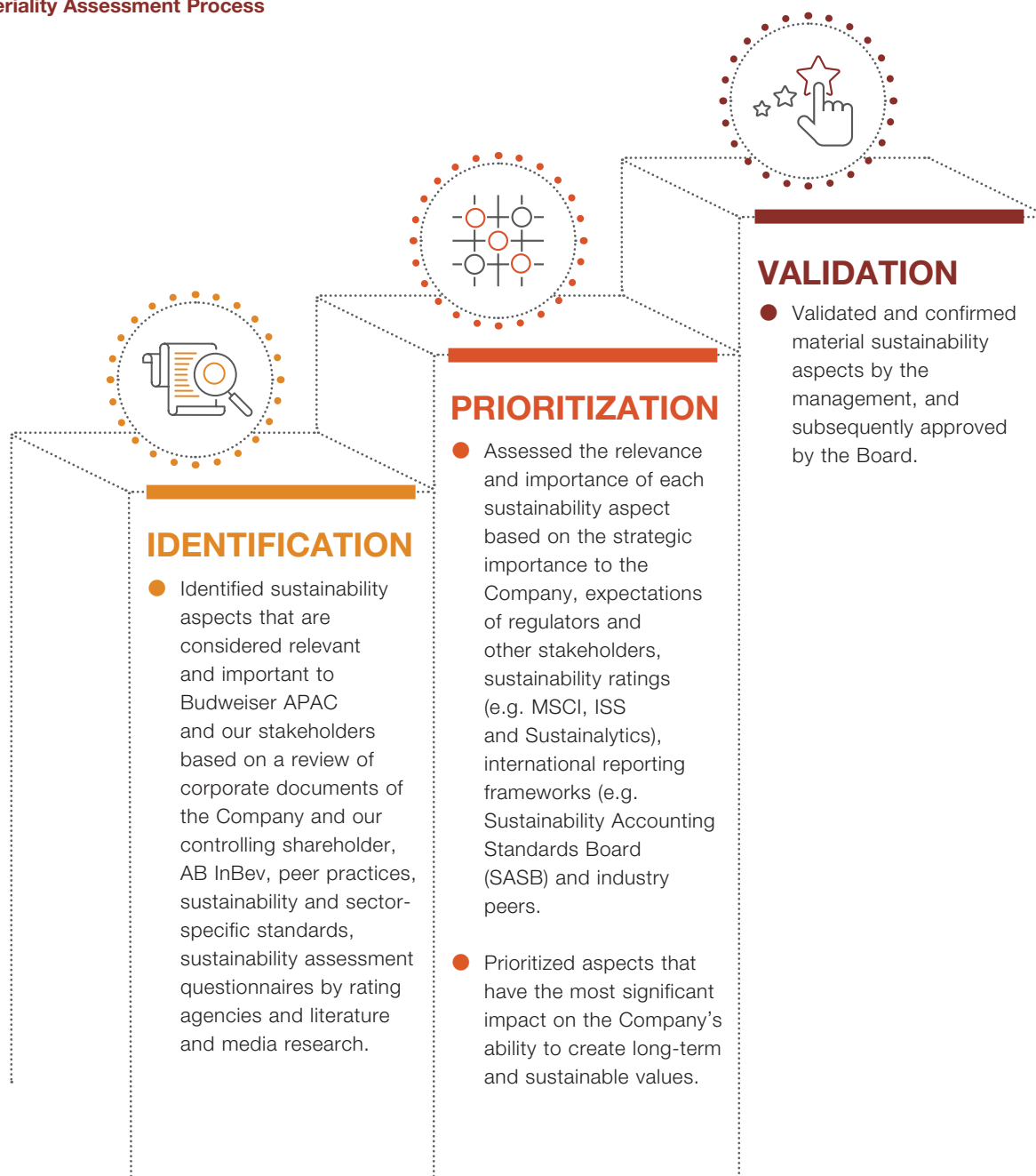
- Collaboration and partnerships

Our Material Sustainability Aspects

Sustainability is embedded in all our operations. We strive to stay connected with the changing market landscape and the expectations of our stakeholders so that our strategy and initiatives continue to address material issues that may impact our business and stakeholders.

A materiality assessment was carried out to identify the key topics most relevant to the business during FY20 through a three-step process.

Materiality Assessment Process



The identified material topics align with the Company's values and current priority areas.



Sustainability at Budweiser APAC

Contributing to the UN SDGs

We support the UN 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 continue to strive with full commitment toward the goals where we can use our scale and partnerships to drive meaningful positive changes.

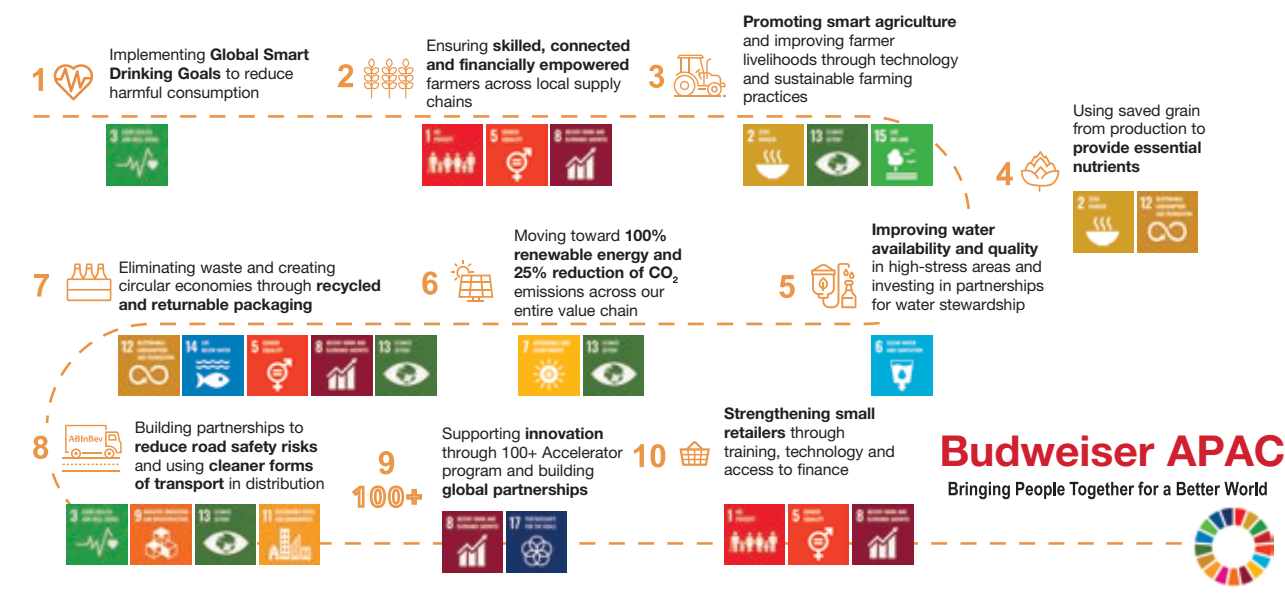
Mapping Our Value Chain against the UN SDGs

Our pan-Asian reach and strong ties to local communities allow us to support the UN SDGs while building thriving communities, a healthier environment and a resilient value chain. The diagram below illustrates how our value chain aligns with the UN SDGs.



The Life Cycle of Beer :

Budweiser APAC's contribution to the UN SDGs



2025

Sustainability Goals

-
- p.19 Climate Action
- p.21 Water Stewardship
- p.24 Circular Packaging
- p.26 Smart Agriculture



2025 Sustainability Goals

At Budweiser APAC, we are determined to build a company that lasts, 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. This requires us to address the global environmental and social challenges that we face. Our 2025 Sustainability Goals, which align with the UN SDGs, deliver a clear strategy and measurable, positive impact on the environment and our communities.



Smart Agriculture

100% of our direct farmers will be skilled, connected and financially-empowered.



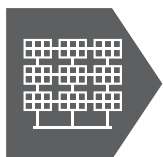
Water Stewardship

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



Circular Packaging

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



Climate Action

100% of our purchased electricity will be from renewable sources and 25% reduction of CO₂ emission across our value chain.

Environmental Policy

We have established an **Environmental Policy** that lays out our commitment and approach to how we reduce the environmental impact of our operations. The Environmental Policy is approved by our senior management team and the CEO and is reviewed regularly.

Environmental Management System

As part of AB InBev, we have implemented the Voyager Plant Optimization (“**VPO**”) global management system throughout our business operations. VPO is adopted over other management system standards because it is more robust and results-oriented, creating a culture of continuous improvement and empowerment within the AB InBev ecosystem. VPO is a cost-efficient program aiming to bring greater efficiency and standardization across our brewing operations. It focuses on seven pillars including management, people, safety, quality, maintenance, logistics, and the environment.

The environment pillar under the VPO covers issues pertaining to legal compliance, Biological Treatment System management natural resource management, chemical management, and environmental training. The VPO contains guidance that outlines responsibilities and processes covering environmental protection, measurement of environmental key performance indicators (“**KPIs**”) and target evaluation. We use this centralized framework to benchmark our water and energy use, quantify performance gaps, identify and disseminate best practices to better monitor our continuous improvement efforts. We also have reporting procedures for internal and external communications related to environmental management issues.

VPO Role and Responsibilities

- At the APAC level, the Chief Supply and Logistics Officer is responsible for the program. The APAC VPO Committee includes the Chief Supply and Logistics Officer, People Director of Supply, Vice President of Zone Brewery Support and the function head from APAC. In addition, a dedicated owner is assigned to each pillar.
- At the brewery level, the plant manager is accountable for the VPO implementation.

The VPO contains comprehensive training modules to assist our colleagues with the implementation of VPO. The training material varies, depending on target audience.

Each year, we conduct internal VPO audits to check the status of execution from an annual strategy meeting to review progress and establish corrective actions to ensure continuous improvement. By continually reviewing our VPO, we can focus on enhancing our environmental performance and reducing our overall environmental footprint.

Climate Action

Climate change could have long-term and material adverse impact on our business and the communities where we live and work. With rising global temperatures and increased extreme weather events, climate change will negatively affect agricultural productivity and could cause physical damage to our facilities. In addition, we know that there will be transition risks, including regulatory changes, and technology, market and reputational impacts.

We recognize the importance of developing strategies in line with best practices to address climate change risks and mitigate the associated impacts on our business operations. All of these risks are discussed at our management level as well as at the Board level. We are building climate resilience by committing to the science-based targets to keep our emissions in line with limiting temperature increases to 1.5 degrees Celsius, in line with the recommendations issued by Intergovernmental Panel on Climate Change (IPCC). Our 2025 Sustainability Goal is to transition our operations to 100% renewable electricity and we will reduce our carbon emissions by 25% across our value chain by 2025.



Our Ambition

2025 Sustainability Goals:

- 100% of our purchased electricity will be from renewable sources and we will reduce our carbon emissions by 25% across our value chain by 2025.

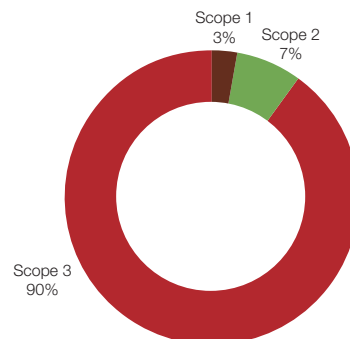
Our 2020 APAC Achievements:

- In APAC, **14.2%** of our purchased electricity volume was from renewable sources.
- We also recorded a **12.7%** reduction in carbon emissions and a **10.2%** reduction in carbon intensity (in terms of kgCO₂e per hl) compared to our baseline year 2017 across our value chain.

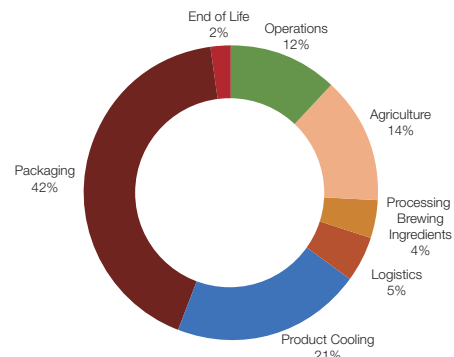
Our Approach

Our Carbon Footprint

Breakdown of GHG emissions by Scope 1, 2 and 3



Breakdown of GHG emissions by category



2025 Sustainability Goals

We have our own Carbon Tool that we update quarterly to track our GHG emissions across Scope 1, 2 and 3. We also have a third-party audit our data which is consolidated globally at AB InBev Group level on an annual basis. To manage our GHG risk, we work closely with our Supply and Corporate Affairs teams as well as with external partners such as NGOs. We also collaborate closely with our suppliers as 90% of our GHG emissions come from Scope 3.

Purchased Electricity from Renewable Sources

While we endeavor to install on-site renewable sources as far as practicable, procuring offsite renewable electricity is a big part of our strategy to ensure we can meet our goal of 100% renewable electricity. There are nevertheless policy and infrastructure constraints in many local markets. Thus, we collaborate with various partners and local governments to put in place adequate policies that support renewable electricity.

In China, Ziyang brewery is 100% powered by renewable electricity and the first to achieve this goal in the Chinese beer industry in 2020. In Vietnam, we extended the capacity of our on-site solar project at two breweries to cover nearly 30% of the electricity consumption of the site. We have so far installed solar panels at 10 of our breweries (seven in China, two in Vietnam and one in India). Across the region, we also have one off-site solar farm in India. The total electricity contracted from renewable sources amount to 82.6 million kWh in APAC in 2020.

GHG Emissions Reduction Opportunities: Packaging Materials

Packaging materials contribute 42% of our total carbon footprint and therefore it is crucial that we establish strategies to reduce carbon emissions. We accomplish this, in part, through lightweighting, which means reducing the weight of our bottles and cans, as well as sourcing packaging material made from the majority recycled content. In China, we have rolled out a lightweighting project for aluminum cans where we were able to save approximately 135 tons of aluminum. For more information, refer to the “*Circular Packaging*” section in this Report.

GHG Emissions Reduction Opportunities: Product Cooling

We begin to use our scale to source and install more energy-efficient and eco-friendly chillers, coolers and refrigerants. In China, we required that only coolers labeled with Level 1 Energy Efficiency (representing the most energy-efficient models) should be purchased. Similar requirements were applied to our India operations in relation to chillers.

GHG Emissions Reduction Opportunities: Agriculture

We work closely with our farmers to build resilience through crop management, improved varieties and risk mitigation tools, while also exploring how agriculture can be part of the solution to reducing GHG emissions. In particular, we are building a soil health framework that can sequester atmospheric carbon dioxide. For more information, refer to the “*Smart Agriculture*” section in this report.

GHG Emissions Reduction Opportunities: Operations

In addition to the purchase of renewable electricity at our breweries, we have implemented various measures to improve energy efficiency and reduce carbon emissions in our production and operations. We have replaced coal boilers with natural gas boilers, installed LED lighting and installed biogas collection system to recover a biogas to produce steam that would be reused in the brewing process. The carbon emissions from our operations were reduced by 23% compared to our 2017 baseline.

We also actively educate our suppliers on our 2025 sustainability goals and encouraged them to implement low-carbon production. In FY20, two of our glass suppliers have reconstructed their furnaces to burn natural gas instead of coal.

GHG Emissions Reduction Opportunities: Logistics

Logistics account for around 5% of our total carbon footprint, making the transport industry a prime source for innovative sustainability solutions. We proactively embrace innovation to explore new approaches to achieve green logistics, adopt new technologies to drive carbon reduction, and push the development of clean energy sources. Green logistics KPIs are set and reviewed on an annual basis.

Over the past few years, we have been working to curb CO₂ emissions in the logistics channel by deploying alternative energy vehicles and electric forklifts, upsizing truck capacities, reducing shipping distances and shifting from road to rail transportation in China.

In 2020, we deployed 216 alternative energy vehicles in China, including 180 liquefied natural gas trucks, 31 electric trucks and five newly-deployed hydrogen fuel cell vehicle trucks which are empowered by cutting-edge technology to reduce carbon emissions. We also announced a series of new initiatives to advance green logistics in China and signed a new commitment with our transportation suppliers. They have committed to achieving a target of deploying over 50% clean energy trucks by 2025.



Our logistics operations in China aims to reduce carbon emissions by 40%, a reduction of 86,841 tons of carbon emissions.

GHG Emissions Reduction Opportunities: Distribution Centers

We strive to reduce the carbon emissions from operations in our distribution centers. During FY20, we replaced 100% of our diesel forklifts with electric alternatives.

Looking Forward

As economic activities resume following the COVID-19 outbreak, we anticipate policies and structural changes and innovation will be key to unlocking a green recovery. We will continue to explore innovative solutions and partnerships to reduce our GHG emissions. We believe collaborative efforts will help drive greater GHG reductions and create lasting value for years to come.

Water Stewardship

The combined effects of population growth, economic development, and climate change have contributed to increasing water stress on a global scale. Water is a key ingredient in our products. Moreover, water is a critical resource for the economic, social and environmental well-being of our communities. It is our role as the world's leading brewer to work towards ensuring our communities have improved water quality.

Our Ambition

2025 Sustainability Goals:

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

Our 2020 APAC Achievements:

- **100%** of our sites in APAC have conducted local outreach activities, determined water solutions specific to their community and identified appropriate solutions.
- **17%** water usage (hl/hl) reduction was achieved in our breweries since 2017.

2025 Sustainability Goals



We have set ambitious water efficiency targets across our business, with even more ambitious goals for our breweries located in communities facing high water stress. We leverage our VPO system to monitor and manage our water use on a routine basis and cascade best practices across the business. 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 measures to improve water efficiency.

Our Approach

Water Risk Assessment

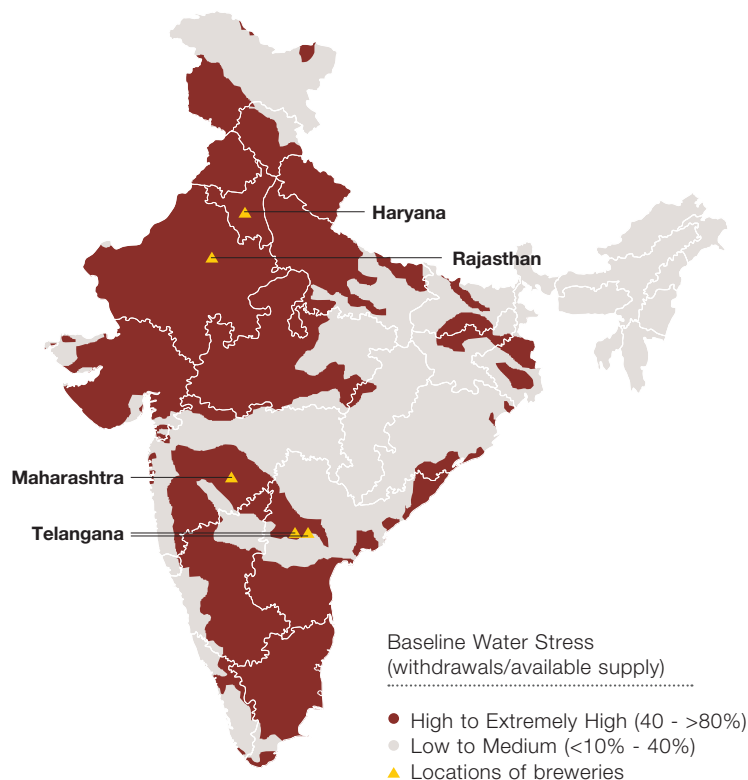
At Budweiser APAC, various teams are responsible for regularly reviewing and updating our water risk assessment. Our Legal and Corporate Affairs team reviews regulations and potential changes that may be applicable to each facility. The Supply teams analyze the potential risks for each of the breweries. The Sustainability team keeps in close contact with local NGOs and other local partners to understand local risks and implement collaborative projects in identified locations.

To address the local challenges, we have developed and implemented a comprehensive seven-step watershed management process at sites located in water-stressed areas.



We classify each of our breweries from “Very High-Risk” to “Low-Risk”. So far, we do not have any “Very High-Risk” sites in our operations across APAC.

In India, we have identified five “High-Risk” sites and strive to improve the water availability and quality for the communities around these breweries. We took a collaborative approach of working with local partners, the government and the community to create an integrated and sustainable solution. As of the end of FY20, we replenished more than 10 million hl of groundwater in these identified locations.



Source: With reference to WRI Aqueduct tool

Understanding Our Water Risks

We regularly update the water risk assessments at our breweries based on short- and long-term risks. First, we apply the World Resources Institute’s (WRI) Aqueduct tool and then use our internal custom-made water risk tool to guide sites through detailed questions on water availability, quality, regulatory pressure, and reputational risks. We undertake an in-depth assessment of each facility once a year and quarterly review with our key internal stakeholders including any changes in risk profile.

Creating Measurable Impact in Watersheds Facing Water Stress

While there is no single solution to address water challenges, we continue to make progress in achieving measurable impact in high-risk communities. Measures to improve water availability and quality in our “High-Risk” sites in India are undertaken, including:

- Building farm and village ponds
- Constructing recharge shafts for increasing recharge potential
- Installing check dams to collect water (particularly relevant for India where rainfall is not equally distributed during the year)
- Training our farmers to improve their irrigations practices

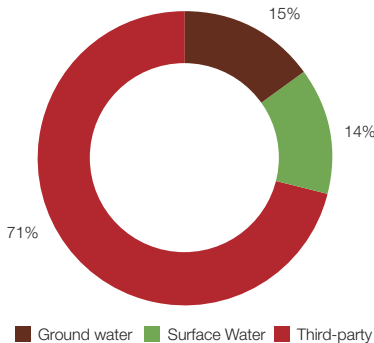
Integrated watershed approach, India



Two of our breweries in India are located in the Sangareddy district in the state of Telangana. The area has faced lower than average precipitation and recent droughts as well as high rainfall variability and substantial runoff. Working with local stakeholders including International Crop Research Institute for the Semi-arid Tropics, LetsEndorse, the Ground Water Board and other local authorities, we are addressing these water availability challenges in 13 villages by helping to build water storage structures (including check dams, well water recharge infrastructure, rainwater harvesting structures, and farm ponds). We are also promoting climate-smart agriculture through water and soil conservation and management initiatives. We aim to increase water access to the community and increase aquifer recharge, such that sufficient water is stored for household and irrigation, as well as enhancing agriculture productivity and profitability.

Water Reduction Opportunities

Brewery Water Intake by Source



We have implemented water reduction measures at our brewery facilities to reduce the reliance on surface and groundwater. For example, at our Jinshibai brewery, we invested in a biological treatment system that treats wastewater and reuses the treated water for non-production purposes such as toilet flushing and cooling towers, thereby reducing the demand for freshwater.

We are implementing new innovative technology and process improvements across our footprint to reduce water usage in our breweries. We were able to reduce water intensity to 2.47 hl/hl (water use by hectoliter of

beer produced in FY2020, a 17% reduction compared against 2017 baseline). We also have clear targets for our breweries in “High-Risk” sites to reach a water efficiency of 2.0 hl/hl by 2025.

Looking Forward

We will continue working in local communities facing higher water stress, to reach our goal of achieving measurable improvement in water availability and quality. We will also continue to explore suitable partnerships and identify and test innovative solutions to improve our water use efficiency and external watershed initiatives.

Circular Packaging

Our Ambition

2025 Sustainability Goals:

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

Our 2020 APAC Achievements:

- 53.3%** of our **volume** was in returnable packaging.
- 46.3%** of our **packaging** was made from recycled content (48.6% in glass, 19.5% in cans).

Our focus for circular packaging is to source packaging materials with high recycled content, support recovery and reuse of bottles, lightweight our packaging, advocate for returnable solutions and educate consumers on the importance of recycling.

Our **Waste Management Policy**, which prioritizes the principle of avoiding redundant consumption and purchases, guides us on the selection of sustainable alternatives and the proper reuse and disposal of materials to minimize waste generated across our operations.

We consider circular designs and environmental elements during the research and design of our products. We have also established a recycling rate and waste index KPI to reduce solid waste and improve recycling. Every year we have a “Champion” program to share, discuss and add initiatives to reduce or reuse solid waste.

To achieve our circular packaging vision, we follow the strategy of:

- Reduce – use the least packaging material possible
- Reuse – package our beer in returnable packagings, such as returnable glass bottles and kegs
- Recycle – increase the portion of packaging material that is made of recycled material
- Rethink – challenge the status quo and be more innovative in our approaches

Our Approach

Reduce

Working closely with our suppliers, we lead a continuous effort in lightweighting to reduce the weight of our bottles and cans in each of our markets. In China, we reduced the weight of our 300ml aluminum cans, which resulted in a reduction of about 136.9 tons of aluminum. The weight of plastic shrink film for Cass canned beer packaging (355ml, 500ml) has also become lighter. With the thickness of the film packaging for Cass canned beer significantly decreased, the amount of plastic film used will be reduced by approximately 96 tons annually.

Reuse

We continued our efforts to design our bottles to be returnable. If post-consumer bottles can be returned and reintroduced back in the manufacturing line, we would save production costs and reduce carbon emissions. This is good for our business and the environment.

Returnable bottles are a sustainable choice and make good business sense. Where possible, we try to convert one-way bottles to returnable glass bottles. We have 53.3% of our beer made in returnable packaging and we will keep working closely with our bottle collectors in each market to bring the bottles back to us and reuse them most efficiently.

In South Korea, OBC’s Icheon brewery has been awarded the Grand Prize from the Minister of the Environment for the “2019 Best Practices for Recovery and Return of Empty Vessels” contest. The conventional route for empty post-consumer bottle recovery flowed from empty bottle dealers, to stores, to the brewery; the new route directs the post-consumer bottle from the dealers straight to the brewery, increasing the return of empty bottles and improving the recovery rate.



Recycle

During FY20, for the first time in the liquor industry in Korea, we launched a corrugated box of Cass 500ml bottled beer using 100% recycled materials.

We strive to improve and extend the life cycle of aluminum in our production of beer cans. In addition to participating in the “China Sustainable Development of Aluminum Packaging Summit Forum 2019”, we also engaged in a research project titled “Close the Loop” with the subsidiaries of Shandong Nanshan Aluminium Co., Ltd. (山東南山鋁業股份有限公司), a company listed on the Shanghai Stock Exchange: 600219 and mainly engaged in the production of aluminum sheets, and ORG Technology Co., Ltd. (奧瑞金科技股份有限公司), a company listed on the Shenzhen Stock Exchange: 2701 and mainly engaged in packaging solutions, to examine how to maximize the production of aluminum packaging from recycled aluminum scrap. As a result, during FY20, we recycled approximately 18,960 tons of recycled aluminum material into aluminum can sheets and achieved an average of 19.5% recycled content in our aluminum cans in APAC.

2025 Sustainability Goals

Rethink

We continue to innovate and rethink the ways we educate our consumers about recycling. In South Korea, in collaboration with the Korea Green Foundation and Novelis Korea, we hosted the “2020 Can Crush Challenge” campaign on social media. It was an environmental campaign initiated for the public, in which ‘challengers’ post on Instagram videos or photos of themselves stepping on or crushing aluminum cans and then tagging three users as next “runners”. OBC CEO kicked off the challenge on OBC’s official social media account, and soon successfully attracted active participation from netizens, including actors and singers. To promote environmental awareness among the public and to contribute to the community, OBC partnered with a social venture called Cclim and donated 1,000 KRW for each social media post to support the elderly who were collecting and selling waste.



Looking Forward

We will continue to seek collaboration with various stakeholders to drive progress towards our goal of making 100% of our products in packaging that is returnable or made from majority recycled content. We will continue to pilot programs and initiatives and work with local communities to champion circular economy and systems transformation.

Smart Agriculture



Abnormal and extreme weather events are threatening both the quality and yield of crops. Whether through rain during harvest or drought during critical growth periods, climate change continues to increase the intensity and frequency of potentially devastating weather events that have an impact on our business. Therefore it is vital that we work with our farming communities to help them maintain a high level of productivity and profitability.

Our Ambition

2025 Sustainability Goals:

- By 2025, 100% of our direct farmers are skilled, connected, and financially empowered¹.

Our 2020 APAC Achievements:

- As of the end of 2020, **92%** of our direct farmers were skilled, **100%** were connected and **83%** were financially empowered.

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 apply our frameworks of “skilled, connected and financially empowered” to support 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.

We believe research, knowledge, technology, and financing are the key to transforming agriculture at scale. We leverage our know-how to advance agricultural development and measure our impact through yields, resource-efficiency, soil health and smallholder incomes.

Our Approach

Digitalization in Agriculture

In India, 1,224 farmers were supported by our agricultural development team during the pandemic. This was made possible, in part, through digitalizing our supply chain, notably with the KisanHub platform which enables our field team to record data digitally, as well as deploy real-time crop management protocols among farmers. We can also record crop growth patterns and send timely messages to farmers about crops, weather patterns and relevant government initiatives. The platform has helped us stay connected with our farmers, advising them on how to best store their grain and also informing our own purchasing decisions.



92%

of our farmers had access to good barley varieties and technical training



100%

of our farmers were supplied with insights and information on latest market price, best farming practices, and health and safety



83%

of our farmers were financially empowered

Partnering for Long-Term Success

We are committed to catalyzing sustainable transformation by partnering with a wide range of collaborators.

In China, we enhanced our partnership with Jiangsu Nongken, the eastern province's forerunner of modern agriculture, to initiate a new round of development

for China's malting barley industry. A new tri-party partnership model was adopted where barley growers were included as a key contracting party, becoming financially empowered beneficiaries. This new model increases local farmers' income by offering them steady lease income and labor compensation, promoting sustainable development of the local economy. As the farmlands are being transferred for unified management under the local rural land circulation policy, the cooperation will further drive the standardization of local malting barley planting, maximizing the efficiency of local barley growing and land value.

Through the cooperation, Budweiser APAC is committed to acquiring approximately 25,000 tons of barley on an annual basis, covering more than 3,000 hectares of farmland and benefiting up to 5,000 local smallholder farmers.



Our 'Domestic Barley Farming' Program in China won the 'Prominent Governance - Special Contribution Award' of 2020 China CSR

We have taken a farmer-centric approach at Budweiser APAC and are investing in agronomic guidance and field-level advice in order to improve farming practices, lowering our environmental impact while improving farmer productivity and ensuring our farmers produce quality raw materials; as such, securing our supply of quality barley. Brewing quality beer starts with the best ingredients

Diane Wauters

Director of Sustainability and
Agricultural Development

Biodiversity Programs

We are working with partners to better integrate biodiversity strategies across our supply chain. Specifically in agriculture, we are working with partners such as the Sustainable Food Lab and The Nature Conservancy to better understand the biodiversity risks across our global footprint and to develop initiatives and metrics that will help us better manage and track biodiversity through a standardized approach, tailored to the local context.

We are building a soil health framework, because soil is key in helping to promote better biodiversity, improve water quality and sequester carbon. We are leveraging both our internal experts and our global partners as we work to establish performance indicators that will help us share best practices and improve our approach to regenerating soil across our agricultural development programs globally.

In India, we collaborated with scientists and researchers from the Indian Institute of Wheat and Barley Research to conduct training sessions to upskill our farmers on best farming practices, post-harvest storage, and pest and disease management techniques as well as enriching farmers' knowledge about soil conservation and biodiversity management.

Soil Testing

Our barley farmers can face low crop productivity as a result of soil quality issues, including low soil organic carbon and salinization. Soil testing will help farmers understand and improve the quality of their soils. Soil testing can sometimes be underutilized and results from some testing methods can be spurious.

In India, we are working with farmers to demonstrate the importance of and improve access to soil testing. Our team collects soil samples, sends samples to labs for analysis, and tailors farmer recommendations in light of these results. With soil test results, the team builds nutrient management plans and crop rotations which are important soil health practices to maintain good quality.

Our agronomists will continue to expand the number of farmers in the soil testing program. With increased soil data collection, the team is eager to demonstrate and share the connection between soil health practices and barley yield and quality.

Looking Forward

Innovative solutions and partnerships with startups, NGOs and multilateral organizations will be key to building resilience in agricultural activities. We will continue taking a farmer-centric approach in our commitment to achieve our goal that 100% of our direct farmers will be skilled, connected and financially empowered by 2025.

Innovation



Innovation



Our Ambition

We are committed to innovating and exploring new opportunities and partnerships in our supply chain. Innovation is an important driver in building a sustainable future for us and our many stakeholders, including the communities in which we live and work.

We harness the creativity and entrepreneurial mindset of successful startups and combine them with the resources and leverage of a globally recognized brand. This allows us to create and scale great ideas across APAC and beyond.

Our Approach

100+ Accelerator

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

Key Highlights in FY20 Include:

- **Shanghai Yushuo Energy Technology Co., Ltd.** (上海譽碩能源科技有限公司) ("Yushuo"): We worked with Yushuo, a startup that focuses on reusing retired batteries from electrical vehicles to store energy. Since our partnership began in the fall of 2018, we have installed a 6 MW storage unit at Suqian. We partnered with the World Bank Sustainability Fund to install

a 20 MW unit at our brewery in Foshan. This new installation stores enough energy to supply power for approximately 2,000 households.

- **Shianco Home Technology Co., Ltd.** (佛山市順德區錫山家居科技有限公司) ("Shianco"): In November 2020, we unveiled our newly decorated Sustainability Meeting Room in our Shanghai Office and over 700m² floor in Wenzhou brewery. All the materials and decorations used in the room are produced by Shianco, which uses the rice husk from our rice suppliers to produce Agiowood – an innovative material that replaces the use of real wood. Shianco provides us with a closed-loop solution that supports our circular economy endeavors and helps our suppliers to decrease carbon emissions from burning rice husk.

- **EcoPackers (now rebranded as Erthos™):** Ecopackers, a startup from Toronto, has been working together with us in eliminating the plastic keg caps that are being used in India. The intent was to adopt a more sustainable, eco-friendly packaging solution that reduces the use of virgin plastic material in our value chain. Eco-resin was developed by Ecopackers from agricultural by-products that are 100% compostable replacements to traditional polystyrene and polypropylene materials that are traditionally used for manufacturing the caps.

Our team in India has carried out pilot tests with four eco-resin samples to identify the best-suited eco-resin that can be used to replace the keg caps. Keg caps made of eco-resin are estimated to help reduce approximately 1.7 million kgCO₂e emission, save about 50 million liters of water, and divert about 1000 tons of plastic waste in a year.

APAC Procurement & Sustainability Innovation Hub

Budweiser APAC launched its own local Innovation Hub to empower entrepreneurs who are solving challenges in and for our communities in APAC. The Innovation Hub aims to establish an ecosystem of innovation and sustainability that not only creates value along our value chain and helps in achieving our sustainability goals, but also accelerates the development of innovative solutions for the well-being of our environment and communities. It is a long and continuous journey and we are committed to embracing our entrepreneurial spirits to keep exploring and driving the change.

CHINA

2020 was the first year that we launched the Innovation Hub in China. We met with over 60 startup companies and NGOs project submissions. After rounds of short-listing, we are working notably with KiWi Green Technology to establish the first brewery-spent-grain protein production line in Zhangzhou, Fujian.

INDIA

Innovation Hub India was launched in May 2020. The program attracted about 80 applications and has gained popularity due to its uniqueness and multitude of benefits. We shortlisted five startups, and after a successful round of pilot projects, we are closely working with Recube Energy Private Limited that converts spent malt into beer cups, coasters and ice buckets which we can provide to our consumers for a positive sustainability experience.



SOUTH KOREA

Innovation Hub Korea was launched in November 2019. We short-listed four startups. We were able to make meaningful progress with Re-Harvest Company Limited, a food-upcycling startup. By December 2020, we had completed a pilot leading to the launch of the “Re-nergy” bars: granola bars made with our saved grains – one of our beer by-products, through an online crowdfunding platform. We received recognition as the “first beer spent grain upcycler in Korea’s brewing industry.”



Looking Forward

We will continue to explore partnerships through our 100+ Accelerator and local innovation hubs to drive innovative and sustainable solutions.

Community Engagement

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Community Engagement

Fostering a Culture of Smart Drinking

We believe that drinking beer should be a positive experience. Harmful use of alcohol is not only bad for our consumers but also our business. We take our responsibility seriously to help reduce and prevent the harmful use of alcohol across our markets.

Our Ambition

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 SDGs ambition to strengthen the prevention of harmful use of alcohol globally. We use our Global Smart Drinking Goals to empower consumers through choice and change behaviors through social norms.

We engage with multiple stakeholders in achieving our Smart Drinking Goals. Since 2016, we have been collaborating with public health experts to help reduce the harmful use of alcohol around the world.

Our Approach

Social Norms

We aim to influence social norms and individual behaviors to reduce the harmful use of alcohol across our markets in dedicated social marketing campaigns and related programs by the end of 2025.

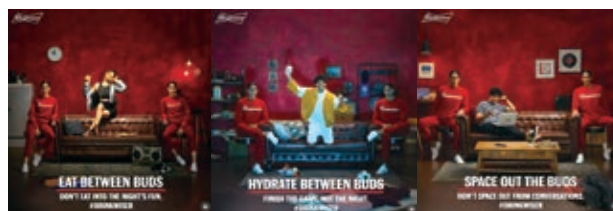
In September 2020, we launched a “Smart Drinking, No Drink Driving” social marketing campaign that generated influential media exposure and trending social buzz. The campaign was our first time engaging with Generation Z (“Gen Z”) via increasingly popular e-Sports and leveraged the positive influence of popular real and virtual ambassadors to promote smart drinking.



We partnered with the China Alcoholic Drinks Association, the China Road Traffic Safety Association and the Shanghai Public Security Bureau Traffic Police General Brigade, to stage the 2020 Smart Drinking Gala Event in the China Art Museum, a famous cultural landmark. It coincided with the annual Budweiser Global Beer Responsible Day, attracting more than 10,000 colleagues across the country to voluntarily walk on the streets, visiting restaurants and bars, advocating no drink-driving to consumers.

In South Korea, we partnered with the Korea Road Traffic Authority and launched a “Smart Pledge Campaign for Smart Drinking”. More than 20,000 people participated in the pledge to promise that they will not drink and drive.

In India, we launched our first dedicated Smart Drinking campaign, #DrinkWiser, by encouraging consumers to eat and hydrate between beers, and pace their beers. The campaign generated a lot of response as consumers shared smart drinking tips, uploaded photos, and tagged friends on social media.



Community Engagement

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

We aim to ensure no-alcohol (by which we mean Alcohol by Volume (“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.

We believe that providing consumers with high-quality NABLAB can play an important role in reducing harmful consumption. We are developing a NABLAB marketing strategy that will give consumers choices and support better patterns of alcohol consumption.

Our NABLAB portfolio has more than 80 offerings for different consumer occasions. In FY20, NABLAB products made up approximately 7% of our total beer volume.



Labeling and Alcohol Health Literacy

We aim to place guidance labels on 70% of eligible beer volume in APAC by the end of 2020 and increase alcohol health literacy by the end of 2025.

We value transparency and believe in helping consumers understand why and how alcohol should be consumed within limits.

In APAC, we launched a guidance label project to share health information via packaging labels and secondary labels. We collaborated with public health experts, governments, and other partners to develop and implement ideas about how we can improve and accelerate our progress on labeling and alcohol health literacy. By the end of FY20, our use of guidance labels in APAC reached 70%, exceeding our expectations. Whilst this is an encouraging result, at Budweiser APAC, we are never to be completely satisfied. We know there is more work to be done to raise awareness and create value for our consumers.

Looking Forward

We know that changing behavior requires a sustained commitment from our brands. We will replicate responsible consumption marketing campaigns that have proven effective across our APAC markets, provide consumers with high-quality no-alcohol and low-alcohol beer selections and improve alcohol literacy through guidance labeling. We are committed to reducing the harmful use of alcohol to preserve and protect our social license to operate and our long-term ability to create value.

Road Safety

As a leading beer company with a significant operation of road transportation fleets, improving road safety is one of the top priorities for our company.

In November 2020, we launched the first Chinese-translated edition of the “Management Practices for Safer Roads” toolkit which was co-developed by AB InBev Group and the United Nations Institute for Training and Research (UNITAR). Powered by digital innovation, the toolkit helps identify hazardous and critical road locations where excessive numbers or severity of crashes occur and outlines corrective measures. It is an interactive e-learning tool that can be used by government officials, road engineers, planners, and policymakers from the public and private sectors. We have shared the toolkit with the local government in more than 30 cities across China. We aim to empower and mobilize local stakeholders to learn and implement management methods to improve road safety.

In India, we worked closely with the government to launch the Safer Roads for Gurugram initiative. We aim to achieve substantial reduction in fatalities and serious injuries from road accidents in Gurgaon by changing public attitude and behavior towards road safety. Following the successful implementation of this initiative in Gurugram, we intend to replicate this model in other key Indian cities with high incidences of road accidents.





Award of Road Safety Innovation

Gold
**SABRE
APAC** Award

Safer Roads for Gurugram, India

We have been supporting the Ministry of Public Security Traffic Administration Bureau's "Traffic Safety Experiential Course" for five consecutive years. The program teaches young people about the importance of road safety. Through fun-packed interactive games, the program connects traffic safety knowledge with travel scenarios of children and teenagers. Since 2016, the program has donated 3,676 magic box sets to schools and communities across the country, including 29 Hope Schools that Budweiser APAC contributed directly to. So far, the program has staged 10 national-level demonstrations and mobilized more than 1,000 volunteers

to visit over 3,000 schools and communities for traffic safety education. The awareness-building program has benefited more than 1 million children and teenagers in China, and its live-streaming courses viewed by more than 40 million people online.

Looking forward, we will continue our work with UNITAR to expand road safety training and make it accessible in all cities.

Product Responsibility

The growing aging population coupled with the changing preferences and aspirations of Millennials and Gen Z have raised the bar on quality, safety and healthy food and beverage products made from ethically sourced and high-quality ingredients.

As a responsible brewer, we adhere to applicable laws and regulations when advertising and marketing our products. We are committed to ensuring that our commercial communications are directed only to those above the legal drinking age and are carried out in a socially responsible manner.

Our Ambition

We are committed to setting high standards on product marketing, while closely monitoring our operations to achieve consistent quality and safety standards in the production, storage, and transportation of our products.

Community Engagement

Our Approach

Responsible Marketing

We take great pride in producing and marketing our beers with quality and care. We strictly comply with the relevant laws, regulations and standards across APAC including but not limited to the Advertising Law of the Central People's Government of the PRC, the National Health Act in South Korea, and relevant prohibition of advertisements stated in the Excise Acts and ASCI Code for Self Regulation in Advertising Content in India.

We strive to make our marketing communications honest, truthful, in keeping with contemporary standards of good taste, and sensitive to cultural differences between markets. Compliance with our Responsible Marketing and Communications Code (RMCC) is mandatory for all of our marketing, sales, promotion and communications efforts across both traditional as well as digital media. Annual training on the RMCC is provided to all Budweiser APAC Marketing, Sales, Corporate Affairs and Legal teams, and external agencies. New colleagues receive training within 60 days of commencing employment. It is the responsibility of the Marketing and Sales Vice Presidents to oversee training takes place and the relevant members of staff and agencies are properly trained.

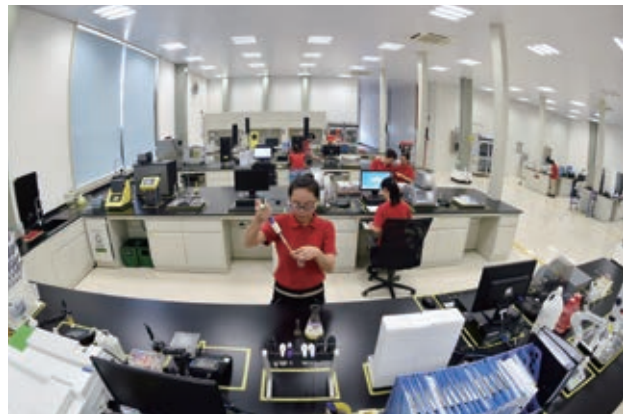
Marketing and Sales Directors are accountable for compliance with the RMCC. All commercial communications are reviewed through an approval process that includes Marketing, Legal, and Corporate Affairs. In instances where a disagreement arises regarding compliance, the issue will be escalated appropriately.

Food Safety

We promote a rigorous food safety culture in our operations. This includes a set of policies and guidelines including a **Food Safety Policy**, signed by our Chief Executive Officer and Chief Supply Officer, which has been implemented at all sites. We undertake a system-based approach to the management of food safety, pay close attention to critical control point management, end-to-end process monitoring, management of changes, employ food safety third-party audit and analysis.

All of Budweiser APAC's manufacturing facilities are using the VPO system for routine product quality and safety management which covers all elements of ISO 9001 – Quality Management System and FSSC 22000 – Food Safety System Certification. An internal audit is conducted twice a year to make sure systems operate as intended. Some of our sites obtained the Global Food Safety Initiative/Hazard Analysis and Critical Control Points external certificates to meet special requests from clients.

Training on product safety was performed annually and anytime when there is a policy update. Traceability, recall, and compliance tests are conducted regularly.



Looking Forward

We will uphold our high standards on product marketing and continue to promote stringent food safety measures in our operations.

Acting in Our Communities

Disaster Relief

We believe we can play a positive role in helping communities prepare for and respond to disasters by working with government, civil society, and other private sector organizations.

During the COVID-19 outbreak, we donated CNY11,000,000 which includes supplies, such as protective masks and sanitizers disinfectants to Wuhan (Hanyang District) Charity Federation (武漢市漢陽區慈善會) in China, over 250,000 cans of water to isolation centers in Vietnam, and a billion won-worth masks and aid to Daegu in South Korea.

In South Korea, we contributed to local communities across the whole country through various charity programs to support the underprivileged.



We believe we can play a positive role in building resilient communities by working alongside civil society and NGOs. In Korea, we responded to a major typhoon affected area by donating a total of approximately 58,240 bottles of water to the Hope Bridge Korea Disaster Relief Association for the victims. Across APAC, we donated a total of approximately 1.37 million cans of emergency drinking water in 2020.



Colleagues in Vietnam Donated VND 150,000,000 to Help People in Flood Disaster Area

In November 2020, the widespread flash floods caused serious damage to lives and properties in Vietnam's central provinces of Thua Thien Hue, Quang Tri, Quang Binh, and Ha Tinh. Millions of people were affected, many made homeless or separated from their families.

In response to the call from The Vietnamese Fatherland Front and Binh Duong Labor Federation, we collected donations of approximately VND150,000,000 (around USD6,500) from our colleagues after a two-day internal donation campaign.

Community Engagement



Hope Schools

We commit to actively participate in community building. Donating to and building schools is a practical and tangible way of contributing to societal development. In 2010, we donated the first Hope School in Yunnan Jinping. Since then, we have made donations to build 29 Hope Schools in China, with two more currently under construction. In total, approximately 8,681 students and 925 teachers have benefited as a result of our donations.

Volunteering and Helping Our Communities

Volunteering is one of the best ways to *bring people together for a better world*. To help our communities, we have implemented several initiatives such as poverty alleviation programs to help farmers in their cultivation technology and sales channels. In China, our poverty alleviation projects supported over 38,000 farmers through providing them access to technical support, job opportunities, financial services and sales channel.

In Anyue, Sichuan, led by a team of technical and agricultural experts, we taught the farmers how to improve the soil by properly applying pesticides and fertilizers, what equipment to purchase, and techniques to improve their yields. In the next phase of our engagement, we strive to enable farmers will take the leap into the digital age by introducing them to sell direct to consumers on e-commerce platforms like TikTok and Tmall.

We have planted ‘Cass Forest of Hope’ in Mongolia for 10 years. We have carried out various innovative solutions to tackle age-old problems, such as poverty, lack of jobs, and gender equality.



Across our breweries situated in rural and semi-rural India, we have implemented innovative solutions to tackle age-old problems. We have installed streetlights and CCTV (closed-circuit television) cameras in the most vulnerable areas to enhance road safety, create a safer environment for women and deter rising crime.

▼ The 8th Happy Library in South Korea ▲

Happy Library is our representative community program in South Korea that has been running since 2016. The goal of the program is renovate old local child centers, create modern facilities and provide free educational materials for children. In October 2020, Jusarang Community Child Center, which was severely damaged by the typhoon Bavi and Maysak in the summer of 2020, was selected as the 8th Happy Library venue. Since 2016, a total of approximately 3,000 books were donated to Happy Libraries.



64,135+

hours of volunteering
in 2020

Supply Chain Management

Environmental and social risks are present in the supply chains of alcoholic beverage companies. We rely on numerous ingredients – including grains, corn, sugarcane, wheat, barley, hops, and various fruits – that are highly susceptible to price volatility linked to environmental factors such as shifting weather patterns, droughts, and crop disease. As the impacts of climate change and water scarcity continue to increase in frequency and severity, we anticipate challenges in the price and availability of our key ingredients.

The potential for supply shortages and disruptions due to social issues such as labor disputes, human rights risks and community conflicts present further risks to the sustainability of our sourcing activities.

Our Ambition

Although we do not have direct control over farming practices, we understand that we have the responsibility to influence and improve agricultural and labor conditions in our supply chain. We are committed to looking at our entire value chain for opportunities to reduce costs, limit environmental impacts and improve economic stability among our many suppliers and surrounding communities.

Our Approach

Responsible Sourcing

Our **Responsible Sourcing Policy** guides our operations including making environmentally and socially responsible procurement decisions. The policy outlines our approach and commitment to upholding human rights, labor standards, workplace health and safety, environmental management, and business integrity across our supply chain. Furthermore, we expect our suppliers and business partners to require that their employees, temporary and contract workers, and parties involved in their supply chain to provide goods or services to Budweiser APAC also comply with the policy. We engage our suppliers to assess their practices against our sourcing policy using self-assessment questionnaires and third-party on-site audits. We assess the suppliers based on compliance with laws and regulations, financial performance in the past three years, and ESG-related issues such as child or forced labor, freedom of association, and occupational health and safety. Where possible, Budweiser APAC provides training and guidance for suppliers and business partners to support effective compliance with this policy.

Supplier Environmental Performance

We encourage our contractors and suppliers to observe the Company's core values and to adhere to environmentally responsible practices. Suppliers must observe all applicable laws and regulations concerning the environment, and provide products and services in an environmentally responsible way through efficient use of natural resources. Suppliers should do this by integrating environmental management practices into operational and training systems.

Community Engagement

Unless otherwise agreed in writing, Budweiser APAC requires our suppliers to have a focus in the following areas:

- **Carbon:** Commit to setting reduction targets in agreement with Budweiser APAC and implement programs that support the achievement of those targets;
- **Recycled content and rate:** Commit to reducing the production of waste and implementing initiatives in partnership with Budweiser APAC to measurably increase the recycled content used in products and/or the returnability of products; and
- **Water:** Set targets to reduce water use within their operations and develop plans to reduce water consumption in the overall value chain. Business partners should identify high-risk water sites and identify opportunities to partner strategically and implement initiatives with Budweiser APAC.

Human Rights Policy

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

As part of our **Responsible Sourcing Policy**, our business partners are required to respect the need for workers to have a balance between work and leisure. Working hours and overtime shall comply with applicable wage, working hours, overtime and benefits laws and regulations and local labor agreements.

Budweiser APAC assesses the compliance of its operating units with its human rights commitments by implementing periodic risk-based assessments, including legal reviews, impact assessments, self-assessment questionnaires, and auditing protocols as appropriate.

Grievance Mechanisms

If reasonably credible evidence of violations of our policy is identified, via the grievance mechanism or otherwise, suppliers must report the issue to Budweiser APAC through Budweiser APAC's Compliance Helpline, online at <http://www.budweiserapac.com/caseReport>, or by phone at a local number available on the website. The Compliance Helpline is available 24 hours and is toll-free. It is available to anyone, and reports can be made confidentially and anonymously. Alternatively, reports can be made to Budweiser APAC's Legal team or Ethics and Compliance team. Business partners' employees or other stakeholders may also report issues directly to Budweiser APAC via the above channels.

Looking Forward

As the world focuses on building back and recovering from the social and economic impact as a result of the COVID-19 pandemic, we are committed to building a sustainable supply chain that values human rights and environmental protection.

Dream-People- Culture

- p.42 Employee Experience
- p.46 Workplace Safety
- p.47 Diversity and Inclusion



Dream-People-Culture

At Budweiser APAC, dreaming big is in our DNA. We are building a profitable, growth company. Beer has been bringing people together for centuries and we want to make sure the same holds true for centuries to come. Our greatest strength is our people, and we support every individual to excel. We employ more than 26,000 colleagues across our markets, all united by a deep passion for brewing great beer and an unwavering commitment to supporting the communities we call home.

Employee Experience

Our Ambition

Achieving our purpose of *bringing people together for a better world* is up to our people – our most important competitive advantage and our biggest asset. We strive to acquire and retain the best talent through engagement, development advancement equality and respect for all. We offer training and career development opportunities, competitive remuneration and benefits, and protecting the health and safety of our colleagues.

Our Approach

Talent Attraction and Hire

Our talent attraction philosophy is to hire highly capable talent, invest in their development, so they can unleash the best of themselves in their professional life. We aim to source and promote our leadership positions from within.

Our recruitment strategy has three main streams:

- **Graduate recruitment:** Our Talent programs enable us to attract, recruit and develop a pool of unique and diverse high-potential talents to deliver outstanding results. We have multiple talent programs, some are dedicated to a specific function and include our sales team's "Red Star" program, our supply team's "Supply Excellence Trainee" program, and our Technology team's "Technology Management Trainee" program. Our "Global Management Trainee Program", the Company's flagship initiative, attracts thousands of applications in all of our business units each year. The GMT Program hires around 30 to 40 high-potential

graduates a year and approximately 70% of female talents from top universities through a thorough recruitment process and develops them to become senior leaders within an accelerated timeframe.

- **Experienced recruitment:** Our global MBA ("GMBA") program attracts the very best MBA students across the globe and recruits from top MBA schools in mid-management level positions. Colleagues in the GMBA program are assigned to strategic projects, where they can apply their knowledge from business schools and previous working experience to solve problems and create meaningful solutions for the Company.
- **Strategic external hire:** We understand that we need to bring different visions and diversity of thoughts into the organization. Our strategic external hires to bring in the right capabilities, skills, knowledge and the talent that will fit our culture.

Employee Engagement

To provide the best work environment and make sure our colleagues feel engaged, energized and empowered it is important to listen to our people. We collect employee feedback through an annual engagement survey along with a periodic pulse survey, which helps us continuously improve by providing us with quantitative and qualitative insights into building a strong and engaged workforce.



HIGH RESPONSE RATE

 **98%**

ENGAGEMENT IS IMPROVING

 **90%**

+20% vs industry norm,
+3% vs 2019,
+6% vs 2018

HIGH LEVEL OF TRUST

 **91%**

Felt optimistic
about Bud APAC's future,
+4% increase vs 2019

IMPROVED CATEGORIES

 **12/12**

78% items improved
significantly vs. 2019

0% items scored less
favorable vs. 2019

Employee Learning and Development

Our learning and development platform offers our people and the company a resource for sustainable development and continuous learning. It is key for us that all colleagues constantly re-skill themselves to remain up to date on new trends, technology and innovation. We desire to grow together. As a result, ABI University is an internal

career acceleration center that partners with global leading business' and technical schools to deliver programs, expert guidance and learning solutions that improve our people's capabilities (knowledge, abilities, attitudes). This ensures our people and business are better prepared for current and future challenges.



We established the **Training Policy** and the **Internal Trainer Management Policy**, to facilitate the implementation of the Company's learning and development activities on a larger scale. This also ensure our colleagues can easily access, to create an improved learning atmosphere.



3,000+

colleagues attended classroom training programs



15,000+

colleagues attended online learning



Employee Advancement

We believe in attracting, engaging, and developing the best people with the right level of advancement, while rewarding performance and fostering ownership culture.

We assess the performance and potential of our colleagues and identify opportunities for their development. The process enables our people to grow at the pace of their talent and to deliver results that support business needs.

Career management is another way we provide internal opportunities for advancement (laterally and upwards) through an integrated process which includes leadership and functional competency appraisals, learning, development, and possible career journeys. In FY20, we promoted and laterally moved 13.4% of colleagues enabling them to grow at a speed aligned to their talent and results, while enhancing employee engagement and retention.

Employee Health and Well-being

Our ambition is to create healthy workplaces that support the well-being of our colleagues. This is crucial to our business and is a key component of our overall benefits strategy because it has a significant impact on talent attraction and retention, engagement, and cultural adaptability. We aim to foster an environment in which colleagues can take a proactive approach to their well-being, develop mindsets and behaviors to support them to navigate challenging times.

In China, we launched our new well-being program – ‘We’ve got you covered!’. This program gives our colleagues the tools and resources to be healthy, resilient and accomplish both at work and home. The program is centered around four pillars of well-being – physical, behavioral, financial and social. For each pillar, we offer new or enhanced options, resources and initiatives that are designed to help our colleagues and their families to unleash the best versions of themselves.



While the development of the framework began prior to COVID-19, the timing of the rollout and implementation has come at a crucial time, when our colleagues faced challenges and uncertainty from both professional and personal perspectives. We continue to monitor employee feedback through our well-being index within the engagement survey, create action plans accordingly and continuously develop the pillars and programs.



Each of us in the company are responsible for promoting a culture that results in a safe, positive, diverse, and inclusive work environment where people can flourish. For this purpose, we have the **Anti-Harassment and Anti-Discrimination Policy** to guide and foster an inclusive workplace free from all forms of harassment, including unfair discrimination, sexual harassment, and sexual misconduct. This policy protects our colleagues against inappropriate actions that are unwanted and unwelcome and/or which create an intimidating, offensive, or hostile work environment.

We also recognize the responsibility of the business to respect human rights. Our **Human Rights Policy** outlines our approach to overseeing human rights across our operations and our value chain, including our colleagues,

suppliers, contractors, retailers and consumers. Budweiser APAC is committed to implementing this policy in the course of existing business and the assessment and development of any new business opportunities.

Freedom of Association

Budweiser APAC respects the right of all its workers to form and join lawful trade unions and other organizations of their choice, and to bargain collectively in support of their mutual interests. Budweiser APAC does not discriminate in any way against workers that choose to form or join trade unions, or against those workers that choose not to form or join trade unions. In those countries or situations in which the legal system prohibits or severely restricts the right of freedom of association, Budweiser APAC will support, within the framework of applicable laws and regulations, the establishment of alternative means to facilitate the effective representation of workers' interests and communication between workers and management.

We are committed to business practices that support and respect human rights and align with the UN Global Compact principles. We recognize the value of communication and clear understanding between parties at all levels to meet compliance with global policies and international standards and advance constructive and healthy industrial relations. We continually evolve our approach to strengthen our commitment to human rights, learning from our experience and the guidance of stakeholders. An example of this commitment is a situation in one of our operations in India that was successfully and amicably resolved through our voluntary participation in mediation in compliance with the Organization for Economic Co-operation and Development (OECD) guidelines. We encourage people to raise any concerns to us using our Compliance Helpline (<http://www.budweiserapac.com/caseReport>).

Looking Forward

We will continue to monitor feedback from our colleagues and seek areas of improvement to foster an inclusive and engaging work environment.

Workplace Safety

Workers involved in our business are sometimes exposed to hazards including falls, transportation accidents, equipment-related accidents, and heat-related illness or injury. Ensuring the safety of our colleagues and communities is critical to our business.

Our Ambition

We are committed to complying with all applicable health and safety laws and regulations, company standards and other requirements to which we subscribe and applying international best practices where local laws and regulations may not meet our minimum standards. We have established a **Health and Safety Policy** at the Group level.

Our Approach

Health and Safety Management System

To protect the health and safety of our colleagues, we have operational procedures and safety standards for our production process, including fire safety, warehouse safety, work-related injuries, electricity safety, emergency and evacuation procedures. We provide our colleagues with occupational safety education and training to enhance their awareness of safety issues. Budweiser APAC is using the VPO system for routine management which covers and exceeds all elements of OHSAS 18001/ISO 45001. An internal audit is conducted twice a year.

In FY20, safety trainings were conducted which included safety leadership trainings, technical safety trainings, and general safety training that covered 100% of our colleagues and contractors. During the COVID-19 pandemic, we organized online trainings which covered more than 70% of our colleagues. These initiatives improved the overall safety awareness of our colleagues.



We established a technical committee to upgrade technical safety measures to meet industry best practices such as machine guarding and the use of dust explosion prevention devices. Requirements have been defined and upgrades are in progress. Through implementing these upgrades, we are on the way to first-rate positive safety culture. To achieve our target of zero injuries, colleagues in all areas of our company take personal responsibility for promoting and adhering to safe behaviors at all times. We also have an Environmental, Health and Safety department that oversees professional health and safety management. All management level and Supply and Logistics colleagues has personal targets relating to the VPO and safety metrics that are tied to variable compensation.

Our goal is to minimize risk, build safety leaders throughout the organization and achieve zero injuries. Through the dedication and commitment of our team members, many of our operations are well on the way to achieve this goal.





23%

decrease in total recorded injuries



21

breweries have acquired the Certification of Work Safety Standardization

Looking Forward

Our safety programs for 2021 and beyond will continue to focus on preventing serious injuries and fatalities. We will continue our commitment to preventing serious injuries and fatalities and further building a culture of safety across our entire business.

Diversity and Inclusion

Our Ambition

We commit to continuously foster an inclusive workplace and increase the employment of women and underrepresented groups across our different markets. We have established a **Diversity and Inclusion (D&I) Policy** to provide guidelines for what is expected from all our leaders and colleagues to treat each other with respect and cultivate, encourage, maintain and preserve an inclusive environment. In Budweiser APAC, we have a diverse workforce comprising of more than 20 nationalities and 39% female colleagues.

Our Approach

Building a Diverse and Inclusive Working Environment

To work towards achieving our D&I ambition, we launched a series of initiatives in 2020 including our first APAC D&I Council co-chaired by our Chief Executive Officer and Chief People Officer.

The D&I Council is operated at a business unit level (China, East Asia, India and South East Asia) where every committee is dedicated to advancing D&I in the Company, collaborating on high impact decisions and championing D&I at the highest levels of the organization. The People team tracks progress against key D&I metrics to form the foundation of most initiatives driven by the council and reports back to the Chief Executive Officer and Chief People Officer on progress.

Throughout FY20, our People team organized bi-monthly best practices sharing sessions among different business units to promote equality in advancement opportunities and foster an inclusive work environment. More than 50 sessions of training and workshops, focused on female leadership development and career advancement were held. Three sessions of “Unconscious Bias Training” were delivered by our managers to promote equal employment for people of different genders, races, background, and experiences.

We updated and rolled out an **Anti-Harassment and Discrimination Policy**. As part of the implementation strategy, reporting of violations is a mandatory requirement for all supervisors under the policy, and Policy Ambassadors will help address and follow up concerns and give early warnings to policy violators if necessary.

We monitor and evaluate the effectiveness of our D&I initiatives through a D&I index in our annual employee engagement survey. The survey focuses on five aspects: senior management’s commitment to D&I, value for diverse perspectives, respect, psychological safety, and equality. We were pleased to see the results of the survey in FY20. Our D&I Index scored 93% which was +2% improvement, compared to 2019 and a 17% increase compared to industry norm, reflecting our effort to build a more diverse and inclusive workplace recognized by our colleagues across APAC.



Table: Gender equality metrics²

	FY20
Percent of women in our workforce	39% (-2%)
Percent of female representation among our top four leadership levels	25% (+2%)
Percent of women in talent pipeline	44% (+8%)
Percent of new hires who are women	26% (steady)

Gender Pay

According to a survey conducted by Mercer, a world-class compensation specialist, our adjusted gender pay gap is currently at -3%. Mercer renewed an average gender pay equity by controlling the “legitimate” drivers of pay – creating segments of employees with the same factors, such as experience, performance, job factors, location and mobility, and see if gender drives a pay difference.

Our objective is to close the gender pay gap within less than 1% as suggested by Mercer. To achieve this, we are taking action through two means:

- **Correction plan:** We set up a remediation plan across a two to three year window to close the gap, by targeting and improving our actual salary review mechanism.

- **Sustainability plan:** We have taken a series of measures to ensure that all of our compensation cycles (not only basic salary) are bias-free and everyone has an equal chance to increase their compensation based on our principles of meritocracy.

Looking Forward

We believe that having a greater representation of diverse perspectives in our workforce will enable us to better meet the needs of our diverse consumers and grow for the next 100+ years.

² Calculation is based on numbers at the end of the reporting period.

Corporate Governance and Business Ethics

p.50 Code of Business Conduct

p.50 Whistleblower Policy

p.51 Anti-Bribery and Corruption



Corporate Governance and Business Ethics

The corporate governance rules established by the Budweiser APAC Board support our business ambitions while stipulating that our company should be responsibly managed and properly controlled. Without limiting vision or hampering swift action, the rules establish a framework of best practices, a way of thinking, and ways of working within and around our company that provides clarity and commands adherence to the highest standards of business integrity and ethics. With our rigorous system of controls and an experienced Board, we are committed to achieving the highest standards of corporate governance and safeguarding the interests of our shareholders, colleagues, consumers and the communities where we operate. Please see the “Corporate Governance Report” of our 2020 Annual Report for further details on our corporate governance practices.

Code of Business Conduct

Our **Code of Business Conduct**, which embraces the fundamentals of our 10 Principles, sets out the ethical standards to which all directors, officers, and employees are expected to adhere to. We also encourage and expect our suppliers, service providers and other business partners to act in a manner consistent with our **Code of Business Conduct**, and to adopt similar standards in practices, integrity, and transparency in partnering and doing business with us.

Whistleblower Policy

We actively encourage our colleagues and related third-parties to report, in strict confidence and on an anonymous basis, misconduct, malpractice, or irregularities in any matters related to the Company.

Our **Whistleblower Policy** outlines detailed procedures regarding how we receive, retain, and follow up on whistleblower reports in conformity with applicable laws, rules and regulations.

We have a public whistleblower hotline run by an independent third party 24/7/365 with multiple language support, allowing those within and outside of the Company to report, in strict confidence and on an anonymous basis, any suspected breaches of policies, including the **Human Rights Policy** and **Responsible Sourcing Policy**. Upon receipt of a report, a compliance officer will be designated to investigate the issue.

All reports received will be taken seriously. They will be promptly and thoroughly investigated by the Ethics and Compliance teams, or by other teams under their supervision, in accordance with established **Investigation Guidelines**.

Whistleblowers will be notified of the status of the investigation as appropriate. All reports received will be properly logged into our case management system. The Ethics and Compliance team will make periodic reports to the Compliance Committee and/or the Board on whistleblower reports received.

Substantiated allegations will result in necessary disciplinary actions and remedial actions. In 2020, there were 114 reports received, of which 34% are related to potential/actual conflict of interest concerns, 19% related to dishonest behavior, 15% related to HR-related issues, 13% related to violation of policies and procedures, and 19% related to other issues such as health and safety, environment and data protection. As of 31 December 2020, 61 cases remained to be substantiated, 14 cases resulted in dismissals or resignations and 21 cases resulted in other types of disciplinary actions such as suspensions or warnings. As part of remedial actions, we promptly circulated internal communications to all colleagues setting out the disciplinary actions we took to demonstrate our zero-tolerance policy towards unethical behaviors and to prevent similar misconduct from occurring again. We also organized leadership calls to deliver a tone-from-the-top message emphasizing compliance, sent out Compliance Do's and Don'ts reminders, strengthened relevant controls and procedures, and conducted a national Anti-Harassment campaign. In addition, our Ethics and Compliance team has distributed Quarterly Compliance Newsletters which includes key compliance policies as well as details of whistleblower hotline.

Anti-Bribery and Corruption

We have zero-tolerance towards bribery and corrupt conduct, Our **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 endeavor to maintain a leading anti-corruption compliance program. This program is managed by our Compliance Team which 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 FY20, there were no material non-compliance cases with material impact at Budweiser APAC related to bribery, extortion, fraud, and money laundering.

Code of Business Conduct and Anti-Corruption Training

We provide **Code of Business Conduct** and anti-corruption trainings for to our colleagues to heighten their awareness of ethics and compliance issues, including anti-bribery, anti-corruption, anti-harassment and discrimination, conflicts of interests, antitrust and digital ethics. We make the training more effective and enjoyable by transitioning our training approach from a slide deck presentation to interactive animations that portray possible scenarios based on real-life cases. We also hold live training sessions and circulate relevant news and updates via internal communications.



BrewRIGHT

We utilize BrewRIGHT, an award-winning, state-of-the-art analytics platform, to assess risks linked to corruption and money laundering, catch duplicate payments and track beer giveaways. It uses machine-learning technology that can identify risky business partners and potentially illegal payments. Examples include:

- **Third-party diligence:** We review a master list of vendors and identify the ones that might have ties to the government and should be subject to increased scrutiny.
- **Diligence accuracy:** This system tracks vendors after they have been approved. It looks for red flags, including discrepancies between what vendors have been hired to do and what they are doing.
- **Travel and entertainment:** Our compliance team can compare expense spending across teams, regions, and even corporate functions in an effort to root out bribes given in the form of expensive meals or other gifts.
- **Data pollution:** We assess the quality of data across the company's enterprise-resource-planning systems to help correct for bias generated by differences in data quality. This allows the company to continuously audit record-keeping practices across its operations.

ESG Data Performance Table

Environmental Performance

	Unit	2020	2019	2018
GHG Emission				
Total GHG Emissions	ton CO ₂ e	6,518,208	7,602,891 ²	7,024,676
Scope 1 Emissions ³	ton CO ₂ e	183,980	257,845	287,350
Scope 2 Emissions ⁴	ton CO ₂ e	462,137	489,318	658,381
Scope 3 Emissions ⁵	ton CO ₂ e	5,872,091	6,855,728	6,078,945
Scope 1 and 2 GHG emissions per hectoliter of production	kg CO ₂ e/hl	8.15	8.58	10.53
Scope 1, 2 and 3 GHG emissions per hectoliter of production	kg CO ₂ e/hl	82.20	87.29	78.18
Energy				
Total Energy consumption	million GJ	7.0	8.3	9.2
Direct Energy Consumption – Non-renewable energy sources	GJ	2,453,610	3,507,609	4,320,335
Direct Energy Consumption – Renewable energy sources	GJ	588,580	735,469	606,166
Indirect Energy Consumption – Electricity purchased from non-renewable energy sources	GJ	1,953,917	2,324,383	2,470,587
Indirect Energy Consumption – Electricity purchased from renewable energy sources	GJ	219,884	114,247	68,544
Indirect Energy Consumption – Imported Steam	GJ	1,782,398	1,578,423	1,716,073
Energy usage per hectoliter of production	MJ/hl	87.90	92.65	100.03
Energy purchased per hectoliter of production	MJ/hl	84.40	89.66	97.95
Percentage of renewable electricity	%	14.2	4.4	2.8
Water				
Total water consumption	khl	196,004	232,552	262,283
Percentage of water consumption from alternative water sources (i.e. greywater, rainwater, sewage)	%	8	9	5
Water use by hectoliter of production	hl/hl	2.47	2.60	2.85
Waste				
Total non-hazardous waste produced	tons	1,292,757	1,488,634	1,605,389
Total hazardous waste produced	tons	2,427	1,879	397
Packaging				
Total packaging materials used for finished products	tons	1,395,296	1,963,815	1,911,809
Percentage of returnable/recovery packaging	%	53.3	56.1	53.8
Percentage of recycled content in packaging – Glass	%	48.6	47.2	45.3
Percentage of recycled content in packaging – Cans	%	19.5	23.5	8.3
Air Emissions				
Particulate Matter (PM)	tons	107	171	168
Sulphur Dioxide (SO _x)	tons	56	97	186
Nitrogen Oxide (NO _x)	tons	281	365	490

¹ The numbers stated in various tables of the Report may not add up to totals or 100% due to rounding.

² The GHG emissions in 2019 has been adjusted due to a change in calculation methods.

³ Scope 1 includes CO₂ equivalent (CO₂e) from fuel used in our manufacturing processes (including all brewing and vertical operations) and in cogeneration plants that generate on-site electricity.

⁴ Scope 2 represents emissions from purchased electricity and steam.

⁵ Scope 3 emissions constitute estimates based on a mix of supplier-based numbers, APAC emission factors and assumptions. Data's main categories include, Purchased Goods and Services, Upstream and Downstream Transportation, Emissions from fuel used not included in Scope 1 and Scope 2, Product Cooling and End of Life.

ESG Data Performance Table

Social Performance

	Unit	2020	2019	2018
Employment				
Total employees	No.	26,489	28,546	30,085
Number of employees by employment type				
Full-time	No.	22,004	22,935	25,123
Male	No.	16,260	16,899	18,085
Female	No.	5,744	6,036	7,038
Part-time	No.	4,485	5,611	4,962
Male	No.	0	0	0
Female	No.	4,485	5,611	4,962
Number of employees by employment contract				
Permanent	No.	20,747	21,499	23,259
Temporary	No.	5,742	7,047	6,826
Number of full-time employees by age group				
Under 30	No.	4,751	4,947	5,317
Between 30 and 50	No.	15,174	15,814	17,287
Above 50	No.	2,079	2,174	2,519
Number of full-time employees by employee category				
Managers	No.	5,572	5,952	4,804
Non-managers	No.	16,432	16,983	20,319
Number of full-time employees by geographical region				
Mainland China	No.	18,047	18,942	21,163
South Korea	No.	1,939	1,952	1,973
India	No.	1,593	1,643	1,615
Vietnam	No.	355	335	303
Japan	No.	59	51	60
New Zealand	No.	11	12	9
Employee Turnover Rate				
Turnover rate	%	6.45	7.69	8.18
Turnover rate by gender				
Male	%	6.39	7.38	8.33
Female	%	6.63	8.64	7.74
Turnover rate by employee category				
Managers	%	7.86	8.95	8.54
Non-managers	%	5.91	7.19	8.08
Turnover rate by age group				
Under 30	%	11.35	12.84	12.13
Between 30 and 50	%	5.20	6.58	7.16
Above 50	%	2.11	1.18	0.81
Percentage of Employees Trained				
Percentage of employees trained by gender				
Male	%	90	79	54
Female	%	90	80	54
Percentage of employees trained by employee category				
Managers	%	97	87	88
Non-managers	%	88	77	46
Average Training Hours				
Average training hours by gender				
Male	hours	11	6	7
Female	hours	11	6	6

	Unit	2020	2019	2018
Average training hours by employee category				
Managers	hours	11	7	10
Non-managers	hours	10	6	6
Health and Safety				
Number of work-related fatalities (employees)	No.	0	1	0
Rate of work-related fatalities for employees	%	0.00%	0.93%	0.00%
Number of work-related fatalities (non-employees) ⁶	No.	0	0	1
Lost days due to work injury	days	383	561	450
Number of high consequences work related injuries (excluding fatalities) ⁷ (employees)	No.	0	0	0
Rate of high-consequence work-related injuries for employees (based on 200,000 hours worked)	/	0	0	0
Number of recordable work-related injuries (excluding fatalities) (employees)	No.	20	26	27
Rate of recordable work-related injuries for employees (based on 200,000 hours worked)	/	0.25	0.24	0.27
Others				
Number of OHSAS18001 or ISO45001 certified sites	No.	21	20	20
Percentage of sites covered by health & safety management system that is certified to OHSAS18001 or ISO45001 standard	%	46%	41%	39%
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0	0

⁶ Non-employees include contractors/sub-contractors/service-providers.

⁷ High-consequence work-related injury is defined as work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Awards & Affiliations

Awards & Affiliations	Organizations	Region
<ul style="list-style-type: none"> Annual List of Social Responsibility Enterprises of 2020 Award of Excellence 2019/2020 Best Human Resources Solutions 	<p>New Weekly</p> <p>The Community Chest of Hong Kong</p> <p>2020 Human Resources Technology Conference & Exposition</p> <p>Yangcheng Evening News</p>	
<ul style="list-style-type: none"> Best Social Responsibility Award in ‘Embroidery Spirit – New Era Model Award Ceremony’ China New Growth CSR Practitioner of 2020 CSR Role Model Enterprise of the Year Excellent Poverty Alleviation Projects Green Logistics Innovation Leading Enterprise of the Year 2020 Influential Enterprise of the Year Responsible Enterprise of the Year 2020 Road Safety Innovation Road Safety Public Service Partner in Shanghai Shanghai’s Woman Civilization Station The Best CSR Enterprise of the Year 2019 CSR Rankings for Enterprises in China – No.1 2020 CSR China Top 100 Volunteer Service Honor Award 2020 Employer Excellence China – Learning and Development Top Graduate Employers 100 Excellence Employer Top 30 Employer of the year Green Logistics Innovation Leading Enterprise of the Year 2020 2020 China Corporate Social Responsibility Award ‘Prominent Governance – Special Contribution Award’ Green Factory – NAC3/JMS/MDJ Green Supply 2020 – HRB Water Efficiency Leader 2020 – SUQ, PTN 	<p>Harvard Business Review</p> <p>Southern Weekly</p> <p>Shanghai Foreign Investment Association</p> <p>China Federation of Logistics and Purchasing</p> <p>Southern Weekly</p> <p>China News Service and China Newsweek</p> <p>Ministry of Public Security</p> <p>Shanghai Public Security Bureau Traffic Police General Brigade</p> <p>Women’s Federation of Shanghai</p> <p>Southern Weekly</p> <p>Southern Weekly</p> <p>CSR China Education Awards</p> <p>51 jobs</p> <p>51 jobs</p> <p>51 jobs</p> <p>Zhaopin.com</p> <p>The Green Logistics Committee of China Federation of Logistics and Purchasing</p> <p>SMG and Shanghai Charity Foundation</p> <p>Ministry of Industry and Information Technology</p> <p>Ministry of Industry and Information Technology</p> <p>Ministry of Industry and Information Technology, Ministry of Water Conservancy, National Development and Reform Commission, State Administration for Market Regulation</p> <p>National Environmental Protection Industry Association</p>	China
<ul style="list-style-type: none"> Environmental Technology Progress Award (Second Prize) 	<p>National Environmental Protection Industry Association</p>	

Awards & Affiliations	Organizations	Region
<ul style="list-style-type: none"> • 2020 KCCI Forbes CSR Award – Grand Prize • UN SDGBI ‘Superior Group’ Certificate • Certificate of Recognition in environment preservation • BSG (Brewer’s Saved Grains) upcycling project • Solar Energy Generation Joint Business • OBC #1 reputation in industry • ICH Brewery – Best Practice for Empty Bottle Return 	<p>JoongAng Ilbo Forbes and Korea Chamber of Commerce and Industry (KCCI)</p> <p>Association for Supporting the SDGs for the UN Minister of Environment Republic of Korea</p> <p>Re-Harvest</p> <p>KEPCO Energy Solution and Aeonus</p> <p>Gallop Korea survey</p> <p>Korea Resource Circulation Service Agency (KORA)</p> <p>Ministry of Environment</p>	Korea
<ul style="list-style-type: none"> • Best Influencer of Marketing Campaign (Silver): Beck’s Ice Bola the Na • Best Management of Crisis (Gold): Tackling Fake News on Budweiser • Great Place to Work in India 	<p>The Economic Times ET BrandEquity.com</p> <p>Shark Awards 2020</p> <p>Fulcrum Awards</p> <p>Great Place to Work® Institute</p>	India
<ul style="list-style-type: none"> • Best place to work in Vietnam • The Rate Sustainability Companies • My Phuoc Brewery recognized Green Award 2020 	<p>Anphabe</p> <p>The Vietnam Chamber of Commerce and Industry</p> <p>Binh Duong’s People’s Committee</p>	Vietnam

Definitions

“AB InBev”	Anheuser-Busch InBev SA/NV (Euronext: ABI; NYSE: BUD; MEXBOL: ANB; JSE: ANH) (which incorporated for an unlimited duration under the laws of Belgium), or the AB InBev Group, as the context requires. AB InBev is the controlling shareholder of the Company
“AB InBev Group”	AB InBev and its subsidiaries (excluding the Group)
“APAC”	(1) Australia; (2) Bangladesh; (3) Bhutan; (4) Brunei Darussalam; (5) Burma (Myanmar); (6) Cambodia; (7) China (including Hong Kong, Macau and Taiwan); (8) Cook Islands; (9) Federated States of Micronesia; (10) Fiji; (11) India; (12) Indonesia; (13) Japan; (14) Kiribati; (15) Laos; (16) Malaysia; (17) Maldives; (18) Marshall Islands; (19) Mongolia; (20) Nauru; (21) Nepal; (22) New Caledonia; (23) New Zealand; (24) Niue; (25) Palau; (26) Papua New Guinea; (27) Philippines; (28) Republic of Korea (South Korea); (29) Samoa; (30) Singapore; (31) Solomon Islands; (32) Sri Lanka; (33) Thailand; (34) Timor Leste (35) Tonga; (36) Tuvalu; (37) Vanuatu; (38) Vietnam; and (39) Wallis and Futuna
“Board” or “Board of Directors”	the board of directors of the Company
“Company”, or “Budweiser APAC”	Budweiser Brewing Company APAC Limited, a company incorporated under the laws of the Cayman Islands with limited liability on 10 April 2019
“COVID-19”	Coronavirus Disease 2019
“CSR”	corporate social responsibility
“Director(s)”	the director(s) of the Company
“D&I”	Diversity and Inclusion
“ESG”	Environmental, Social and Governance
“FY” or “financial year”	financial year ended or ending 31 December
“FY19”	the financial year ended 31 December 2019
“FY20” or “reporting period”	the financial year ended 31 December 2020
“GHG”	greenhouse gas
“Group,” “we,” “our” or “us”	the Company and its subsidiaries
“KPIs”	Key Performance Indicators
“KRW”	South Korean won, the lawful currency of South Korea
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

“NGO(s)”	Non-governmental organization(s)
“OBC”	Oriental Brewery Co., Ltd., a company incorporated under the laws of South Korea and an indirect subsidiary of the Company
“OHSAS”	Occupational Health and Safety Assessment Series
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shianco”	Shianco Home Technology Co., Ltd. (佛山市順德區錫山家居科技有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UN SDGs”	The United Nations Sustainable Development Goals
“UNITAR”	United Nations Institute for Training and Research
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USD”	dollars, the lawful currency of the US
“VND”	Vietnamese Dong
“VPO”	Voyager Plant Optimization

Definitions

Certain amounts and percentage figures included in this Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This glossary contains explanations of certain units used in this Report in connection with the Group and its business.

“CO ₂ ”	carbon dioxide
“hl”	hectoliter
“kl”	kiloliter
“kWh”	kilowatt-hour
“ml”	milliliter
“MW”	megawatt

Appendix I: HKEX ESG Guide Content Index

Mandatory Disclosure Requirements		Section	Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board's oversight of ESG issues;</p> <p>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	Sustainability Governance	
Reporting Principles – Materiality	<p>(i) the process to identify and the criteria for the selection of material ESG factors;</p> <p>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p>	Stakeholder Engagement & Materiality Assessment	
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable)	ESG Data Performance Table	
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	ESG Data Performance Table	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	About this Report	

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Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	2025 Sustainability Goals	In FY2020, there were no reported incidents of non-compliance in relation to environmental laws or regulations which had a material impact on Budweiser APAC.
KPI A1.1	The types of emissions and respective emission data	Climate Action; ESG Data Performance Table	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity	Climate Action; ESG Data Performance Table	
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity	ESG Data Performance Table	
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity	ESG Data Performance Table	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Climate Action	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Circular Packaging	

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Aspect A2: Use of Resource			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	2025 Sustainability Goals	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	ESG Data Performance Table	
A2.2	Water consumption in total and intensity	ESG Data Performance Table	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Action	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Water Stewardship	
A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	Circular Packaging	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	2025 Sustainability Goals	In FY2020, the Company followed the Environmental Pillar Handbook with an aim to mitigate the impact on the environment and natural resources.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them	2025 Sustainability Goals	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Action	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Action	

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Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
B. Social			
Employment and Labor Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Dream-People-Culture	<p>In FY2020, there were no reported incidents of non-compliance in relation to local employment laws or regulations which had a material impact on Budweiser APAC.</p> <p>We have established Leave and Holiday Policies regulating the arrangement of various staff holidays and leave, such as statutory holidays, annual leave, maternity leave, work injury leave, marriage leave, funeral leave, sick leave and other leaves. Meanwhile, we follow the national and regional labor law to implement working hour management, according to an employee's job position and actual working hours.</p>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	ESG Data Performance Table	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Data Performance Table	In the spirit of conciseness and materiality, we only provide employee turnover rate by gender, employee category and age group.

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Workplace Safety	In FY2020, there were no reported incidents of non-compliance in relation to health and safety laws or regulations which had a material impact on Budweiser APAC.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Data Performance Table	
KPI B2.2	Lost days due to work injury	ESG Data Performance Table	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Workplace Safety	
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Employee Experience	
KPI B3.1	The percentage of employees trained by gender and employee category	ESG Data Performance Table	
KPI B3.2	The average training hours completed per employee by gender and employee category	ESG Data Performance Table	
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Employee Experience; Supply Chain Management	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	Employee Experience; Supply Chain Management	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Employee Experience; Supply Chain Management	

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Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region	–	In FY2020, we worked with around 7,000 suppliers, of which about 44% were based in China, 28% in India, 21% in Korea, 5% in Vietnam and 2% in Japan.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	

Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Aspect B6: Product Responsibility			
General Disclosure	Policies and compliance with relevant laws and regulations on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	Fostering a Culture of Smart Drinking; Product Responsibility	In FY2020, 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 had a material impact on Budweiser APAC.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Data Performance Table	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Whistleblower Policy	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	–	In FY2020, the Company complied with relevant laws and regulations and had established internal policies as applicable.
KPI B6.4	Description of quality assurance process and recall procedures.	Fostering a Culture of Smart Drinking; Product Responsibility	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	–	Please refer to our Responsible Marketing and Communications Code .

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Subject Areas, Aspects, General Disclosures and KPIs		Section	Remarks
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Anti-Bribery and Corruption; Whistleblower Policy	In FY2020, there were no reported incidents of non-compliance in relation to laws or regulations relating to bribery, extortion, fraud and money laundering which had a material impact on Budweiser APAC.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Anti-Bribery and Corruption; Whistleblower Policy	
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Anti-Bribery and Corruption; Whistleblower Policy	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Bribery and Corruption; Whistleblower Policy	
Community			
Aspect B8: Community Investment			
General Disclosure	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	Acting in Our Communities; Smart Agriculture; Water Stewardship	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Acting in Our Communities; Smart Agriculture; Water Stewardship	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Acting in Our Communities; Smart Agriculture; Water Stewardship	



BUDWEISER BREWING COMPANY APAC LIMITED
百威亞太控股有限公司

